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# ***Baltic Holding Hundested ApS***

Ved Isefjorden 24, DK-3390 Hundested

## **Annual Report for 1 January - 31 December 2021**

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CVR No 36 08 58 51

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/03 2022

Karina Uldahl Kiel  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Consolidated and Parent Company Financial Statements</b>	
Income Statement 1 January - 31 December	12
Balance Sheet 31 December	13
Statement of Changes in Equity	15
Cash Flow Statement 1 January - 31 December	17
Notes to the Financial Statements	18

## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Baltic Holding Hundested ApS for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

Hundested, 24 March 2022

### **Executive Board**

Thomas Holst Olsen

Mikkel Schmidt

Peter Ronnie Hulstrøm

# Independent Auditor's Report

To the Shareholders of Baltic Holding Hundested ApS

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Baltic Holding Hundested ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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 and the Group'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 Group's and 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

## Independent Auditor's Report

audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 24 March 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Søren Alexander

State Authorised Public Accountant

mne42824

## Company Information

### The Company

Baltic Holding Hundested ApS  
Ved Isefjorden 24  
DK-3390 Hundested

CVR No: 36 08 58 51  
Financial period: 1 January - 31 December  
Municipality of reg. office: Halsnæs

### Executive Board

Thomas Holst Olsen  
Mikkel Schmidt  
Peter Ronnie Hulstrøm

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

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

	Group			
	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>				
<b>Profit/loss</b>				
Revenue	349,395	226,092	186,856	118,150
Gross profit/loss	115,472	52,951	46,599	40,860
Profit/loss before financial income and expenses	84,558	25,169	21,608	22,368
Net financials	685	147	256	423
Net profit/loss for the year	76,107	20,385	17,686	19,108
<b>Balance sheet</b>				
Balance sheet total	158,878	83,016	68,736	53,674
Equity	80,734	26,197	17,873	19,340
<b>Cash flows</b>				
Cash flows from:				
- operating activities	59,289	25,012	19,052	17,580
- investing activities	-5,466	649	-3,882	-824
including investment in property, plant and equipment	-3,148	-160	-935	-1,451
- financing activities	-22,148	-15,608	-22,215	-14,220
Change in cash and cash equivalents for the year	31,674	10,053	-7,045	2,536
Number of employees	37	38	30	23
<b>Ratios</b>				
Gross margin	33.0%	23.4%	24.9%	34.6%
Profit margin	24.2%	11.1%	11.6%	18.9%
Return on assets	53.2%	30.3%	31.4%	41.7%
Solvency ratio	50.8%	31.6%	26.0%	36.0%
Return on equity	142.3%	92.5%	95.1%	197.6%

The company only become a reporting class C entity in 2019, why the financial highlights include comparative figures from 2018.



## **Management's Review**

### **The principal activities of the company**

The primary activity of the Baltic Shipping Company Group is coaster transport of bulk and project cargo primarily in the Baltic Sea, Northern Europe to south of Spain.

We are specialized in Commercial Ship Management, Competitive Chartering, Ships Agency, stevedoring and transporting of Bulk and Project Cargo.

Baltic Shipping Company has a fleet of 36 dry cargo vessels in the range from 1,200-5,000 dwt in commercial management.

In Baltic Coaster Chartering and Baltic Coaster Transport we have 17 vessels on time charter by the end of 2021.

### **Market overview and expected development**

2021 marked a very strong year for the shipping industry in general and the same applies for the Baltic Shipping Company Group. In a strong competitive market, the revenue has increased, and we were able to optimize our fleet and expand our geographical scope and hence provide the best possible results for both vessel and freight owners.

2022 has started on a strong note and we are expecting the market and development of Baltic Shipping Company Group to continue the positive development.

The current crisis 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 crisis, not foresee any reason to adjust our expectations to the development or our forecast for 2022.

# Management's Review

## Development in activities and financial matters

In 2021 the group had a total turnover of DKK 929.2 million compared to DKK 620.0 million in 2020, which is an increase of 53%. Only income from projects, stevedoring, agency and commission received for commercial management is recognized as revenue, why the reported revenue in the financial statements amounts to DKK 349.4 million compared to DKK 226.1 million in 2020, which is an increase of 55%.

The result before tax is DKK 85.2 million compared to DKK 25.3 million in 2020 which is an increase of 237%.

The Management consider the result very satisfactory and above expectations.

The number of people employed by Baltic Shipping Company Group has decreased from an average of 38 employees in 2020 to an average of 37 employees in 2021.

Our fleet in Commercial Management has grown from an average of 35 vessels in 2020 to an average of 37 vessels during 2021.

Our fleet on time charter has grown from an average of 11 vessels in 2020 to 16 vessels in 2021.

The market for coaster trading in the Baltic Sea has since October 2020 returned to being a very strong market and the entire year 2021 has been outstanding both in terms of amount of freight, freight rates and development opportunities in the market. This remarkable tendency is expected to continue in the foreseeable future. The activity for Baltic Shipping Company Group has in line with the development in the market grown significantly both in terms of filling own and foreign tonnage.

Our Agency and Stevedoring activities have also performed very well and grown significantly in 2021.

Our customer base has been additionally strengthened in 2021 and we continue having a strong relationship with our customers based on a competitive service, which is built on long lasting cooperation and partnerships.

2022 has started on a strong note and we are expecting the market to continue the strong performance and expect an increase in the net result in 2022.

# Management's Review

## Internal Risk management

We are continuously working on improving our internal risk management and quality standards.

The management have identified the following as primary risk areas:

- 1) Safety during and around our stevedoring operations
- 2) The environmental impact of our core business area
- 3) Employee satisfaction
- 4) Integrity and ethic throughout the entire supply chain

To further strengthen our quality management system, we are also ISO9001 certified. The standard is incorporated in and by the whole organization. The general work with and knowledge about all the procedures, supports awareness, focus on quality assurance and correct start-up and continuous review of each project, promoting safety and preventive actions combined with ensuring the expected profitability and customer satisfaction.

To stress the importance of high quality standards in the sea transport for feeds, we were re-certified in GMP+ B4 and B3 for sea transport.

## Management's Review

### **We all have a responsibility for sustainability and Social responsibility**

In Baltic Shipping Company we are placing this responsibility high on the agenda and have increased focus on 8 of the 17 global goals for sustainable development.

The action comprises strategies and measures against climate changes as well as awareness-raising on climate changes. In Baltic Shipping Company we do this by measuring and highlighting the CO<sub>2</sub>-emission of each freight carried by a BSC vessel - and by comparing the CO<sub>2</sub>-emission of the same cargo being moved by trucks and highlighting this to our customers in each invoice, we jointly support sustainable freight. The impact on the environment is significant as each vessel load compares to approximately 100 truckloads, depending on the vessel size.

As a company, we have an ethical responsibility for our people, our surroundings, and the world in which we live – including safety and environment on our projects. We therefore keep a continuous focus on safety, working environment and environmentally sound behavior and on contributing positively to our surroundings. We ensure continued focus and awareness on this by having integrated policies and action points integrated in our Leadership System ISO9001. In the management statement from last year, we sadly had to report one incident, which led to one of our colleagues having an injury to his foot. We are back on track and can fortunately report 0 incidents again this year.

Throughout the year, we have worked for a positive and developing working environment, which focuses on the individual employee, and on collaboration between employees and across departments. We have supported initiatives to improve employee health and safety and are striving to continuously improve work-life balance, by ensuring the right people and the right number of people. The management supports and initiates several health supporting activities ranging from physical activity breaks to healthy food. The management keeps a close eye on the voluntary employee turnover and concludes that it continues to stay at a low level.

As a shipping company, we have a responsibility to contribute to the development of future shipping employees and leaders. We excel in taking a significant number of own trainees onboard – and preferably keep them onboard - and support the education of trainees and of our employees in general. In 2021 alone we have employed 2 shipping trainees.

We consider diversity a strength that helps us gain access to the best talents and develops our business and organization in a positive direction.

In Baltic Shipping Company we fully support and live by the UN Code of Conduct, and our human rights policies are consolidated from this and our employee handbook. We support integrity and ethics in all aspects of the company's activities, and we have a zero tolerance towards corruption. It is an integrated part of our supplier and customer assessment that this part of the code of conduct are adhered to by all. To ensure the adherence by all parties the management is in constant and close dialogue with all involved parties and can again on this basis conclude that no violation of human rights or attempts on corruption have happened in 2021.

## **Management's Review**

### **Subsequent events**

The Russian military invaded Ukraine in February 2022. Management considers the implications of the invasion a non-adjusting subsequent event.

Management pays close attention to the impact of the invasion in Ukraine and the implications this may have on the Group's operations. Management is constantly assessing sanctions and market developments. As part of this, Management is in close dialogue with the Group's business partners and other stakeholders about the current situation.

Despite the crisis Management do not foresee any material implications on their operations in 2022. However, this assessment is attached with considerable uncertainty.

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

## Income Statement 1 January - 31 December

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>Revenue</b>		<b>349,394,594</b>	<b>226,092,199</b>	<b>0</b>	<b>0</b>
Other operating income		680,100	744,112	0	0
Expenses for raw materials and consumables		-224,387,476	-165,691,169	0	0
Other external expenses		-10,215,428	-8,193,802	-100,000	-223,000
<b>Gross profit/loss</b>		<b>115,471,790</b>	<b>52,951,340</b>	<b>-100,000</b>	<b>-223,000</b>
Staff expenses	2	-27,977,629	-24,870,394	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-2,935,669	-2,912,370	0	0
<b>Profit/loss before financial income and expenses</b>		<b>84,558,492</b>	<b>25,168,576</b>	<b>-100,000</b>	<b>-223,000</b>
Income from investments in subsidiaries	4	0	0	72,751,476	21,340,723
Income from investments in associates		509,600	313,600	509,600	313,600
Financial income	5	1,702,354	1,317,076	54,271	31,701
Financial expenses	6	-1,526,747	-1,483,412	-12,965	-14,473
<b>Profit/loss before tax</b>		<b>85,243,699</b>	<b>25,315,840</b>	<b>73,202,382</b>	<b>21,448,551</b>
Tax on profit/loss for the year		-9,136,368	-4,930,667	12,913	45,275
<b>Net profit/loss for the year</b>		<b>76,107,331</b>	<b>20,385,173</b>	<b>73,215,295</b>	<b>21,493,826</b>

## Balance Sheet 31 December

### Assets

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Goodwill		0	513,381	0	0
<b>Intangible assets</b>	<b>7</b>	<b>0</b>	<b>513,381</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		11,989,106	11,522,653	0	0
Leasehold improvements		73,638	124,549	0	0
Property, plant and equipment in progress		0	13,300	0	0
<b>Property, plant and equipment</b>	<b>8</b>	<b>12,062,744</b>	<b>11,660,502</b>	<b>0</b>	<b>0</b>
Investments in subsidiaries	9	0	0	74,243,236	19,921,759
Investments in associates	10	1,073,500	1,073,500	1,073,500	1,073,500
Other investments	11	3,346,605	0	0	0
Deposits	11	325,922	225,122	0	0
<b>Fixed asset investments</b>		<b>4,746,027</b>	<b>1,298,622</b>	<b>75,316,736</b>	<b>20,995,259</b>
<b>Fixed assets</b>		<b>16,808,771</b>	<b>13,472,505</b>	<b>75,316,736</b>	<b>20,995,259</b>
<b>Inventories</b>	<b>12</b>	<b>10,377,580</b>	<b>5,404,894</b>	<b>0</b>	<b>0</b>
Trade receivables		62,839,928	31,636,479	0	0
Receivables from group enterprises		0	0	45,320	29,923
Receivables from associates		5,938	0	0	0
Other receivables		7,408,110	6,711,135	1,589,777	1,981,459
Corporation tax		0	0	12,913	45,275
Prepayments	13	9,403,568	5,431,418	0	0
<b>Receivables</b>		<b>79,657,544</b>	<b>43,779,032</b>	<b>1,648,010</b>	<b>2,056,657</b>
<b>Cash at bank and in hand</b>		<b>52,034,033</b>	<b>20,359,598</b>	<b>937,316</b>	<b>2,591,101</b>
<b>Currents assets</b>		<b>142,069,157</b>	<b>69,543,524</b>	<b>2,585,326</b>	<b>4,647,758</b>
<b>Assets</b>		<b>158,877,928</b>	<b>83,016,029</b>	<b>77,902,062</b>	<b>25,643,017</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent	
		2021 DKK	2020 DKK	2021 DKK	2020 DKK
Share capital		100,000	100,000	100,000	100,000
Retained earnings		3,702,062	4,486,767	3,702,062	4,486,767
Proposed dividend for the year		74,000,000	21,000,000	74,000,000	21,000,000
<b>Equity attributable to shareholders of the Parent Company</b>		<b>77,802,062</b>	<b>25,586,767</b>	<b>77,802,062</b>	<b>25,586,767</b>
Minority interests		2,931,808	609,772	0	0
<b>Equity</b>		<b>80,733,870</b>	<b>26,196,539</b>	<b>77,802,062</b>	<b>25,586,767</b>
Provision for deferred tax	15	504,068	496,689	0	0
<b>Provisions</b>		<b>504,068</b>	<b>496,689</b>	<b>0</b>	<b>0</b>
Lease obligations		5,840,579	6,853,009	0	0
Other payables		1,571,315	1,491,347	0	0
<b>Long-term debt</b>	16	<b>7,411,894</b>	<b>8,344,356</b>	<b>0</b>	<b>0</b>
Lease obligations	16	1,581,787	1,717,734	0	0
Prepayments received from customers		387,094	187,247	0	0
Trade payables		44,651,039	30,494,159	0	0
Corporation tax		2,016,989	738,002	0	0
Deposits		22,680	0	0	0
Other payables	16	18,651,237	13,597,975	100,000	56,250
Deferred income	17	2,917,270	1,243,328	0	0
<b>Short-term debt</b>		<b>70,228,096</b>	<b>47,978,445</b>	<b>100,000</b>	<b>56,250</b>
<b>Debt</b>		<b>77,639,990</b>	<b>56,322,801</b>	<b>100,000</b>	<b>56,250</b>
<b>Liabilities and equity</b>		<b>158,877,928</b>	<b>83,016,029</b>	<b>77,902,062</b>	<b>25,643,017</b>
Subsequent events	1				
Distribution of profit	14				
Contingent assets, liabilities and other financial obligations	20				
Related parties	21				
Accounting Policies	22				



## Statement of Changes in Equity

### Group

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
<b>2021</b>							
Equity at 1 January	100,000	0	4,486,767	21,000,000	25,586,767	609,772	26,196,539
Ordinary dividend paid	0	0	0	-21,000,000	-21,000,000	0	-21,000,000
Other equity movements	0	0	0	0	0	-570,000	-570,000
Net profit/loss for the year	0	0	-784,705	74,000,000	73,215,295	2,892,036	76,107,331
<b>Equity at 31 December</b>	<b>100,000</b>	<b>0</b>	<b>3,702,062</b>	<b>74,000,000</b>	<b>77,802,062</b>	<b>2,931,808</b>	<b>80,733,870</b>

### Group

<b>2020</b>							
Equity 1. januar	100,000	0	3,992,941	14,000,000	18,092,941	-219,841	17,873,100
Ordinary dividend paid	0	0	0	-14,000,000	-14,000,000	0	-14,000,000
Transactions with minority interests	0	0	1,927,182	0	1,927,182	11,084	1,938,266
Net profit/loss for the year	0	0	-1,433,356	21,000,000	19,566,644	818,529	20,385,173
<b>Equity at 31 December</b>	<b>100,000</b>	<b>0</b>	<b>4,486,767</b>	<b>21,000,000</b>	<b>25,586,767</b>	<b>609,772</b>	<b>26,196,539</b>

## Statement of Changes in Equity

### Parent

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Equity excl. minority interests	Minority interests	Total
	DKK	DKK	DKK	DKK	DKK	DKK	DKK
<b>2021</b>							
Equity at 1 January	100,000	0	4,486,767	21,000,000	25,586,767	0	25,586,767
Ordinary dividend paid	0	0	0	-21,000,000	-21,000,000	0	-21,000,000
Dividend from group enterprises	0	-74,800,000	74,800,000	0	0	0	0
Net profit/loss for the year	0	74,800,000	-75,584,705	74,000,000	73,215,295	0	73,215,295
<b>Equity at 31 December</b>	<b>100,000</b>	<b>0</b>	<b>3,702,062</b>	<b>74,000,000</b>	<b>77,802,062</b>	<b>0</b>	<b>77,802,062</b>

### Parent

<b>2020</b>							
Equity 1. januar	100,000	0	3,992,941	14,000,000	18,092,941	0	18,092,941
Ordinary dividend paid	0	0	0	-14,000,000	-14,000,000	0	-14,000,000
Dividend from group enterprises	0	-18,500,000	18,500,000	0	0	0	0
Net profit/loss for the year	0	18,500,000	-18,006,174	21,000,000	21,493,826	0	21,493,826
<b>Equity at 31 December</b>	<b>100,000</b>	<b>0</b>	<b>4,486,767</b>	<b>21,000,000</b>	<b>25,586,767</b>	<b>0</b>	<b>25,586,767</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2021 DKK	2020 DKK
Net profit/loss for the year		76,107,331	20,385,173
Adjustments	18	12,129,196	8,786,144
Change in working capital	19	-21,264,552	-641,870
<b>Cash flows from operating activities before financial income and expenses</b>		<b>66,971,975</b>	<b>28,529,447</b>
Financial income		728,980	543,597
Financial expenses		-529,509	-427,361
<b>Cash flows from ordinary activities</b>		<b>67,171,446</b>	<b>28,645,683</b>
Corporation tax paid		-7,882,513	-3,633,195
<b>Cash flows from operating activities</b>		<b>59,288,933</b>	<b>25,012,488</b>
Purchase of property, plant and equipment		-3,148,316	-160,425
Fixed asset investments made etc		-100,800	-8,088
Purchase of financial assets		-3,346,605	0
Sale of property, plant and equipment		620,000	503,425
Dividends received from associates		509,600	313,600
<b>Cash flows from investing activities</b>		<b>-5,466,121</b>	<b>648,512</b>
Finance lease repayments		-1,148,377	-1,608,291
Dividend paid		-21,000,000	-14,000,000
<b>Cash flows from financing activities</b>		<b>-22,148,377</b>	<b>-15,608,291</b>
<b>Change in cash and cash equivalents</b>		<b>31,674,435</b>	<b>10,052,709</b>
Cash and cash equivalents at 1 January		20,359,598	10,306,889
<b>Cash and cash equivalents at 31 December</b>		<b>52,034,033</b>	<b>20,359,598</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		52,034,033	20,359,598
<b>Cash and cash equivalents at 31 December</b>		<b>52,034,033</b>	<b>20,359,598</b>

# Notes to the Financial Statements

## 1 Subsequent events

The Russian military invaded Ukraine in February 2022. Management considers the implications of the invasion a non-adjusting subsequent event.

Management pays close attention to the impact of the invasion in Ukraine and the implications this may have on the Group's operations. Management is constantly assessing sanctions and market developments. As part of this, Management is in close dialogue with the Group's business partners and other stakeholders about the current situation.

Despite the crisis Management do not foresee any material implications on their operations in 2022. However, this assessment is attached with considerable uncertainty.

	<b>Group</b>		<b>Parent</b>	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>2 Staff expenses</b>				
Wages and salaries	27,895,072	24,785,186	0	0
Other social security expenses	82,557	85,208	0	0
	<b>27,977,629</b>	<b>24,870,394</b>	<b>0</b>	<b>0</b>
Including remuneration to the Executive Board of:				
Executive Board	5,392,228	5,366,245	0	0
	<b>5,392,228</b>	<b>5,366,245</b>	<b>0</b>	<b>0</b>
<b>Average number of employees</b>	<b>37</b>	<b>38</b>	<b>3</b>	<b>3</b>
<b>3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b>				
Amortisation of intangible assets	513,381	513,381	0	0
Depreciation of property, plant and equipment	2,422,288	2,398,989	0	0
	<b>2,935,669</b>	<b>2,912,370</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements

	Parent	
	2021	2020
	DKK	DKK
<b>4 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries	72,751,476	19,413,541
Gain on sale of shares in subsidiaries	0	1,927,182
	<b>72,751,476</b>	<b>21,340,723</b>

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>5 Financial income</b>				
Other financial income	728,980	543,597	54,271	31,701
Exchange gains	973,374	773,479	0	0
	<b>1,702,354</b>	<b>1,317,076</b>	<b>54,271</b>	<b>31,701</b>

<b>6 Financial expenses</b>				
Other financial expenses	529,509	427,361	12,965	14,473
Exchange loss	997,238	1,056,051	0	0
	<b>1,526,747</b>	<b>1,483,412</b>	<b>12,965</b>	<b>14,473</b>

## 7 Intangible assets

### Group

	Goodwill
	DKK
Cost at 1 January	1,940,143
Cost at 31 December	1,940,143
Impairment losses and amortisation at 1 January	1,426,762
Amortisation for the year	513,381
Impairment losses and amortisation at 31 December	1,940,143
<b>Carrying amount at 31 December</b>	<b>0</b>

# Notes to the Financial Statements

## 8 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment in progress	Total
	DKK	DKK	DKK	DKK
Cost at 1 January	18,674,620	254,557	13,300	18,942,477
Additions for the year	3,148,316	0	0	3,148,316
Disposals for the year	-1,383,742	0	-13,300	-1,397,042
Cost at 31 December	20,439,194	254,557	0	20,693,751
Impairment losses and depreciation at 1 January	7,151,968	130,008	0	7,281,976
Depreciation for the year	2,371,376	50,911	0	2,422,287
Reversal of impairment and depreciation of sold assets	-1,073,256	0	0	-1,073,256
Impairment losses and depreciation at 31 December	8,450,088	180,919	0	8,631,007
<b>Carrying amount at 31 December</b>	<b>11,989,106</b>	<b>73,638</b>	<b>0</b>	<b>12,062,744</b>
Depreciated over	3-10 years	5 years		
Including assets under finance leases amounting to	10,448,104	0	0	10,448,104

## Notes to the Financial Statements

	Parent	
	2021 DKK	2020 DKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January	4,983,000	5,130,000
Disposals for the year	0	-147,000
Cost at 31 December	4,983,000	4,983,000
Value adjustments at 1 January	14,938,759	13,901,036
Disposals for the year	0	124,182
Net profit/loss for the year	73,264,858	19,926,922
Dividend to the Parent Company	-18,430,000	-18,500,000
Amortisation of goodwill	-513,381	-513,381
Value adjustments at 31 December	69,260,236	14,938,759
<b>Carrying amount at 31 December</b>	<b>74,243,236</b>	<b>19,921,759</b>
Remaining positive difference included in the above carrying amount at 31 December	0	513,381

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Baltic Shipping Company A/S	Hundested	700.000	97%	75,162,589	73,702,830
Baltic Coaster Chartering ApS	Hundested	125.000	97%	44,553,337	44,360,448
Baltic Coaster Transport ApS	Hundested	40.000	97%	48,337	8,337
BSC Invest 1 ApS	Hundested	40.000	97%	29,482	-10,518
BSC Invest 2 ApS	Hundested	40.000	97%	29,482	-10,518
BSC Invest 3 ApS	Hundested	40.000	97%	29,482	-10,518
Baltic Holding Jylland ApS	Hundested	50.000	60%	731,955	822,466
Carl Elgaard Shipping ApS	Hundested	80.000	60%	1,425,870	1,318,152
Baltic Shipping Company Fyn ApS	Hundested	50.000	70%	1,280,495	1,173,215

## Notes to the Financial Statements

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>10 Investments in associates</b>				
Cost at 1 January	1,073,500	1,073,500	1,073,500	1,073,500
<b>Carrying amount at 31 December</b>	<b>1,073,500</b>	<b>1,073,500</b>	<b>1,073,500</b>	<b>1,073,500</b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Hvide Sande Supply ApS	Hvide Sande	150.000	49%	1,201,115	1,047,627

### 11 Other fixed asset investments

	Group	
	Other investments	Deposits
	DKK	DKK
Cost at 1 January	0	225,122
Additions for the year	3,346,605	100,800
Cost at 31 December	3,346,605	325,922
<b>Carrying amount at 31 December</b>	<b>3,346,605</b>	<b>325,922</b>

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>12 Inventories</b>				
Raw materials and consumables	10,377,580	5,404,894	0	0
	<b>10,377,580</b>	<b>5,404,894</b>	<b>0</b>	<b>0</b>



# Notes to the Financial Statements

## 13 Prepayments

Prepayments consist of prepaid time charter hire, prepaid expenses concerning rent, insurance premiums and subscriptions as well.

	Group		Parent	
	2021 DKK	2020 DKK	2021 DKK	2020 DKK
<b>14 Distribution of profit</b>				
Proposed dividend for the year	74,000,000	21,000,000	74,000,000	21,000,000
Reserve for net revaluation under the equity method	0	0	74,800,000	18,500,000
Minority interests' share of net profit/loss of subsidiaries	2,892,036	818,529	0	0
Retained earnings	-784,705	-1,433,356	-75,584,705	-18,006,174
	<b>76,107,331</b>	<b>20,385,173</b>	<b>73,215,295</b>	<b>21,493,826</b>

## 15 Provision for deferred tax

Provision for deferred tax at 1 January	496,689	301,924	0	0
Amounts recognised in the income statement for the year	7,379	194,765	0	0
<b>Provision for deferred tax at 31 December</b>	<b>504,068</b>	<b>496,689</b>	<b>0</b>	<b>0</b>
Property, plant and equipment	-24,840	-26,106	0	0
Prepaid expenses	108,925	109,776	0	0
Leasing	419,983	413,019	0	0
	<b>504,068</b>	<b>496,689</b>	<b>0</b>	<b>0</b>

# Notes to the Financial Statements

## 16 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>Lease obligations</b>				
Between 1 and 5 years	5,840,579	6,853,009	0	0
Long-term part	5,840,579	6,853,009	0	0
Within 1 year	1,581,787	1,717,734	0	0
	<b>7,422,366</b>	<b>8,570,743</b>	<b>0</b>	<b>0</b>
<b>Other payables</b>				
After 5 years	1,571,315	1,491,347	0	0
Long-term part	1,571,315	1,491,347	0	0
Other short-term payables	18,651,237	13,597,975	100,000	56,250
	<b>20,222,552</b>	<b>15,089,322</b>	<b>100,000</b>	<b>56,250</b>

## 17 Deferred income

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

## 18 Cash flow statement - adjustments

	Group	
	2021	2020
	DKK	DKK
Financial income	-1,702,354	-1,317,076
Financial expenses	1,526,747	1,483,412
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,935,669	2,912,370
Income from investments in associates	-509,600	-313,600
Tax on profit/loss for the year	9,136,368	4,930,667
Other adjustments	742,366	1,090,371
	<b>12,129,196</b>	<b>8,786,144</b>

## Notes to the Financial Statements

	Group	
	2021	2020
	DKK	DKK
<b>19 Cash flow statement - change in working capital</b>		
Change in inventories	-4,972,686	2,702,766
Change in receivables	-35,884,459	-9,965,502
Change in trade payables, etc	19,592,593	6,620,866
	<b>-21,264,552</b>	<b>-641,870</b>

	Group		Parent	
	2021	2020	2021	2020
	DKK	DKK	DKK	DKK
<b>20 Contingent assets, liabilities and other financial obligations</b>				
<b>Lease obligations</b>				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	115,824,674	63,167,610	0	0
Between 1 and 5 years	59,537,408	60,780,957	0	0
	<b>175,362,082</b>	<b>123,948,567</b>	<b>0</b>	<b>0</b>
<b>Guarantee obligations</b>				
Other fixtures and fittings, tools and equipment	7,598,497	8,521,254	7,598,497	8,521,254

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Baltic Holding Hundedest ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 21 Related parties

### 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.

# Notes to the Financial Statements

## 22 Accounting Policies

The Annual Report of Baltic Holding Hundested ApS for 2021 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 Consolidated and Parent Company Financial Statements for 2021 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.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Baltic Holding Hundested ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

### Leases

Leases in terms of which the Group 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 Group.

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.

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

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue recognised in the Group relates to coaster transport of bulk and project cargo, commercial ship management, agency and stevedoring activities. 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 expenses for services related to chartering, agency and stevedoring necessary 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.

#### 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 intangible assets and 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 Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

#### Income from investments in subsidiaries and associates

Dividends from associates are recognised as income in the income statement when adopted at the General Meeting of the associate. However, dividends relating to earnings in the associate before it was acquired by the Parent Company are set off against the cost of the associate.

The item "Income from investments in subsidiaries" in the income statement includes the proportionate

## Notes to the Financial Statements

### 22 Accounting Policies (continued)

share of the profit for the year.

#### 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 jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to 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 3 years.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

#### Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the



## Notes to the Financial Statements

### 22 Accounting Policies (continued)

expected useful lives of the assets, which are:

Production buildings	3-10 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### 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.

#### Investments in subsidiaries and associates

Investments in associates are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

Inventories consist of bunker fuel 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.

### 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.

# Notes to the Financial Statements

## 22 Accounting Policies (continued)

### 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

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Other payables include working accounts with ship owners.

### Deferred income

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

## Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

## **Notes to the Financial Statements**

### **22 Accounting Policies** (continued)

#### **Cash and cash equivalents**

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

## Notes to the Financial Statements

### 22 Accounting Policies (continued)

#### Financial Highlights

##### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$