
Carl Elgaard Shipping ApS

Mindet 4 B, 1.th, DK-8000 Aarhus C

Annual Report for 1 January - 31 December 2019

CVR No 35 39 58 30

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
11/6 2020

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 Carl Elgaard Shipping ApS for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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.

Hundested, 11 June 2020

Executive Board

Peter Ronnie Hulstrøm

Board of Directors

Thomas Holst Olsen

Peter Ronnie Hulstrøm

Mikkel Schmidt

Jesper Bræmer Hansen

Palle Hørdum Gudmann

The Independent Practitioner's Report

To the Shareholder of Carl Elgaard Shipping ApS

Conclusion

We have performed an extended review of the Financial Statements of Carl Elgaard Shipping ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

The Independent Practitioner's Report

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

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 extended review 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 extended review, 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 Financials 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.

Hellerup, 11 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm

State Authorised Public Accountant

mne30141

Company Information

The Company

Carl Elgaard Shipping ApS
Mindet 4 B, 1.th
DK-8000 Aarhus C

CVR No: 35 39 58 30

Financial period: 1 January - 31 December

Incorporated: 26 March 2013

Municipality of reg. office: Aarhus

Board of Directors

Thomas Holst Olsen
Peter Ronnie Hulstrøm
Mikkel Schmidt
Jesper Bræmer Hansen
Palle Hørdum Gudmann

Executive Board

Peter Ronnie Hulstrøm

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

The principal activities of the company

We have since 1973 been transporting cargo and providing a variety of specialized services to vessels calling ports of Aarhus, Randers, Aalborg and Grenaa.

Our main activities are agency, terminal and stevedoring, chartering and forwarding. We are covering 4 of the biggest ports in Jutland and are as well represented in Sealand ports via our sister company Baltic Shipping Company A/S, which is covering all Sealand ports with agency and stevedoring.

Carl Elgaard Shipping ApS has since 1st of January 2019 become a member of Baltic Shipping Company Group.

Development in activities and financial matters

With the inclusion of Carl Elgaard Shipping ApS we have ensured a sound foundation for future growth in the Baltic Shipping Company Group, also in Jutland.

Carl Elgaard Shipping ApS has developed very positively during the year and have secured a strong representation in the ports in which we are represented.

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	2019 DKK	2018 DKK
Gross profit/loss		1,883,408	2,733,290
Staff expenses	2	-1,613,021	-1,733,405
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-417,671	-400,000
Profit/loss before financial income and expenses		-147,284	599,885
Financial income	3	43,284	131,361
Financial expenses	4	-82,750	-17,528
Profit/loss before tax		-186,750	713,718
Tax on profit/loss for the year	5	42,143	-162,098
Net profit/loss for the year		-144,607	551,620

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	0	991,042
Retained earnings	-144,607	-439,422
	-144,607	551,620

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Goodwill		0	400,000
Intangible assets		0	400,000
Other fixtures and fittings, tools and equipment		88,354	0
Property, plant and equipment	6	88,354	0
Deposits		31,250	31,250
Fixed asset investments		31,250	31,250
Fixed assets		119,604	431,250
Trade receivables		1,578,891	755,104
Receivables from group enterprises		167,108	108,928
Other receivables		123,045	42,946
Deferred tax asset	7	2,454	0
Prepayments		15,504	12,754
Receivables		1,887,002	919,732
Cash at bank and in hand		641,086	33,329
Currents assets		2,528,088	953,061
Assets		2,647,692	1,384,311

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		80,000	80,000
Retained earnings		389,050	533,657
Equity		469,050	613,657
Provision for deferred tax	7	0	77,243
Provisions		0	77,243
Prepayments received from customers		267,910	0
Trade payables		1,096,643	90,921
Payables to group enterprises		303,589	0
Corporation tax		250,326	212,772
Other payables		260,174	389,718
Short-term debt		2,178,642	693,411
Debt		2,178,642	693,411
Liabilities and equity		2,647,692	1,384,311
Subsequent events	1		
Key activities			
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	80,000	533,657	613,657
Net profit/loss for the year	0	-144,607	-144,607
Equity at 31 December	80,000	389,050	469,050

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue to purchase freights with the Company. However, there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year.

Despite the mentioned implications of COVID-19, Management still considers the cash resources reasonable.

	<u>2019</u> DKK	<u>2018</u> DKK
2 Staff expenses		
Wages and salaries	1,607,530	1,703,508
Other social security expenses	5,491	29,897
	<u>1,613,021</u>	<u>1,733,405</u>
Average number of employees	<u>2</u>	<u>4</u>
3 Financial income		
Other financial income	4,261	131,361
Exchange adjustments	39,023	0
	<u>43,284</u>	<u>131,361</u>
4 Financial expenses		
Interest paid to group enterprises	0	17,484
Other financial expenses	17,232	44
Exchange loss	65,518	0
	<u>82,750</u>	<u>17,528</u>

Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>
5 Tax on profit/loss for the year		
Current tax for the year	37,554	212,772
Deferred tax for the year	-79,697	0
Adjustment of deferred tax concerning previous years	0	-50,674
	<u>-42,143</u>	<u>162,098</u>
 6 Property, plant and equipment		
	Other fixtures and fittings, tools and equipment <u>DKK</u>	<u>Total DKK</u>
Cost at 1 January	0	0
Additions for the year	<u>106,025</u>	<u>106,025</u>
Cost at 31 December	<u>106,025</u>	<u>106,025</u>
Impairment losses and depreciation at 1 January	0	0
Depreciation for the year	<u>17,671</u>	<u>17,671</u>
Impairment losses and depreciation at 31 December	<u>17,671</u>	<u>17,671</u>
 Carrying amount at 31 December	<u>88,354</u>	<u>88,354</u>
Depreciated over	<u>3-5 years</u>	

Notes to the Financial Statements

	2019 DKK	2018 DKK
7 Deferred tax asset		
Intangible assets	0	88,000
Property, plant and equipment	-2,454	-10,757
Transferred to deferred tax asset	2,454	0
	<u>0</u>	<u>77,243</u>

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset

Calculated tax asset	2,454	0
Carrying amount	<u>2,454</u>	<u>0</u>

8 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	198,868	0
Between 1 and 5 years	189,053	0
	<u>387,921</u>	<u>0</u>

Other contingent liabilities

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

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Carl Elgaard Shipping ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

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.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the services 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.

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, other operating income, expenses and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of property, plant and equipment.

Financial income and expenses

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

Notes to the Financial Statements

9 Accounting Policies (continued)

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 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

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Property, plant and equipment

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

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

Other fixtures and fittings, tools and equipment	3-5 years
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Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Notes to the Financial Statements

9 Accounting Policies (continued)

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.

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial debts

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