
Baltic Coaster Transport ApS

Ved Isefjorden 24, DK-3390 Hundested

Annual Report for
14 October 2021 - 31 December 2022

CVR No. 42 75 76 91

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 25/5 2023

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 Financial Statements of Baltic Coaster Transport ApS for the financial year 14 October 2021 - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2021/22.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Hundested, 25 May 2023

Executive Board

Peter Ronnie Hulstrøm
Executive Officer

Board of Directors

Peter Ronnie Hulstrøm

Frederik Christian Rye Lytzen

Thomas Holst Olsen

Mikkel Schmidt

Independent Practitioner's Extended Review Report

To the shareholder of Baltic Coaster Transport ApS

Conclusion

We have performed an extended review of the Financial Statements of Baltic Coaster Transport ApS for the financial year 14 October 2021 - 31 December 2022, 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 2022 and of the results of the Company's operations for the financial year 14 October 2021 - 31 December 2022 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' 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 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.

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.

Independent Practitioner's Extended Review Report

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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Hellerup, 25 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Søren Alexander
State Authorised Public Accountant
mne42824

Company information

The Company	Baltic Coaster Transport ApS Ved Isefjorden 24 DK-3390 Hundested CVR No: 42 75 76 91 Financial period: 14 October 2021 - 31 December 2022 Municipality of reg. office: Halsnæs
Board of Directors	Peter Ronnie Hulstrøm Frederik Christian Rye Lytzen Thomas Holst Olsen Mikkel Schmidt
Executive board	Peter Ronnie Hulstrøm
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

Baltic Coaster Transport ApS is a wholly owned subsidiary of Baltic Shipping Company A/S. The company was established in 2021 and has since been transporting bulk and project cargo primarily in the Baltic Sea and Northern Europe.

We are specialized in Competitive Chartering.

At the end of 2022 we have 10 vessels on time charter.

Market overview and expected development

2022 marked a very strong year for the shipping industry in general and the same applies for Baltic Coaster Transport. In a strong competitive market, the revenue has been extremely high, and we were able to expand and optimize our fleet and our geographical scope and hence provide the best possible results for both vessels and freight owners.

2023 has started on a strong note and we will continue the positive development of Baltic Coaster Transport.

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 positive expectations for 2023.

Development in the year

The income statement of the Company for 2021/22 shows a profit of DKK 24,824,335, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 24,864,335.

In 2022 Baltic Coaster Transport had a total turnover of DKK 111.4 mil.

The result before tax is DKK 24.8 mil.

The Management consider the result extremely satisfactory.

Our fleet on time charter has grown from an average of 2 vessels in 2021 to 10 vessels in 2022.

2023 has started on a strong note. We are however expecting the market to slow down to a steadier level compared to the extreme high levels in 2022. We do however expect a significantly higher result in 2023, as many of the vessels only joined our fleet in Q4 2022 and we will have more vessels joining in 2023.

Income statement 14 October 2021 - 31 December 2022

	Note	2021/22
		DKK 15 months
Gross profit/loss		24,766,917
Financial income	2	225,447
Financial expenses	3	-92,459
Profit/loss before tax		24,899,905
Tax on profit/loss for the year		-75,570
Net profit/loss for the year		24,824,335

Distribution of profit

	2021/22
	DKK
Proposed distribution of profit	
Proposed dividend for the year	24,800,000
Retained earnings	24,335
	24,824,335

Balance sheet 31 December 2022

Assets

	<u>Note</u>	<u>2021/22</u>
		DKK
Raw materials and consumables		2,115,888
Inventories		<u>2,115,888</u>
Trade receivables		8,116,101
Receivables from group enterprises		12,488,564
Other receivables		49,914
Prepayments		4,905,348
Receivables		<u>25,559,927</u>
Cash at bank and in hand		<u>7,198,436</u>
Current assets		<u>34,874,251</u>
Assets		<u>34,874,251</u>

Balance sheet 31 December 2022

Liabilities and equity

	<u>Note</u>	<u>2021/22</u>
		DKK
Share capital		40,000
Retained earnings		24,335
Proposed dividend for the year		24,800,000
Equity		<u>24,864,335</u>
Trade payables		7,563,579
Payables to group enterprises		3,650
Corporation tax		75,570
Other payables		74,084
Deferred income		2,293,033
Short-term debt		<u>10,009,916</u>
Debt		<u>10,009,916</u>
Liabilities and equity		<u>34,874,251</u>
Staff	1	
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Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 14 October	0	0	0	0
Cash payment concerning formation of entity	40,000	0	0	40,000
Net profit/loss for the year	0	24,335	24,800,000	24,824,335
Equity at 31 December	40,000	24,335	24,800,000	24,864,335

Notes to the Financial Statements

2021/22

1. Staff

Average number of employees

1

2021/22

DKK

2. Financial income

Interest received from group enterprises

113,450

Exchange gains

111,997

225,447

2021/22

DKK

3. Financial expenses

Interest paid to group enterprises

24,222

Other financial expenses

30,660

Exchange loss

37,577

92,459

2021/22

DKK

4. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year

138,509,574

Between 1 and 5 years

228,466,776

After 5 years

7,642,902

374,619,252

Other contingent liabilities

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

Notes to the Financial Statements

5. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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

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

Notes to the Financial Statements

6. Accounting policies

The Annual Report of Baltic Coaster Transport ApS for 2021/22 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 Financial Statements for 2021/22 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.

Income statement

Net sales

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

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

Expenses for raw materials and consumables

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

Other external expenses

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

Notes to the Financial Statements

Gross profit/loss

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

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

Balance sheet

Inventories

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

Receivables

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

Prepayments

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

Equity

Dividend

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

Current tax receivables and liabilities

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

Financial debts

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

Deferred income

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