



# ANNUAL REPORT

2022

Baltic Shipping Company A/S

CVR 81445710



**BALTIC SHIPPING COMPANY A/S**

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## Baltic Shipping Company A/S

Ved Isefjorden 24  
3390 Hundested  
Denmark

CVR 81445710  
www.balticshipping.dk  
chartering@balticshipping.dk  
+45 3996 0800

## Shipping since 1950

We have decades of experience providing cargo transport and specialized logistics services to companies around the world.

## Certifications

- GMP+ certified
- ISO 9001:2015 certified
- Certified by fonasba
- Member of Dansk Industri
- Member of Danish Shipbrokers and Port Operators



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## Five-times Gazelle winner

Baltic Shipping Company has won the Gazelle Award for five years in a row.



Gazelle companies are nominated by the Danish financial newspaper Børsen for showing a continuous growth in revenue or gross profit for the past four financial years with a total revenue or gross profit that has more than doubled during that period.

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# NAVIGATING 2022

As I look back over 2022, I'm reminded that the world is still suffering from the effects of Covid19 and continues to be turned upside down by terrible events, not least in Ukraine.

However, at Baltic Shipping Company A/S we are grateful to be able to write that 2022 exceeded all of our expectations and was a fantastic year. The global and market challenges we faced brought us even closer to our business partners, colleagues – and as a team.

2022 also offered many new opportunities in our various segments that have allowed us to meet and work with new business partners and colleagues.

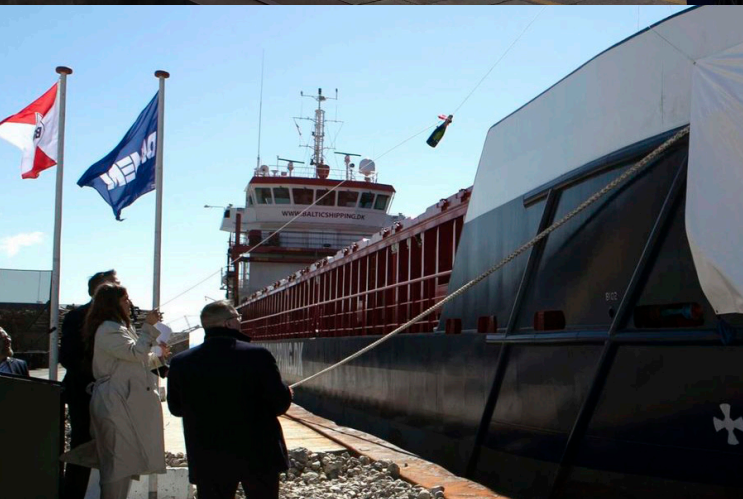
We believe in the power of teamwork and strive to bring out the best in our team by encouraging professional development, having fun, staying healthy, being sociable and sharing our know-how with others. I know we have the best employees and our approach to work is what enables us to maintain our team spirit and be a strong partner for our customers.



A handwritten signature in blue ink, appearing to read 'Peter', with a long, sweeping flourish extending to the right.

**Peter Ronnie Hulstrøm**  
Managing Director





## CHRISTENING OUR FIRST NEWBUILD

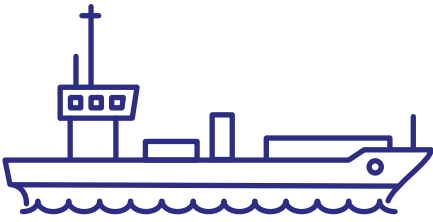
270 people gathered at Hundested Harbour in Denmark to celebrate another milestone in the history of Baltic Shipping Company. In glorious sunshine, the coaster Baltic Fin was christened by smashing a bottle of champagne against the side of the ship as 500 colourful balloons were released into the air.

Baltic Shipping Company's first newbuild coaster was 'born' at the Damen shipyard in China. However, due to Corona restrictions, the vessel could not be christened before it left for Europe and Denmark. Our customers, suppliers, families and friends made this day even more special by celebrating the event with us at the quay next to our headquarters in Hundested.





# COMPANY OVERVIEW



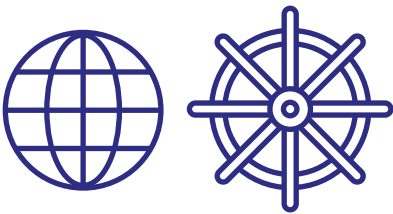
**73**

coasters  
of between  
1,150 mt.  
and 6,360 mt.



**55**

employees in  
ship management,  
chartering, stevedoring,  
agency



**5,500**

expected  
number of  
voyages  
in 2023

# FINANCIAL HIGHLIGHTS

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

KEY FIGURES	2022	2021	2020	2019	2018
<b>PROFIT/LOSS</b>	TDKK	TDKK	TDKK	TDKK	TDKK
Gross profit/loss	121,078	64,995	44,406	40,567	34,742
Profit/loss before financial income and expenses	84,118	37,569	20,114	18,819	16,250
Profit/loss of financial income and expenses	172,277	44,461	4,191	3,870	6,500
Net profit/loss	237,482	73,703	19,699	18,481	19,122
<b>BALANCE SHEET</b>					
Balance sheet total	312,616	142,047	67,647	62,314	51,250
Investment in property, plant and equipment	5,169	3,148	95	7,258	7,501
Equity	199,645	75,163	20,460	19,261	19,980
<b>EMPLOYEES</b>					
Number of employees	38	32	33	27	23
<b>RATIOS</b>					
Return on assets	26.9%	26.4%	29.7%	30.2%	31.7%
Solvency ratio	63.9%	52.9%	30.2%	30.9%	39.0%
Return on equity	172.8%	154.2%	99.2%	94.2%	191.4%



# -40% CO2



## CLIMATE-FRIENDLY

The delivery of this newbuild is the first of an order of nine coasters. It marks an important milestone and the culmination of many years' work by all employees at Baltic Shipping Company A/S. These new coasters enable us to offer a more sustainable profile and efficient fuel economy for our customers. They use around 40% less fuel compared with the previous generation of coasters. When the ship is in harbour, it can also use shore power, which reduces both noise and pollution.

## VISUALISING THE FUTURE

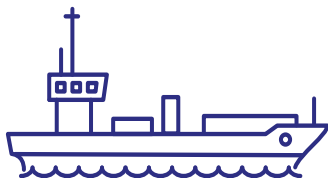
Travelling by sea is often the shortest route from A to B. That is why it is generally beneficial for the environment and for customers' CO2 emissions to choose ships instead of road transport. Over the past three years, Baltic Shipping Company has calculated the CO2 emissions of every single one of our voyages and made this visible for our customers on our invoices.



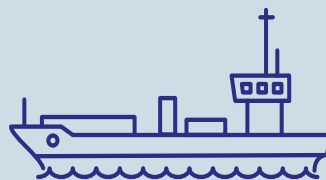
# OUR TRADING AREA

  **5,500**

expected number of voyages in 2023



# OUR LOCATIONS







# FINANCIAL STATEMENTS

2022



**BALTIC SHIPPING COMPANY A/S**

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# MANAGEMENT'S STATEMENT

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Baltic Shipping Company A/S for the financial year 1 January - 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 2022.

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, 30 May 2023

## Executive Board



Peter Ronnie Hulstrøm  
Executive Officer

## Board of Directors



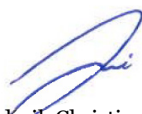
Thomas Holst Olsen



Peter Ronnie Hulstrøm



Mikkel Schmidt



Frederik Christian Lytzen

# INDEPENDENT AUDITOR'S REPORT

To the shareholder of Baltic Shipping Company A/S

## Opinion

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 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Baltic Shipping Company A/S for the financial year 1 January - 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").

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



# INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

Hellerup, 30 May 2023

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Søren Alexander  
State Authorised Public Accountant  
mne42824

# COMPANY INFORMATION

<b>The Company</b>	Baltic Shipping Company A/S Ved Isefjorden 24 DK-3390 Hundested  CVR No: 81 44 57 10 Financial period: 1 January - 31 December Municipality of reg. office: Halsnæs
<b>Board of Directors</b>	Thomas Holst Olsen Peter Ronnie Hulstrøm Mikkel Schmidt Frederik Christian Lytzen
<b>Executive board</b>	Peter Ronnie Hulstrøm
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup



# MANAGEMENT'S REVIEW

## Key activities

Baltic Shipping Company A/S is a wholly owned subsidiary of Baltic Holding Hundested ApS. The company was established in 1950 and has since been transporting bulk and project cargo primarily in the Baltic Sea.

Baltic Shipping Company is specialized in Commercial Ship Management, Competitive Chartering, Ships Agency, handling and transporting Project Cargo and stevedoring.

At the end of 2022 Baltic Shipping Company, as the management company of the Group, has a total fleet of fleet of 65 vessels, of which 37 dry cargo vessels in the range from 1.200-5.000 dwt is in commercial management under Baltic Shipping Company.

## Market overview

2022 marked a very strong year for the shipping industry in general and the same applies for Baltic Shipping Company. In a strong competitive market, the revenue has increased significantly, 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.

2023 has started on a strong note. However, considering the high inflation and increasingly high costs we do expect a lower result in 2023. We will continue the positive development of Baltic Shipping Company.

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 total gross revenue for 2022 generated in BSC, including the gross revenue generated by the vessels in BSC commercial management, amounts to DKK 917.4 million, which is an increase of 33,5% compared to 2021. In BSC only income from projects, stevedoring, agency and commission received for commercial management is recognized as revenue, why the reported net revenue in the financial statements amounts to DKK 192.2 million compared to 106.3 million in 2021.

The result before tax is DKK 256.4 million compared to DKK 82.0 million in 2021.

The Management consider the result very satisfactory and significantly above expectations.

The number of people employed by Baltic Shipping Company has increased from an average of 32 employees in 2021 to an average of 38 employees in 2022.

Our fleet in Commercial Management has decreased from an average of 37 vessels in 2021 to an average of 36 vessels during 2022. The market for coaster trading in the Baltic Sea and Northern Europe has remained and become increasingly strong during 2022. The market has throughout the year been outstanding both in terms of amount of freight, freight rates and development opportunities in the market. This remarkable market is expected to slow down to a steadier level, although high expectations continue to be in place for the foreseeable future. The activity for Baltic Shipping Company has in line with the development in the market grown significantly.

Our Agency and Stevedoring activities have also performed very well, and especially our Stevedoring activities have grown significantly in 2022.

Our customer base has been additionally strengthened in 2022 and we continue having a strong relationship with our customers based on a competitive service, which is built on long lasting cooperation and partnerships.

We are expecting the market to continue a strong performance and expect a result slightly below 2022.

# MANAGEMENT'S REVIEW

## Interest rate risks

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

To ensure we maintain our high-quality standards, we have in 2022 hired a quality manager.

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 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 behaviour 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. We are very happy to 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. We are currently employing 2 accounting trainees and 4 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 is 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 2022.



# MANAGEMENT'S REVIEW

## Assessment of risks

### Climate change and the environment

It is our ambition to continuously improve energy efficiency with all vessels. Consequently, the Group is always inquiring about energy efficiency when engaging a supplier including contractual terms ensuring the supplier vessel is sailing on MGO.

However, as the fuel consumption is the only material impact, we may influence, and since the number of transactions are limited, the Group does not see risks material enough to require a formalised policy. In the coming years, there will be new legislation and regulation which will increase focus on vessels' CO<sub>2</sub> emissions. We will continuously evaluate the need for a more formalised policy.

### Human rights

With our current business model we don't employ crew on the vessels. All land based employees are hired on equal terms and conditions and in accordance with Danish labor market standards.

Consequently, we do not see risks leading to a need for a formalised policy on human rights. We will continuously evaluate the need for a more formalised policy.

### Anti-corruption

Baltic Shipping Company has a zero tolerance towards corruption and bribery practices. Contracts with both customers and suppliers follow the standards provided by BIMCO. Port costs forwarded by chartered vessels that are to be paid by the company undergo quality assurance and approval by our skilled operators, who know the official rates in ports. Further, all costs related to voyages are controlled by accounting applying a four eye principle, so the risks related to corruption and bribery are considered very low. In 2022, we have followed the anti-corruption procedures described above and we will continue to do so in the future.

### Employees

Baltic Shipping Company believes that personal development is key to the success and well-being of the company's employees and thereby the success of the Company itself. To attract and maintain qualified employees is critical to the Company's growth.

## Policies on CSR

Referencing the above assessment and evaluation of risks related to CSR, the Group has decided not to author formalised policies for impacts related to climate change, environmental issues, human rights, and anti-corruption. Our work within these areas is described in the sections above. We will continuously evaluate the need for more formalised policies.

### Policy regarding employees

It is the policy to enable Baltic Shipping Company to attract, retain and evolve the best possible employees, meaning employees that are highly qualified and motivated to successfully manage present and future assignments.

### Activities and results

In 2022, meetings were held at least twice a year with all employees, where the performance of the individual was assessed and evaluated. In 2023, we will continue with annual meetings to assess and evaluate the performance of the individual employees.

# MANAGEMENT'S REVIEW

## **Statement in compliance with section 99(b) of the Danish Financial Statements Act**

There are no women in the current board.

The goal is by 2025 that the company will meet the target of a gender distribution of 20% in the board.

Policy to increase gender diversity on other management levels:

The Group employs less than 50 employees and therefore there is no requirement to develop a policy for the underrepresented gender.

## **Statement on data ethics in accordance with section 99 d of the Danish Financial Statements Act**

The Group has evaluated if it is relevant to prepare a policy for data ethics. The Group only enters into business with B2B customers and therefore, to a limited extent, collects and processes data. The Group has not prepared a data ethics policy, but all information we receive related to customers, vendors and employees are treated in a responsible manner that secure that the data cannot be accessed by unauthorised persons.

## **Subsequent events**

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

# MANAGEMENT TEAM



A blue ink signature of Peter Ronnie Hulstrøm.

**Peter Ronnie Hulstrøm**  
Managing Director



A blue ink signature of Karina Uldahl Kiel.

**Karina Uldahl Kiel**  
CFO



A blue ink signature of Mikkel Schmidt.

**Mikkel Schmidt**  
Partner, Ship Management



A blue ink signature of Thomas Holst Olsen.

**Thomas Holst Olsen**  
Partner, Chartering



A blue ink signature of Frederik Christian Lytzen.

**Frederik Christian Lytzen**  
Partner, Chartering



# INCOME STATEMENT

## 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
Revenue		192,227,087	106,330,233
Other operating income		545,456	616,111
Expenses for raw materials and consumables		-58,743,827	-33,914,186
Other external expenses		-12,950,316	-8,036,907
<b>Gross profit</b>		<b>121,078,400</b>	<b>64,995,251</b>
Staff expenses	1	-33,878,129	-25,044,306
Depreciation and impairment losses of property, plant and equipment		-3,082,279	-2,382,371
<b>Profit/loss before financial income and expenses</b>		<b>84,117,992</b>	<b>37,568,574</b>
Income from investments in subsidiaries		170,592,873	44,337,231
Financial income	2	3,045,658	1,213,692
Financial expenses	3	-1,361,838	-1,090,251
<b>Profit/loss before tax</b>		<b>256,394,685</b>	<b>82,029,246</b>
Tax on profit/loss for the year		-18,912,233	-8,326,416
<b>Net profit/loss for the year</b>	4	<b>237,482,452</b>	<b>73,702,830</b>

# BALANCE SHEET

## 31 DECEMBER

### Assets

	Note	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		13,780,601	11,956,393
Leasehold improvements		22,727	73,638
<b>Property, plant and equipment</b>	5	<b><u>13,803,328</u></b>	<b><u>12,030,031</u></b>
Investments in subsidiaries	6	150,358,726	44,690,120
Deposits		285,974	271,584
<b>Fixed asset investments</b>		<b><u>150,644,700</u></b>	<b><u>44,961,704</u></b>
<b>Fixed assets</b>		<b><u>164,448,028</u></b>	<b><u>56,991,735</u></b>
Raw materials and consumables		10,334,110	7,169,189
<b>Inventories</b>		<b><u>10,334,110</u></b>	<b><u>7,169,189</u></b>
Trade receivables		49,452,460	43,852,576
Receivables from group enterprises		45,633,273	6,251,482
Receivables from associates		0	5,938
Other receivables		9,168,318	4,169,290
Prepayments		620,953	476,022
<b>Receivables</b>		<b><u>104,875,004</u></b>	<b><u>54,755,308</u></b>
<b>Cash at bank and in hand</b>		<b><u>32,958,481</u></b>	<b><u>23,130,421</u></b>
<b>Current assets</b>		<b><u>148,167,595</u></b>	<b><u>85,054,918</u></b>
<b>Assets</b>		<b><u>312,615,623</u></b>	<b><u>142,046,653</u></b>

# BALANCE SHEET

## 31 DECEMBER

### Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital		700,000	700,000
Reserve for net revaluation under the equity method		0	136,674
Retained earnings		295,041	1,325,915
Proposed dividend for the year		198,650,000	73,000,000
<b>Equity</b>		<b>199,645,041</b>	<b>75,162,589</b>
Provision for deferred tax		75,290	499,869
<b>Provisions</b>		<b>75,290</b>	<b>499,869</b>
Lease obligations		4,587,621	5,840,579
Other payables		3,840,236	1,242,038
<b>Long-term debt</b>	7	<b>8,427,857</b>	<b>7,082,617</b>
Lease obligations	7	3,860,831	1,581,787
Prepayments received from customers		88,485	85,836
Trade payables		37,697,528	27,270,588
Payables to group enterprises		25,160,292	11,189,751
Corporation tax		14,314,812	1,211,150
Deposits		22,680	22,680
Other payables	7	23,202,609	17,882,815
Deferred income		120,198	56,971
<b>Short-term debt</b>		<b>104,467,435</b>	<b>59,301,578</b>
<b>Debt</b>		<b>112,895,292</b>	<b>66,384,195</b>
<b>Liabilities and equity</b>		<b>312,615,623</b>	<b>142,046,653</b>
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

# STATEMENT OF CHANGES IN EQUITY

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	700,000	136,674	1,325,915	73,000,000	75,162,589
Ordinary dividend paid	0	0	0	-73,000,000	-73,000,000
Extraordinary dividend paid	0	0	-40,000,000	0	-40,000,000
Dividend from group enterprises	0	-172,300,000	172,300,000	0	0
Net profit/loss for the year	0	172,163,326	-133,330,874	198,650,000	237,482,452
<b>Equity at 31 December</b>	<b>700,000</b>	<b>0</b>	<b>295,041</b>	<b>198,650,000</b>	<b>199,645,041</b>



# NOTES TO THE FINANCIAL STATEMENTS

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	31,260,986	23,448,235
Pensions	2,531,746	1,524,497
Other social security expenses	85,397	71,574
	<u>33,878,129</u>	<u>25,044,306</u>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<u>7,214,680</u>	<u>8,397,818</u>
<b>Average number of employees</b>	<u>38</u>	<u>32</u>

There has been made an agreement with a member of the Board of Directors to purchase up to 10% of the equity in the Company. The agreement has been made based on the market value of the Company at the time of the agreement.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>2. Financial income</b>		
Interest received from group enterprises	544,621	58,026
Other financial income	806,171	674,341
Exchange gains	1,694,866	481,325
	<u>3,045,658</u>	<u>1,213,692</u>

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	242,819	0
Other financial expenses	436,277	367,129
Exchange loss	682,742	723,122
	<u>1,361,838</u>	<u>1,090,251</u>

# NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	DKK	DKK
<b>4. Profit allocation</b>		
Extraordinary dividend paid	40,000,000	0
Proposed dividend for the year	198,650,000	73,000,000
Reserve for net revaluation under the equity method	172,163,326	44,368,785
Retained earnings	-173,330,874	-43,665,955
	<b>237,482,452</b>	<b>73,702,830</b>

## 5. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	20,373,769	254,557
Additions for the year	5,168,826	0
Disposals for the year	-810,000	0
Cost at 31 December	24,732,595	254,557
Impairment losses and depreciation at 1 January	8,417,376	180,919
Depreciation for the year	3,031,368	50,911
Reversal of impairment and depreciation of sold assets	-496,750	0
Impairment losses and depreciation at 31 December	10,951,994	231,830
<b>Carrying amount at 31 December</b>	<b>13,780,601</b>	<b>22,727</b>
Depreciated over	3-10 years years	5 years years
Including assets under finance leases amounting to	10,409,023	0

# NOTES TO THE FINANCIAL STATEMENTS

	2022	2021
	DKK	DKK
<b>6. Investments in subsidiaries</b>		
Cost at 1 January	285,000	125,000
Additions for the year	19,375,733	160,000
Cost at 31 December	<u>19,660,733</u>	<u>285,000</u>
Value adjustments at 1 January	44,405,120	4,067,889
Net profit/loss for the year	170,724,123	44,337,231
Dividend to the Parent Company	-84,300,000	-4,000,000
Amortisation of goodwill	-131,250	0
Value adjustments at 31 December	<u>130,697,993</u>	<u>44,405,120</u>
<b>Carrying amount at 31 December</b>	<b><u>150,358,726</u></b>	<b><u>44,690,120</u></b>
Positive differences arising on initial measurement of subsidiaries at net asset value	15,194,785	0
Remaining positive difference included in the above carrying amount at 31 December	<u>15,063,535</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Baltic Coaster Chartering ApS	Hundested	125,000	100%
Baltic Coaster Transport ApS	Hundested	40,000	100%
BSC Invest 1 ApS	Hundested	40,000	100%
MV "Simon B" GmbH & Co. KG	Tyskland	1,282,865	90%
BSC Invest 2 ApS	Hundested	40,000	100%
MS Bothnia Fin GmbH & Co. KG	Tyskland	2,284,000	77%
BSC Invest 3 ApS	Hundested	40.000	100%
MS Baltic Fin GmbH & Co. KG	Tyskland	2,284,000	77%
Bay Shipping A/S	Aarhus	500.000	100%
Bay Chartering ApS	Aarhus	125.000	100%

# NOTES TO THE FINANCIAL STATEMENTS

## 7. 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:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	<u>4,587,621</u>	<u>5,840,579</u>
Long-term part	4,587,621	5,840,579
Within 1 year	<u>3,860,831</u>	<u>1,581,787</u>
	<u><b>8,448,452</b></u>	<u><b>7,422,366</b></u>
<b>Other payables</b>		
After 5 years	1,268,121	1,242,038
Between 1 and 5 years	<u>2,572,115</u>	<u>0</u>
Long-term part	3,840,236	1,242,038
Within 1 year	0	0
Other short-term payables	<u>23,202,609</u>	<u>17,882,815</u>
	<u><b>27,042,845</b></u>	<u><b>19,124,853</b></u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK

## 8. Contingent assets, liabilities and other financial obligations

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	1,678,701	1,661,923
Between 1 and 5 years	<u>1,083,608</u>	<u>1,720,349</u>
	<u><b>2,762,309</b></u>	<u><b>3,382,272</b></u>

### Guarantee obligations

The Company has provided an unlimited suretyship for Baltic Coaster Chartering ApS' engagement with Danske Bank.

The Company has provided a guarantee obligation of EUR 80,000 for Kielerkanalen.

### Other contingent liabilities

At the balance sheet date, a claim is pending against the Company for an amount of approximately EUR 500,000. The case concerns a delivery of cargo without required documentation.



# NOTES TO THE FINANCIAL STATEMENTS

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

### Transactions

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

### Consolidated Financial Statements

The Company is 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

## 10. Accounting policies

The Annual Report of Baltic Shipping Company A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of Baltic Holding Hundested ApS, the Company has not prepared consolidated financial statements.

### Cash flow statement

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

### Recognition and measurement

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

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

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

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

### Business combinations

#### *Business acquisitions carried through on or after 1 July 2018*

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

# NOTES TO THE FINANCIAL STATEMENTS

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

## Leases

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

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

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

## Translation policies

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

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

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

## Segment information on revenue

Information on business segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income statement

### Net sales

Revenue recognised relates purely to 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.

### Other external expenses

Other external expenses comprise indirect 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.

# NOTES TO THE FINANCIAL STATEMENTS

## **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.

## **Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate 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 . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## **Balance sheet**

### **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.

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	3-10 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 property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

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

### **Investments in subsidiaries**

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



# NOTES TO THE FINANCIAL STATEMENTS

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. Goodwill is amortised over a period of 10 years based on the estimated useful life.

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.

## **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.

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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.

## Financial Highlights

### Explanation of financial ratios

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







**BALTIC SHIPPING COMPANY A/S**

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CVR 81445710

