



Lightship Chartering A/S

Toldbodgade 18, 3. th
1253 København K
CVR No. 89990114

Annual report 2023

The Annual General Meeting adopted the annual report on 31.05.2024

Sune Fladberg

Chairman of the General Meeting

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Entity details

Entity

Lightship Chartering A/S

Toldbodgade 18, 3. th

1253 København K

Business Registration No.: 89990114

Date of foundation: 02.04.1982

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Morten Have

Sune Linné Fladberg Nielsen

Mads Have

Executive Board

Sune Linné Fladberg Nielsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lightship Chartering A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2024

Executive Board

Sune Linné Fladberg Nielsen

Board of Directors

Morten Have

Sune Linné Fladberg Nielsen

Mads Have

Independent auditor's extended review report

To the shareholders of Lightship Chartering A/S

Conclusion

We have performed an extended review of the financial statements of Lightship Chartering A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's 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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 31.05.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Christoffer Anholm Salmon

State Authorised Public Accountant

Identification No (MNE) mne47918

Management commentary

Primary activities

The gross profit for Lightship Chartering A/S, which represents the results from Lightship Group's broking activities in Denmark, declined by 55% year-over-year to DKK 13.789 million. This decrease was largely influenced by a distressed dry bulk market, as well as renovations in our new office and company flat.

Development in activities and finances

At the group level, Lightship Chartering achieved another record year in terms of transactions concluded. Despite the rapid growth in our brokerage team, we also achieved the highest fixing count per broker in more than five years.

Lightship has continued its growth trajectory in terms of employees, with a 20% year-on-year increase and a remarkable 375% growth since 2016. During the year, we established a new objective to reach 250 brokers by 2029. At the time of writing we are already successful in expanding into a new segment which will be announced in 2nd half of 2024. This segment is expected to increase our number of brokers by at least 25 in the coming 12 months. Given the ongoing projects we are undertaking, it is highly probable that we will surpass aforementioned goal years in advance.

In 2023, we recruited 13 experienced brokers for our relatively new Singapore office, all of whom are now fully operational. Together with our existing personnel in Singapore, Beijing, and Dubai, we have solidified our position as a leading dry bulk broker in the Pacific markets.

Within just two years, our newest office in Miami has expanded to include 8 brokers, making it the largest in Miami's dry bulk sector and ranking among the top 5 brokers in the USA.

Additionally, 2023 marked the inauguration of the Lightship Academy. As of the current date, we are nearing completion of the first graduate year, which has been a resounding success. Ten promising shipping talents have been fast-tracked into fixing ships. This achievement has resonated within the industry, resulting in a 300% increase in applicants for the 2024 cohort.

Outlook

Year-to-date 2024 has witnessed a great improvement in both fixtures and market conditions. The expansion and investments over the recent years are expected to have a significant impact of our results for 2025 and beyond.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		13,789,644	31,205,402
Staff costs	1	(13,005,849)	(20,284,396)
Depreciation, amortisation and impairment losses	2	(113,001)	(46,727)
Operating profit/loss		670,794	10,874,279
Other financial income	3	443,577	2,834,204
Other financial expenses	4	(699,639)	(1,552,798)
Profit/loss before tax		414,732	12,155,685
Tax on profit/loss for the year	5	(321,910)	(2,911,094)
Profit/loss for the year		92,822	9,244,591
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	9,244,591
Retained earnings		92,822	0
Proposed distribution of profit and loss		92,822	9,244,591

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investment property		8,445,237	0
Other fixtures and fittings, tools and equipment		604,362	82,923
Property, plant and equipment	6	9,049,599	82,923
Other investments		367,000	365,750
Deposits		296,866	620,841
Financial assets	7	663,866	986,591
Fixed assets		9,713,465	1,069,514
Trade receivables		6,321,659	7,297,529
Receivables from group enterprises		7,101,630	20,884,970
Deferred tax		0	22,774
Other receivables		202,137	308,970
Prepayments		33,525	137,500
Receivables		13,658,951	28,651,743
Cash		1,121,760	1,056,843
Current assets		14,780,711	29,708,586
Assets		24,494,176	30,778,100

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		4,532,266	4,439,444
Proposed dividend		0	9,244,591
Equity		5,532,266	14,684,035
Deferred tax		12,296	0
Provisions		12,296	0
Other payables		0	346,487
Non-current liabilities other than provisions		0	346,487
Trade payables		1,301,067	1,186,859
Payables to group enterprises		15,017,444	0
Income tax payable		132,536	2,853,807
Other payables		2,498,567	11,706,912
Current liabilities other than provisions		18,949,614	15,747,578
Liabilities other than provisions		18,949,614	16,094,065
Equity and liabilities		24,494,176	30,778,100

Contingent liabilities

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Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	4,439,444	9,244,591	14,684,035
Ordinary dividend paid	0	0	(9,244,591)	(9,244,591)
Profit/loss for the year	0	92,822	0	92,822
Equity end of year	1,000,000	4,532,266	0	5,532,266

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	11,387,822	18,797,485
Pension costs	823,148	685,928
Other social security costs	122,862	137,929
Other staff costs	672,017	663,054
	13,005,849	20,284,396
Average number of full-time employees	19	15

2 Depreciation, amortisation and impairment losses

	2023	2022
	DKK	DKK
Depreciation of property, plant and equipment	113,001	46,727
	113,001	46,727

3 Other financial income

	2023	2022
	DKK	DKK
Other interest income	68,309	152,376
Exchange rate adjustments	374,018	2,574,578
Fair value adjustments	750	107,250
Other financial income	500	0
	443,577	2,834,204

4 Other financial expenses

	2023	2022
	DKK	DKK
Other interest expenses	45,838	4,684
Exchange rate adjustments	646,665	1,543,154
Other financial expenses	7,136	4,960
	699,639	1,552,798

5 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	285,536	2,853,807
Change in deferred tax	35,070	(22,774)
Adjustment concerning previous years	1,304	80,061
	321,910	2,911,094

6 Property, plant and equipment

	Investment property DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	0	1,219,959
Additions through business combinations etc.	8,487,675	0
Additions	0	668,402
Disposals	0	(862,636)
Cost end of year	8,487,675	1,025,725
Depreciation and impairment losses beginning of year	0	(1,137,036)
Depreciation for the year	(42,438)	(70,563)
Reversal regarding disposals	0	786,236
Depreciation and impairment losses end of year	(42,438)	(421,363)
Carrying amount end of year	8,445,237	604,362

7 Financial assets

	Other investments DKK	Deposits DKK
Cost beginning of year	53,704	620,841
Additions	0	35,616
Disposals	0	(359,591)
Cost end of year	53,704	296,866
Revaluations beginning of year	312,046	0
Fair value adjustments	1,250	0
Revaluations end of year	313,296	0
Carrying amount end of year	367,000	296,866

8 Contingent liabilities

	2023	2022
	DKK	DKK
Other contingent liabilities	2,699,583	4,103,264
Contingent liabilities	2,699,583	4,103,264

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue (commission income) for charters and time charter agreements is recognized in the income statement when an agreed contract (clean recap) is approved by the owner of the vessel and the charterer. In case of cancellation of the agreed contract (clean recap) after closing date, a credit note would be issued to cancel the commission income and recognized in the income statement the same year the commission was recorded.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses for premises, sales and distribution as well as office expenses, etc.

Staff costs

Staff costs comprise salaries and wages as well as payroll expenses, etc.

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3 years
Investment property	50 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at cost less depreciation and amortization. Estimated useful life and residual value are reassessed annually.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity investments measured at cost. Unlisted equity investments are written down to any lower net realisable value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's

proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.