

# ANNUAL REPORT

## 2023



**BALTIC SHIPPING COMPANY A/S**

Baltic Shipping Company A/S

CVR 81445710

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**Baltic Shipping Company A/S**  
Frederiksbro Torv 4, 1. th.  
3400 Hillerød  
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
- Member of Danish Shipowners Association



Danske Rederier



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**BØRSEN**



#### Six-times Gazelle winner

For the sixth time, we were awarded a Gazelle award. Gazelle companies are nominated by the Danish newspaper Børsen for showing 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.



# ON COURSE FOR SUCCESS

In another year that was characterized by a degree of uncertainty in global markets, I'm pleased to report that 2023 was a great year for us at Baltic Shipping Company.

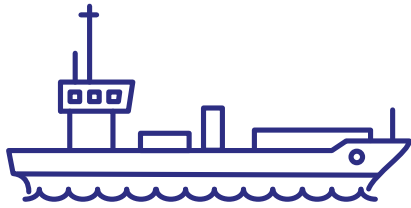
During the year, we welcomed 10 new colleagues to the company in Denmark and Germany. We also expanded our capacity in commercial management, time charter, and new build investment.

After a decade in our headquarters in Hundested, in January 2024 we moved into brand new office premises in Hillerød. This marks the start of a new and exciting chapter in the history of Baltic Shipping Company. In addition to increasing our headquarter office space, we also opened a new branch office in Hamburg and a new Port Operations office in Køge.

Regardless of our location and size, we are firmly committed to maintaining our unique Baltic Shipping Company culture. The positive mindset of our employees and the company-wide commitment to going the extra mile for customers and colleagues have always contributed to our success. By investing in the development and wellbeing of our team, we can continue to offer our customers and partners the best possible service in coming years.



**Peter Ronnie Hulstrøm**  
Managing Director



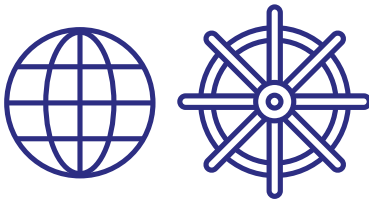
Coasters of between  
1,200 and 13,300 DWT

2022  
**65** → **81**  
2023



Employees in ship management,  
chartering, stevedoring, agency

2022  
**38** → **45**  
2023



Revenue, MDKK

2022  
**1.5** → **1.8**  
2023

## GROWTH AND DEVELOPMENT

In the space of a few years, Baltic Shipping Company has virtually doubled in size, revenue and fleet. Growth of this kind requires a new approach to business management.

At the start of 2023, the Executive Management team took part in a 360-degree leadership development process run by an external consultancy. This included sessions on individual strengths and weaknesses, as well as communication and collaboration styles. These sessions have given top management a more in-depth understanding of how to use their skills strategically to steer our growth journey.

For example, during the year members of the Executive Management team worked closely with Port Operations on optimizing port-side processes. By implementing various changes to their way of working, the Port Operations team has since been able to save time and cut costs, while still maintaining the high standards of quality expected by our customers and partners.

# FINANCIAL HIGHLIGHTS

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

<b>KEY FIGURES</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>PROFIT/LOSS</b>	TDKK	TDKK	TDKK	TDKK	TDKK
Revenue	179,674	192,227	106,330	83,634	72,575
Gross profit	107,164	121,078	64,995	44,406	40,567
Profit/loss of primary operations	62,554	84,118	37,569	20,114	18,819
Profit/loss of financial income and expenses	101,213	172,277	44,461	4,191	3,870
Net profit/loss for the year	149,021	237,482	73,703	19,699	18,481
<b>BALANCE SHEET</b>					
Balance sheet total	305,169	312,616	142,047	67,647	62,314
Investment in property, plant and equipment	11,323	5,169	3,148	95	7,258
Equity	150,016	199,645	75,163	20,460	19,261
<b>NUMBER OF EMPLOYEES</b>					
Number of employees	45	38	32	33	27
<b>RATIOS</b>					
Return on assets	20.5%	26.9%	26.4%	29.7%	30.2%
Solvency ratio	49.2%	63.9%	52.9%	30.2%	30.9%
Return on equity	85.2%	172.8%	154.2%	99.2%	191.9%



## STRENGTHENING OUR TEAM

At Baltic Shipping Company, we strongly believe in the benefits of creating a great place to work. When employees enjoy their work, they perform better, which benefits our customers, our partners and ultimately our own growth. For this reason, during 2023 we invested in a number of employee initiatives.

During April and May all employees were individually interviewed about employee wellbeing at work. This was followed by a team day in the coastal village of Snekkersten. During the day, we followed up on the results of these interviews with group discussions and a series of teambuilding activities – from yoga and breathwork to competitive games and collaboration exercises. This provided the opportunity to get to know colleagues from other departments and strengthen existing relationships in a fun and informal environment.

One of the main themes of the day was psychological safety and maintaining our open culture – even during periods of change and growth. Psychological safety recognizes the value of team members taking risks, expressing concerns and admitting mistakes. With this approach, team members feel more motivated and different perspectives lead to better decision making. This will continue to be a focus area in the years to come.



”

It was a fantastic day and so valuable to be able to spend time with the team away from the office. I returned full of energy having shared learnings and laughs with my colleagues. It really strengthened our sense of being a team.

Hanne Berthelsen, Accounting



# AN EXCITING NEW CHAPTER



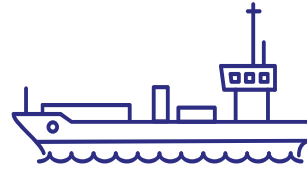
## IN HILLERØD

### COLLABORATION AND CREATIVITY

After 10 years in the town of Hundested on the north coast of Zealand, in 2023 we made the decision to move to a larger office in Hillerød. This more central location, within commuting distance of Copenhagen, has shortened transport time for many employees and will make recruitment easier.

The new state-of-the-art office is designed for collaboration and creativity. Every detail has been meticulously planned – from the acoustic soundproofing to the canteen facilities. Employee health and wellbeing have also been in focus and the new office has a number of walking desks and desk bikes.





## OUR LOCATIONS



### IN HAMBURG

#### CLOSE TO OUR PARTNERS

Located in the maritime district of at Hafen City, the new branch office in Hamburg has brought us closer to many of our partners. The Hamburg office is staffed by local employees with an extensive understanding of the short sea industry and the German market.

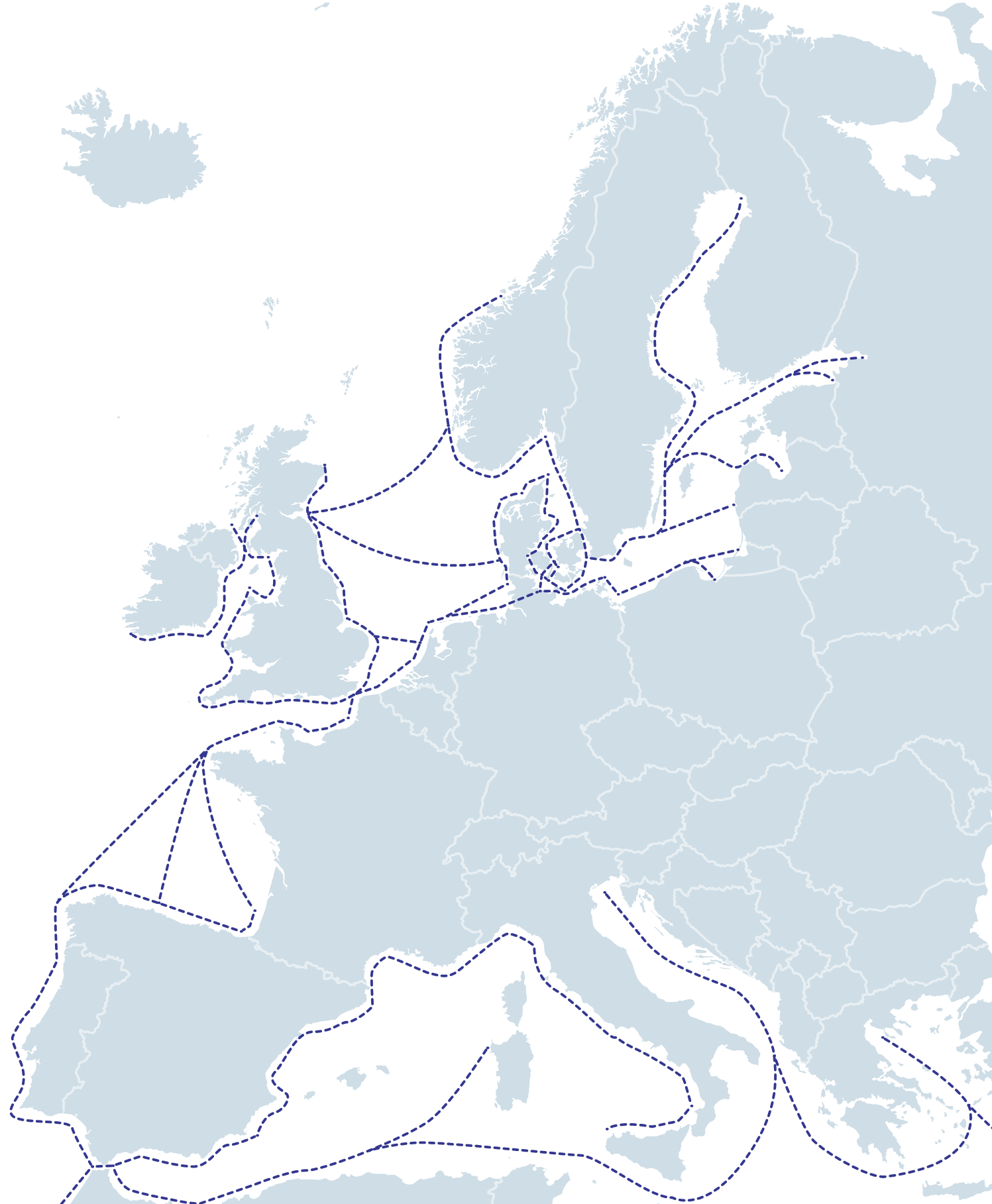


### IN KØGE

#### SHARING KNOWLEDGE

The new office in Køge is designed to be used by the Port Operations team. When they are not needed in their home ports, the office in Køge offers them a space for working and sharing their knowledge with colleagues.

# OUR TRADING AREA



# FINANCIAL STATEMENTS

2023



**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 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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.

Hillerød, 19 April 2024

## 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 shareholders 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 2023, 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, 19 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Søren Alexander

State Authorised Public Accountant

mne42824



Jeff Boye Ibsen

State Authorised Public Accountant

mne49859

# COMPANY INFORMATION

<b>The Company</b>	Baltic Shipping Company A/S Frederiksbro Torv 4, 1. th DK-3400 Hillerød  CVR No: 81 44 57 10 Financial period: 1 January - 31 December Municipality of reg. office: Hillerød
<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 DK-2900 Hellerup



# MANAGEMENT'S REVIEW

## Management's review

### The principal activities of the company

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, Chartering, Ships Agency, Stevedoring and handling and transporting Project Cargo and stevedoring.

At the end of 2023 Baltic Shipping Company, as the management company of the Group, has a total fleet of fleet of 81 dry cargo vessels ranging from 1,200-13,300 dwt, of which 43 vessels are in commercial management under Baltic Shipping Company A/S.

### Market overview and expected development

2022 marked a very strong year for the shipping industry in general, and in 2023 the market has somewhat normalized. Entering 2023 the market in the short sea coaster segment was still very strong until early summer where we saw quite a drop leading to a more normalized and stable good market towards the end of 2023 and this is also how 2024 has started.

We have this year again been able to optimize and expand our fleet and expand our geographical scope and hence provide the best possible results for both vessel and freight owners.

2024 has started on a good note and we expect the market to be more stable this year, still somewhat effected by the high inflation and increasing high costs in 2022 and first half of 2023. We do expect a slightly lower result in 2024. We will continue the positive development of Baltic Shipping Company A/S.

The war 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 war, not foresee any reason to adjust our positive expectations for 2024.

### Development in activities and financial matters

The gross revenue for 2023 generated in BSC, including the freight revenue generated by the vessels in BSC commercial management, amounts to DKK 961.3 million, which is an increase of 4.8% compared to 2022. In BSC 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 179.7 million compared to 192.2 million in 2022, which is a decrease of 6.5%.

The result excluding income from investments in subsidiaries and before tax is DKK 66.6 million compared to DKK 85.8 million in 2022, which is a decrease of 22.4%.

The Management consider the result very satisfactory and in line with expectations.

The number of people employed by Baltic Shipping Company has increased from an average of 38 employees in 2022 to an average of 45 employees in 2023.

# MANAGEMENT'S REVIEW

The market for coaster trading in the Baltic Sea and Northern Europe has remained strong during 2023. The market has throughout the year been good both in terms of amount of freight, freight rates and development opportunities in the market. The market has compared to last year and the beginning of 2023 slowed down to a steadier level, and we expect the market to continue around this steady level 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 2023. As part of our strategic development, this segment of the business is now operated as one unit under Port Operations.

Our customer base has been additionally strengthened in 2023 and we continue having a strong relationship with our customers based on a competitive service, which is built on long lasting cooperation and partnerships.

To further strengthen the close relationship with our customers and business partners we have opened an office in Hamburg.

We are expecting the market to continue a stable good performance and expect a result in line with 2023.

## **Internal Risk Management and Quality Standards**

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

To ensure we maintain our high-quality standards, we have in 2023 engaged the management team in the process of being ready to comply with CSRD and we have engaged PWC to assist us with the whole framework and compliance assurance together with dedicated project staff from our side.

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 also uphold a certification in GMP+ for sea transport.

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

In Baltic Shipping Company A/S we are placing this responsibility high on the agenda and have increased focus on 8 of the 17 global goals for sustainable development. For further insight in our activities, we refer to the section "The principal activities of the company".

# MANAGEMENT'S REVIEW

The action comprises strategies and measures against climate changes as well as awareness-raising on climate changes. In Baltic Shipping Company A/S 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.

We have in 2023 engaged a sustainability consultant with focus on our vessels and the entire legislation in this area. He has done an extensive research and documentation of this work – and of how well BSC is able to provide data supporting the legislation and the requirements to come.

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. We are 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 very low level.

To further support both our growth and the wellbeing of our employees, we have invested in developing new office space with optimal surroundings and atmosphere.

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 1 accounting trainee and 9 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 2023.

# MANAGEMENT'S REVIEW

## Assessment of risks

### *Climate change and the environment*

It is our ambition to continuously improve energy efficiency with all vessels.

We ensure a minimum fuel consumption by always striving to optimize the fleet in such a way that the vessels have a minimum of ballast voyages, and thereby minimize the CO2 emission.

In the coming years, there will be new legislation and regulation which will increase focus on vessels' CO2 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 in regards to human rights and for now we plan to uphold the current business model.

### *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 2023, 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.

We will continue to focus on the wellbeing of our employees in order to attract and maintain qualified employees.

## Policies on CSR

The Group has no other policies related to CSR implemented other than described in the previous sections.

Group Management continuously evaluates the need for further policies in relation to the assessment and evaluation of risks related to climate change, environmental issues, human rights and anti-corruption.

# MANAGEMENT'S REVIEW

## *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 2023, meetings were held at least twice a year with all employees, where the performance of the individual was assessed and evaluated. In 2024, we will continue with annual meetings to assess and evaluate the performance of the individual employees.

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

	2023	2022	Target for the underrepresented gender
Board of Directors	4	4	
Board of Directors Share of underrepresented gender	0%	0%	20 % by 2025
Other management	3	3	
Other management Share of underrepresented gender	33%	33%	Equal gender distribution has been achieved.

Policy to increase gender diversity on other management levels:

The Group has not exceeded 50 employees for two consecutive years and therefore there is no requirement to develop a policy for the underrepresented gender.

During 2023 no actions has been taken in order to increase the share of the underrepresented gender in the Board of Directors.

During 2024 we will develop a strategy and a policy for the underrepresented gender.

# MANAGEMENT'S REVIEW

## **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. All information received 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, written in a cursive style.

**Peter Ronnie Hulstrøm**  
Managing Director



A blue ink signature of Karina Uldahl Kiel, written in a cursive style.

**Karina Uldahl Kiel**  
CFO



A blue ink signature of Mikkel Schmidt, written in a cursive style.

**Mikkel Schmidt**  
Partner, Ship Management



A blue ink signature of Thomas Holst Olsen, written in a cursive style.

**Thomas Holst Olsen**  
Partner, Chartering



A blue ink signature of Frederik Christian Lytzen, written in a cursive style.

**Frederik Christian Lytzen**  
Partner, Chartering

# INCOME STATEMENT

## 1 JANUARY - 31 DECEMBER

	Note	2023	2022
		DKK	DKK
Revenue		179,673,990	192,227,087
Other operating income		1,418,916	545,456
Expenses for raw materials and consumables		-56,329,919	-58,743,827
Other external expenses		-17,598,982	-12,950,316
<b>Gross profit</b>		<b>107,164,005</b>	<b>121,078,400</b>
Staff expenses	1	-41,052,568	-33,878,129
Depreciation and impairment losses of property, plant and equipment		-3,557,283	-3,082,279
<b>Profit/loss before financial income and expenses</b>		<b>62,554,154</b>	<b>84,117,992</b>
Income from investments in subsidiaries		97,202,734	170,592,873
Financial income	2	5,981,317	3,045,658
Financial expenses	3	-1,970,577	-1,361,838
<b>Profit/loss before tax</b>		<b>163,767,628</b>	<b>256,394,685</b>
Tax on profit/loss for the year		-14,746,361	-18,912,233
<b>Net profit/loss for the year</b>	4	<b>149,021,267</b>	<b>237,482,452</b>



# BALANCE SHEET

## 31 DECEMBER

### Assets

	Note	2023	2022
		DKK	DKK
Other fixtures and fittings, tools and equipment		19,900,063	13,780,601
Leasehold improvements		486,658	22,727
<b>Property, plant and equipment</b>	5	<b>20,386,721</b>	<b>13,803,328</b>
Investments in subsidiaries	6	111,580,505	150,358,726
Deposits		970,361	285,974
<b>Fixed asset investments</b>		<b>112,550,866</b>	<b>150,644,700</b>
<b>Fixed assets</b>		<b>132,937,587</b>	<b>164,448,028</b>
Raw materials and consumables		13,647,328	10,334,110
<b>Inventories</b>		<b>13,647,328</b>	<b>10,334,110</b>
Trade receivables		56,042,599	49,452,460
Receivables from group enterprises		75,512,410	45,633,273
Other receivables		10,421,809	9,168,318
Corporation tax		3,786,922	0
Prepayments		723,359	620,953
<b>Receivables</b>		<b>146,487,099</b>	<b>104,875,004</b>
<b>Cash at bank and in hand</b>		<b>12,096,573</b>	<b>32,958,481</b>
<b>Current assets</b>		<b>172,231,000</b>	<b>148,167,595</b>
<b>Assets</b>		<b>305,168,587</b>	<b>312,615,623</b>

# BALANCE SHEET

## 31 DECEMBER

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		700,000	700,000
Reserve for net revaluation under the equity method		3,002,734	0
Retained earnings		313,574	295,041
Proposed dividend for the year		<u>146,000,000</u>	<u>198,650,000</u>
<b>Equity</b>		<b><u>150,016,308</u></b>	<b><u>199,645,041</u></b>
Provision for deferred tax		<u>652,573</u>	<u>75,290</u>
<b>Provisions</b>		<b><u>652,573</u></b>	<b><u>75,290</u></b>
Lease obligations		3,916,288	4,587,621
Other payables		<u>3,884,620</u>	<u>3,840,236</u>
<b>Long-term debt</b>	7	<b><u>7,800,908</u></b>	<b><u>8,427,857</u></b>
Lease obligations	7	2,873,187	3,860,831
Prepayments received from customers		82,729	88,485
Trade payables		48,163,845	37,697,528
Payables to group enterprises		38,237,116	25,160,295
Corporation tax		0	14,314,812
Deposits		0	22,680
Other payables	7	57,280,938	23,202,606
Deferred income		<u>60,983</u>	<u>120,198</u>
<b>Short-term debt</b>		<b><u>146,698,798</u></b>	<b><u>104,467,435</u></b>
<b>Debt</b>		<b><u>154,499,706</u></b>	<b><u>112,895,292</u></b>
<b>Liabilities and equity</b>		<b><u>305,168,587</u></b>	<b><u>312,615,623</u></b>
Contingent assets, liabilities and other financial obligations	8		
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# 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	0	295,041	198,650,000	199,645,041
Ordinary dividend paid	0	0	0	-198,650,000	-198,650,000
Dividend from group enterprises	0	-94,200,000	94,200,000	0	0
Net profit/loss for the year	0	97,202,734	-94,181,467	146,000,000	149,021,267
<b>Equity at 31 December</b>	<b>700,000</b>	<b>3,002,734</b>	<b>313,574</b>	<b>146,000,000</b>	<b>150,016,308</b>

# NOTES TO THE FINANCIAL STATEMENTS

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>1. Staff Expenses</b>		
Wages and salaries	37,734,240	31,260,986
Pensions	3,211,168	2,531,746
Other social security expenses	107,160	85,397
	<u>41,052,568</u>	<u>33,878,129</u>
Including remuneration to the Executive Board and Board of Directors	<u>7,683,634</u>	<u>7,214,680</u>
Average number of employees	<u>45</u>	<u>38</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>2023</u>	<u>2022</u>
	DKK	DKK
<b>2. Financial income</b>		
Interest received from group enterprises	1,766,862	544,621
Other financial income	1,476,879	806,171
Exchange gains	2,737,576	1,694,866
	<u>5,981,317</u>	<u>3,045,658</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>3. Financial expenses</b>		
Interest paid to group enterprises	286,449	242,819
Other financial expenses	1,205,222	436,277
Exchange loss	478,906	682,742
	<u>1,970,577</u>	<u>1,361,838</u>

# NOTES TO THE FINANCIAL STATEMENTS

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>4. Profit allocation</b>		
Extraordinary dividend paid	0	40,000,000
Proposed dividend for the year	146,000,000	198,650,000
Reserve for net revaluation under the equity method	97,202,734	172,163,326
Retained earnings	<u>-94,181,467</u>	<u>-173,330,874</u>
	<u>149,021,267</u>	<u>237,482,452</u>
<b>5. Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	24,732,595	254,557
Additions for the year	10,807,429	515,158
Disposals for the year	<u>-2,689,484</u>	<u>-254,557</u>
Cost at 31 December	<u>32,850,540</u>	<u>515,158</u>
Impairment losses and depreciation at 1 January	10,951,994	231,830
Depreciation for the year	3,506,057	51,227
Reversal of impairment and depreciation of sold assets	<u>-1,507,574</u>	<u>-254,557</u>
Impairment losses and depreciation at 31 December	<u>12,950,477</u>	<u>28,500</u>
<b>Carrying amount at 31 December</b>	<u>19,900,063</u>	<u>486,658</u>
Amortised over	<u>3-10 years</u>	<u>5-10 years</u>
Including assets under finance leases amounting to	<u>8,179,193</u>	<u>0</u>

# NOTES TO THE FINANCIAL STATEMENTS

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>6. Investments in subsidiaries</b>		
Cost at 1 January	19,660,733	285,000
Additions for the year	<u>0</u>	<u>19,375,733</u>
Cost at 31 December	<u>19,660,733</u>	<u>19,660,733</u>
Value adjustments at 1 January	130,697,993	44,405,120
Net profit/loss for the year	98,722,213	170,724,123
Dividend to the Parent Company	-135,980,955	-84,300,000
Amortisation of goodwill	<u>-1,519,479</u>	<u>-131,250</u>
Value adjustments at 31 December	<u>91,919,772</u>	<u>130,697,993</u>
<b>Carrying amount at 31 December</b>	<b><u>111,580,505</u></b>	<b><u>150,358,726</u></b>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>15,194,785</u>	<u>15,194,785</u>
Remaining positive difference included in the above carrying amount at	<u>13,544,056</u>	<u>15,063,535</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Ownership</u>
Baltic Coaster Chartering ApS	Hillerød	DKK 125,000	100.00%
Baltic Coaster Transport ApS	Hillerød	DKK 40,000	100.00%
BSC Invest 1 ApS	Hillerød	DKK 40,000	100.00%
MV "Simon B" GmbH & Co. KG	Germany	EUR 185,000	90.00%
MS BERING FIN GmbH & Co. KG	Germany	EUR 2,010,000	50.25%
BSC Invest 2 ApS	Hillerød	DKK 40,000	100.00%
MS BOTHNIA FIN GmbH & Co. KG	Germany	EUR 2,875,000	79.44%
BSC Invest 3 ApS	Hillerød	DKK 40,000	100.00%
MS BALTIC FIN GmbH & Co. KG	Germany	EUR 2,875,000	79.44%
MS BISCAY FIN GmbH & Co. KG	Germany	EUR 2,010,000	50.25%
Bay Shipping A/S	Aarhus	DKK 500,000	100.00%

# NOTES TO THE FINANCIAL STATEMENTS

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>7. Long-term debt</b>		
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:		
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	<u>3,916,288</u>	<u>4,587,621</u>
Long-term part	3,916,288	4,587,621
Within 1 year	<u>2,873,187</u>	<u>3,860,831</u>
	<u><b>6,789,475</b></u>	<u><b>8,448,452</b></u>
<b>Other payables</b>		
After 5 years	0	1,268,121
Between 1 and 5 years	<u>3,884,620</u>	<u>2,572,115</u>
Long-term part	3,884,620	3,840,236
Other short-term payables	<u>57,280,938</u>	<u>23,202,606</u>
	<u><b>61,165,558</b></u>	<u><b>27,042,842</b></u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>8. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	2,740,599	1,678,701
Between 1 and 5 years	5,672,562	1,083,608
After 5 years	<u>577,150</u>	<u>0</u>
	<u><b>8,990,311</b></u>	<u><b>2,762,309</b></u>

#### Guarantee obligations

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

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

The Company has provided a guarantee obligation of DKK 500,000 for Afatek A/S.

# NOTES TO THE FINANCIAL STATEMENTS

2023	2022
DKK	DKK

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

### Other contingent liabilities

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

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

### Basis

#### Controlling interest

Baltic Holding Hundested ApS

Baltic Holding Hundested ApS own 94% of the shares in Baltic Shipping Company A/S

#### 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.

#### Name

Baltic Holding Hundested ApS

#### Place of registered office

Hillerød

The Group Annual Report of Baltic Holding Hundested ApS may be obtained at the following address:  
Frederiksbro Torv 4, 1.th - 3400 Hillerød, Denmark



# NOTES TO THE FINANCIAL STATEMENTS

## 10. Accounting policies

The Annual Report of Baltic Shipping Company A/S for 2023 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 2023 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 2023 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

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.

### 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. Gains and losses 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

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**

### **Revenue**

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.

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

## 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	5-10 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

## Equity

### Dividend

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

### Deferred tax assets and liabilities

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

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

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

### Current tax receivables and liabilities

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

### Financial liabilities

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

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
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**

Baltic Shipping Company A/S

CVR 81445710