

MALT LNG Transport ApS

Torvet 21, 1.
4600 Køge
Denmark

CVR no. 32 66 33 46

Annual report 2021

The annual report was presented and approved at the
Company's annual general meeting on 7 June 2022

Chairman of the annual general meeting

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

MALT LNG Transport ApS
Annual report 2021
CVR no. 32 66 33 46

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of MALT LNG Transport ApS for the financial year 1 January – 31 December 2021.

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

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 7 June 2022

Executive Board:

Hirokazu Murata

Michel Christian Nielsen



Independent auditor's report

To the shareholder of MALT LNG Transport ApS

Opinion

We have audited the financial statements of MALT LNG Transport ApS for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 Company's 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.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Martin Pieper
State Authorised
Public Accountant
mne44063

MALT LNG Transport ApS
Annual report 2021
CVR no. 32 66 33 46

Management's review

Company details

MALT LNG Transport ApS
Torvet 21, 1.
4600 Køge
Denmark

CVR no.	32 66 33 46
Established:	18 December 2009
Financial year:	1 January – 31 December

Executive Board

Hirokazu Murata
Michel Christian Nielsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
CVR no. 25 57 81 98

Annual general meeting

The annual general meeting will be held on 7 June 2022.

MALT LNG Transport ApS
Annual report 2021
CVR no. 32 66 33 46

Management's review

Operating review

Principal activities of the Company

The principal activity of MALT LNG Transport ApS (the Company) comprises its investments in subsidiaries (Magellan Spirit ApS and Meridian Spirit ApS), who provide transportation of liquefied natural gas (LNG) through the operation of LNG carriers.

Profit for the financial year

Profit for the financial year, after taxation, amounts to USD 19.9 million (2020: USD 8.1 million). The profit primarily consists of dividend income from subsidiaries. The balance sheet at 31 December 2021 shows equity of USD 104.1 million (2020: USD 115.2 million).

Subsequent events

On 13 January 2022, Teekay Corporation sold its controlling interest in Seapeak LLC (formerly Teekay LNG Partners L.P.) to Stonepeak Limestone Holdings LP, an investment vehicle managed by Stonepeak Partners L.P., and thus became the ultimate parent company of the Company.

Financial statements 1 January – 31 December

Income statement

USD'000	Note	2021	2020
External costs	2	-382	-379
Depreciation	3	-240	-240
Operating loss		-622	-619
Financial income	4	20,500	8,665
Financial expenses		-27	0
Profit before tax		19,851	8,046
Tax on profit for the year	5	0	24
Profit for the year		19,851	8,070
Proposed profit appropriation			
Proposed dividend		25,500	31,000
Retained earnings		-5,649	-22,930
		19,851	8,070

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment			
Vessel equipment	3	5,298	5,636
Total non-current assets		<u>5,298</u>	<u>5,636</u>
Investments			
Shares in subsidiaries	6	129,765	140,265
Total investments		<u>129,765</u>	<u>140,265</u>
Current assets			
Receivables			
Account receivables		2	3
Receivables from subsidiaries and group entities		267	58
		<u>269</u>	<u>61</u>
Cash at bank and in hand		<u>383</u>	<u>284</u>
Total current assets		<u>652</u>	<u>345</u>
TOTAL ASSETS		<u><u>135,715</u></u>	<u><u>146,246</u></u>

Financial statements 1 January – 31 December

Balance sheet

USD'000	Note	2021	2020
EQUITY AND LIABILITIES			
Equity	7		
Share capital		1,926	1,926
Retained earnings		76,646	82,295
Proposed dividend		25,500	31,000
Total equity		<u>104,072</u>	<u>115,221</u>
Liabilities			
Current liabilities			
Payables to subsidiaries and group entities		31,611	30,992
Other liabilities		32	33
Total current liabilities		<u>31,643</u>	<u>31,025</u>
Total liabilities		<u>31,643</u>	<u>31,025</u>
TOTAL EQUITY AND LIABILITIES		<u>135,715</u>	<u>146,246</u>
Contractual obligations, contingencies, etc.	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

USD'000	Share capital	Retained earnings	Proposed dividend	Total
Equity at 1 January 2020	1,926	105,225	13,562	120,713
Dividends paid	0	0	-13,562	-13,562
Profit appropriation	0	-22,930	31,000	8,070
Equity at 31 December 2020	1,926	82,295	31,000	115,221
Dividends paid	0	0	-31,000	-31,000
Profit appropriation	0	-5,649	25,500	19,851
Equity at 31 December 2021	1,926	76,646	25,500	104,072

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of MALT LNG Transport ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C. The Company has opted into disclosure requirements for a higher reporting class regarding presentation of statement of changes in equity.

Pursuant to section 112(1) of the Danish Financial Statements Act, consolidated financial statements are not prepared, as the Company is included in the consolidated financial statements of Malt LNG Netherlands Holdings B.V., Basisweg 10, 1043 AP Amsterdam, the Netherlands. The consolidated financial statements of Malt LNG Netherlands Holdings B.V. can be obtained at the Company's address.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Currency

Pursuant to section 16(2) of the Danish Financial Statements Act, the Company has decided to present the annual report in the Company's functional currency, USD. At 31 December 2021, the currency exchange rate was 6.5612 DKK/USD (31 December 2020: 6.0576 DKK/USD).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

External costs

External costs comprise fees to advisers, management fees, administrative expenses, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on payables and transactions denominated in foreign currencies.

Tax on profit for the year

Tax for the year comprises current tax. The tax expense relating to the profit/loss for the year is recognised in the income statement.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contributions from companies that have used these losses to reduce their own taxable profits.

Tax for the period comprises current tax and joint taxation contributions for the period. The tax expense relating to the profit/loss for the period is recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Vessel equipment is measured at cost, less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The depreciable amount, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful life for vessel equipment is 32 years.

Depreciation is recognised in the income statement as depreciation.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Shares in subsidiaries

Investments in subsidiaries are measured at cost. If there is any indication of impairment, an impairment test is made. If the carrying amount exceeds the recoverable amount, write-down is made to this lower value.

Dividends from subsidiaries are recognised as financial income in the income statement for the financial year in which the dividends are declared. To the extent that the declared dividends exceed the accumulated earnings after the acquisition, cost is reduced by the excess amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows.

Equity

Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

In its capacity as the administrative company, MALT LNG Holdings ApS is liable for its subsidiaries' corporation taxes towards the tax authorities concurrently with the payment of joint taxation contribution by the subsidiaries.

Current tax payable and receivable are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contribution payable and receivable are recognised in the balance sheet as "corporation tax receivable" or "corporation tax payable".

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received, less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

2 Staff costs

The Company has no employees.

3 Property, plant and equipment

USD'000	2021	2020
Vessel equipment		
Cost at 1 January	7,758	7,758
Adjustments of the year	-98	0
Cost at 31 December	7,660	7,758
Depreciation at 1 January	-2,122	-1,882
Depreciation for the year	-240	-240
Depreciation at 31 December	-2,362	-2,122
Carrying amount at 31 December	5,298	5,636

4 Financial income

Dividends from subsidiaries	20,500	8,640
Interest income, external	0	25
	20,500	8,665

5 Tax on profit for the year

Current tax for the year	0	24
	0	24

6 Shares in subsidiaries

Cost at 1 January	129,765	140,265
Cost at 31 December	129,765	140,265

Name	Registered office	Voting rights and ownership	Equity at 2021	Profit for 2021
Meridian Spirit ApS	Denmark	100%	54,978	10,339
Magellan Spirit ApS	Denmark	100%	129,672	10,069
Total			184,650	20,408

Financial statements 1 January – 31 December

Notes

7 Equity

The share capital consists of shares corresponding to USD 1,926,000, translated at the USD/DKK rate at 1 January 2011. All shares rank equally.

For 2021, the Company's financial figures were included in the consolidated financial statements of Malt LNG Netherlands Holdings B.V.

There have been no changes to the share capital in the last five years.

8 Contractual obligations, contingencies, etc.

The Company is jointly taxed with other Danish companies in the MALT LNG Holdings group, with MALT LNG Holdings ApS being the administrative company. The Company has, together with the administrative company and its subsidiaries, unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme. The jointly taxed companies' total net liability to the Danish tax authorities amounted to USD 0 at 31 December 2021. Any subsequent corrections to the taxable jointly taxed income or withholding taxes, etc. may entail an increase in the Company's liability.

The Company has no contingent liabilities.

9 Related party disclosures

MALT LNG Transport ApS' related parties comprise the following:

Parties exercising control

MALT LNG Holdings ApS, Torvet 21, 1, 4600 Køge, Denmark, is the ultimate Parent Company in Denmark. MALT LNG Holdings ApS is owned by Malt LNG Netherlands Holdings B.V.

Other related parties

Group entities and associates of the Teekay Corporation group for the years ended 31 December 2021 and 2020.

The Company's related parties also comprise the Executive Board and executive employees and their family members. Further, related parties comprise companies in which the above persons have substantial interests.