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# ***Baltic Coaster Chartering ApS***

Frederiksbro Torv 4, 1.th, DK-3400 Hillerød

## **Annual Report for 2023**

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CVR No. 20 75 82 87

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 19/4 2024

Karina Uldahl Kiel  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Baltic Coaster Chartering ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Hillerød, 19 April 2024

## Executive Board

Peter Ronnie Hulstrøm  
Executive Officer

## Board of Directors

Thomas Holst Olsen

Peter Ronnie Hulstrøm

Mikkel Schmidt

Frederik Christian Lytzen

# Independent Auditor's report

To the shareholder of Baltic Coaster Chartering ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Baltic Coaster Chartering ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 19 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Søren Alexander

State Authorised Public Accountant

mne42824

Jeff Boye Ibsen

State Authorised Public Accountant

mne49859

## Company information

<b>The Company</b>	Baltic Coaster Chartering ApS Frederiksbro Torv 4, 1.th DK-3400 Hillerød  CVR No: 20 75 82 87 Financial period: 1 January - 31 December Municipality of reg. office: Hillerød
<b>Board of Directors</b>	Thomas Holst Olsen Peter Ronnie Hulstrøm Mikkel Schmidt Frederik Christian Lytzen
<b>Executive Board</b>	Peter Ronnie Hulstrøm
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit	63,483	148,084	44,428	4,190	3,519
Profit/loss of primary operations	63,483	148,084	44,428	4,190	3,519
Profit/loss of financial income and expenses	2,905	-557	64	-104	-6
Net profit/loss for the year	65,551	147,496	44,360	4,018	3,447
<b>Balance sheet</b>					
Balance sheet total	106,023	126,983	61,220	15,161	11,770
Equity	65,801	107,750	44,553	4,193	3,625
<b>Ratios</b>					
Return on assets	59.9%	116.6%	72.6%	27.6%	29.9%
Solvency ratio	62.1%	84.9%	72.8%	27.7%	30.8%
Return on equity	75.5%	193.7%	182.0%	102.8%	67.6%

# Management's review

## Key activities

Baltic Coaster Chartering ApS is a wholly owned subsidiary of Baltic Shipping Company A/S. The company was established in 1998 and has since been transporting bulk and project cargo primarily in the Baltic Sea and Northern Europe.

We are specialized in Coaster Transport and Chartering.

At the end of 2023 we have 21 vessels on time charter.

## Market overview and expected development

2022 marked a very strong year for the shipping industry in general, and in 2023 the market has somewhat normalized. Entering 2023 the market in the short sea coaster segment was still very strong until early summer where we saw quite a drop leading to a more normalized and stable good market towards the end of 2023 and this is also how 2024 has started.

We have this year again been able to optimize and expand our fleet and expand our geographical scope and hence provide the best possible results for both vessel and freight owners.

2024 has started on a good note and we expect the market to be more stable this year, still somewhat effected by the high inflation and increasing high costs in 2022 and first half of 2023. We do expect a slightly lower result in 2024. We will continue the positive development of Baltic Coaster Chartering.

The war in Ukraine has the outmost attention from the management. Every angle from sanctions to consequential market development are constantly vetted, and we are in very close dialogue with all our business partners and advisors. We do however, despite the opaque situation and the seriousness of the war, not foresee any reason to adjust our positive expectations for 2024.

## Development in activities and financial matters

In 2023 Baltic Coaster Chartering had a total turnover of DKK 495.3 million compared to DKK 491.7 million in 2022, which is an increase of 0.7%.

The result before tax is DKK 66.4 million compared to DKK 147.5 million in 2022, which is a decrease of 55.0%.

The Management consider the result very satisfactory.

Our fleet on time charter has grown from an average of 17 vessels in 2022 to 20 vessels in 2023.

Baltic Coaster Chartering does not have any employees. All administrative matters, employees and compliance related matters are taken care of via management agreement with Baltic Shipping Company A/S.

The market for coaster trading in the Baltic Sea and Northern Europe has remained strong during 2023. The market has throughout the year been good both in terms of amount of freight, freight rates and development opportunities in the market. The market has compared to last year and the beginning of 2023 slowed down to a steadier level, and we expect the market to continue around this steady level for the foreseeable future. The activity for Baltic Coaster Chartering has in line with the development in the market grown significantly.

Our customer base has been additionally strengthened in 2023 and we continue having a strong relationship with our customers based on a competitive service, which is built on long lasting cooperation and partnerships.

To further strengthen the close relationship with our customers and business partners we have opened an office in Hamburg.

We are expecting the market to continue a stable good performance and expect a result in line with 2023.



# Management's review

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>63,482,527</b>	<b>148,084,241</b>
Financial income	2	3,170,980	857,270
Financial expenses	3	-266,392	-1,414,448
<b>Profit/loss before tax</b>		<b>66,387,115</b>	<b>147,527,063</b>
Tax on profit/loss for the year		-835,682	-30,642
<b>Net profit/loss for the year</b>	4	<b>65,551,433</b>	<b>147,496,421</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Raw materials and consumables		4,887,095	4,197,772
<b>Inventories</b>		<b>4,887,095</b>	<b>4,197,772</b>
Trade receivables		27,173,250	14,634,035
Receivables from group enterprises		43,673,233	62,992,531
Other receivables		973,135	493,213
Prepayments		20,797,312	11,321,771
<b>Receivables</b>		<b>92,616,930</b>	<b>89,441,550</b>
<b>Cash at bank and in hand</b>		<b>8,518,760</b>	<b>33,343,664</b>
<b>Current assets</b>		<b>106,022,785</b>	<b>126,982,986</b>
<b>Assets</b>		<b>106,022,785</b>	<b>126,982,986</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		125,000	125,000
Retained earnings		176,191	124,758
Proposed dividend for the year		65,500,000	107,500,000
<b>Equity</b>		<b>65,801,191</b>	<b>107,749,758</b>
Trade payables		30,570,184	16,153,064
Payables to group enterprises		3,432,831	26,133
Corporation tax		727,940	45,479
Other payables		0	163,923
Deferred income		5,490,639	2,844,629
<b>Short-term debt</b>		<b>40,221,594</b>	<b>19,233,228</b>
<b>Debt</b>		<b>40,221,594</b>	<b>19,233,228</b>
<b>Liabilities and equity</b>		<b>106,022,785</b>	<b>126,982,986</b>
Staff	1		
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
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## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	125,000	124,758	107,500,000	107,749,758
Ordinary dividend paid	0	0	-107,500,000	-107,500,000
Net profit/loss for the year	0	51,433	65,500,000	65,551,433
<b>Equity at 31 December</b>	<b>125,000</b>	<b>176,191</b>	<b>65,500,000</b>	<b>65,801,191</b>

# Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
<b>1. Staff</b>		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Financial income</b>		
Interest received from group enterprises	1,528,708	294,580
Other financial income	579,053	0
Exchange gains	<u>1,063,219</u>	<u>562,690</u>
	<b><u>3,170,980</u></b>	<b><u>857,270</u></b>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Financial expenses</b>		
Other financial expenses	34,540	161,516
Exchange loss	<u>231,852</u>	<u>1,252,932</u>
	<b><u>266,392</u></b>	<b><u>1,414,448</u></b>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Profit allocation</b>		
Extraordinary dividend paid	0	40,000,000
Proposed dividend for the year	65,500,000	107,500,000
Retained earnings	<u>51,433</u>	<u>-3,579</u>
	<b><u>65,551,433</u></b>	<b><u>147,496,421</u></b>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>5. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	201,420,084	166,508,607
Between 1 and 5 years	262,832,584	291,494,014
After 5 years	841,485	0
	<u>465,094,153</u>	<u>458,002,621</u>

### Other contingent liabilities

The company is part of the national joint taxation with Baltic Holding Hundested ApS, as a management company and unlimited and jointly and severally liable with the other jointly taxed companies for total corporation tax.

## 6. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Baltic Shipping Company A/S	Baltic Shipping Company A/S owns all shares in Baltic Coaster Chartering ApS

### Transactions

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

### Consolidated Financial Statements

The Company is a part of the Consolidated Financial Statements of the ultimate parent company:

<u>Name</u>	<u>Place of registered office</u>
Baltic Holding Hundested ApS	Hillerød

The Group Annual Report of Baltic Holding Hundested ApS may be obtained at the following address:  
Frederiksbro Torv 4, 1 - 3400 Hillerød, Denmark

# Notes to the Financial Statements

## 7. Accounting policies

The Annual Report of Baltic Coaster Chartering ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Cash flow statement

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

### Recognition and measurement

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

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

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

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

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

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

### Translation policies

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

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



# Notes to the Financial Statements

## Income statement

### Revenue

Revenue recognised relates purely to coaster transport of bulk and project cargo. Revenue is recognised when the risks and rewards relating to the service provided have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

### Expenses for raw materials and consumables

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

### Other external expenses

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

### Gross profit/loss

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

### Financial income and expenses

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

### Tax on profit/loss for the year

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

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

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

## Balance sheet

### Inventories

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

### Receivables

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

### Prepayments

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

# Notes to the Financial Statements

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Current tax receivables and liabilities

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

### Financial liabilities

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

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$