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# ***Baltic Coaster Chartering ApS***

Frederiksbro Torv 4, 1. th, DK-3400 Hillerød

## **Annual Report for 2024**

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CVR No. 20 75 82 87

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 25/6 2025

Karina Uldahl Kiel  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Baltic Coaster Chartering ApS for the financial year 1 January - 31 December 2024.

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 2024 of the Company and of the results of the Company operations for 2024.

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, 25 June 2025

## 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 Coaster Chartering ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Baltic Coaster Chartering ApS for the financial year 1 January - 31 December 2024, 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, 25 June 2025

**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 Coaster Chartering ApS<br>Frederiksbro Torv 4, 1. th<br>DK-3400 Hillerød<br><br>CVR No: 20 75 82 87<br>Financial period: 1 January - 31 December<br>Municipality of reg. office: Hillerød |
| <b>Board of Directors</b> | Thomas Holst Olsen<br>Peter Ronnie Hulstrøm<br>Mikkel Schmidt<br>Frederik Christian Lytzen                                                                                                       |
| <b>Executive Board</b>    | Peter Ronnie Hulstrøm                                                                                                                                                                            |
| <b>Auditors</b>           | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>DK-2900 Hellerup                                                                                         |

# Financial Highlights

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

|                                              | 2024    | 2023    | 2022    | 2021   | 2020   |
|----------------------------------------------|---------|---------|---------|--------|--------|
|                                              | TDKK    | TDKK    | TDKK    | TDKK   | TDKK   |
| <b>Key figures</b>                           |         |         |         |        |        |
| <b>Profit/loss</b>                           |         |         |         |        |        |
| Gross profit                                 | 498     | 63,483  | 148,084 | 44,428 | 4,190  |
| Profit/loss of financial income and expenses | 1,573   | 2,905   | -557    | 64     | -104   |
| Net profit/loss for the year                 | 1,463   | 65,551  | 147,496 | 44,360 | 4,018  |
| <b>Balance sheet</b>                         |         |         |         |        |        |
| Balance sheet total                          | 100,955 | 106,023 | 126,983 | 61,220 | 15,161 |
| Equity                                       | 1,764   | 65,801  | 107,750 | 44,553 | 4,193  |
| <b>Ratios</b>                                |         |         |         |        |        |
| Return on assets                             | 0.5%    | 59.9%   | 116.6%  | 72.6%  | 27.6%  |
| Solvency ratio                               | 1.7%    | 62.1%   | 84.9%   | 72.8%  | 27.7%  |
| Return on equity                             | 4.3%    | 75.5%   | 193.7%  | 182.0% | 102.8% |

# Management's review

## Key activities

Baltic Coaster Chartering ApS is a wholly owned subsidiary of Baltic Shipping Company A/S. The company was established in 1998 and has since been transporting bulk and project cargo primarily in the European trade.

We are specialized in Coaster Transport and Chartering.

At the end of 2024 we have 24 vessels on time charter.

## Market overview and expected development

2024 marked a challenging year for the shipping industry in general, and during the year the market normalized at a lower level compared to previous years.

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.

2025 has started on a reasonable level and we expect the market to develop positively during 2025, still somewhat effected by the Geo Political situation. We do expect a better result in 2025. We will continue the positive development of Baltic Coaster Chartering.

The war in Ukraine and the Geo Political Situation 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.

## Development in activities and financial matters

In 2024 Baltic Coaster Chartering had a total turnover of DKK 458.5 million compared to DKK 495.3 million in 2023, which is an decrease of 7.4%.

The result before tax is DKK 2.1 million compared to DKK 66.4 million in 2023, which is a decrease of 96.9%.

The Management does not consider the result satisfactory.

Our fleet on time charter has grown from an average of 20 vessels in 2023 to 23 vessels in 2024.

Baltic Coaster Chartering does not have any employees. All administrative matters, employees and compliance related matters are taken care of via management agreement with Baltic Shipping Company A/S. The market for coaster trading in the Baltic Sea and Northern Europe ended at a stable level in 2024. The market has throughout the year been unstable and has towards the end of 2024 stabilised at lower level compared to previous years. We expect the market to slowly pick up in the foreseeable future.

Our customer base has been additionally strengthened in 2024 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 to develop positively during 2025.

## Sustainability

With respect to sustainability, 2024 has brought valuable insights and development potential. Together with a consultancy company we have succeeded in drawing up our first double materiality assessment, identifying our most material impacts, risks and opportunities, and we began our journey to comply with the Corporate Sustainability Reporting Directive (CSRD). The CSRD omnibus will release us of our CSRD compliance duties, nevertheless we will continue our sustainability reporting journey.

# Management's review

## Double Materiality Assessment

In our Double Materiality Assessment we found that our previously identified risks:

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

corresponded to the identified material risks found during the double materiality assessment, though the phrasing of them varied a bit.

Our double materiality assessment forms the future basis to develop our sustainability policies, actions and targets. Within CSRD we were eligible to the transitional provisions for companies with less than 750 employees, which extended our time limit for developing specific sustainability policies, actions and targets, as well as the implementation of the reporting on material topics in our annual reporting.

We were therefore beginning our CSRD journey by firstly drawing up policies, actions and targets regarding Climate change mitigation and Climate change adaptation, where the data metrics for energy forms the background for this work. This were to be followed by adjustment of our policies, development of processes and preparation of internal training within governance to enhance our corporate culture, protection of whistleblowers, responsible supplier management, corruption and bribery.

In 2024 we established a sustainability function and a sustainability committee to ensure management involvement and oversight with all material sustainability topics

## Environment & climate

We are operating in a high climate impact sector where significant efforts within technology development and availability of climate neutral fuels are needed to enable a transition to a climate-neutral economy. Nevertheless, we recognize our obligation to seek to reduce our impact and help our customers decarbonize their transportation.

Up until now, as well as further on, it has been our policy to reduce our impact by having focus on energy efficiency. Energy efficiency is for example achieved by continuous route optimization with regards to speed, weather, cargo and port characteristics. We also focus on having an energy efficient fleet, like our large fleet allows us to plan for avoided or reduced ballast voyages at all times.

We are in the phase of exploring our impact reduction ability, while looking at our business development on the short, middle and long term to enable us to draw up future policies, actions, metrics and targets. The measures we specifically look into are energy efficiency, consumption reduction, fuel switching, use of renewable energy, and fleet changes.

# Management's review

## Employees

During the past years we have experienced significant growth, as we have expanded our business and with that our workforce. We have been firmly committed to onboard our new commers and maintain our unique Baltic Shipping culture intact, while still being inclusive of our new commers too.

Likewise, we are committed to being able to attract new talent and retain our highly specialized and skilled employees. With our relative high demand for skilled shipping employees, we recognize our responsibility to contribute to having and successfully training them. The last couple of years we have therefore enrolled new shipping trainees each year and succeeded in retaining those we have had as trainees.

Wellbeing at work is fundamental for delivering on tasks. We therefore offer employees a healthy, varied and balanced breakfast and lunch, designed to provide employees with the necessary nourishment to maintain energy and focus throughout the workday. Exercise, or more correctly in this scenery, movement is also essential for our wellbeing. In our office in Hillerød we therefore have two stationary walking stations with desks and workstations, and four movable desk-bicycles accessible for all employees.

We strive to offer our employees a safe and sound working environment where all employees feel valued and motivated to do their best. We prioritize employee development and see it as valuable tool to ensure opportunities for employee growth and satisfaction, as well as strengthening the relationship between managers and employees. All managers therefore have biannual employee development meetings with their employees. The purpose of the meetings are to evaluate performance, identify strengths and improvements areas, to discuss the employee's career goals and development needs, and determine how we as company can support these goals. The established repetitive meeting frequency strengthens and promotes open and trustful communication and collaboration between employee and manager.

All our own employees are covered by our health and safety management system and we are in the phase of drawing up our future policies, actions, metrics and targets for health and safety.

## Labor rights and human rights

Our Code of Conduct stipulates how we and our business partners must act responsibly and with integrity. We expect that all labor rights and human rights are respected, and any indication of breaches will be investigated. In case of breach, it is considered a serious violation of company policies, which will result in contractual consequences.

Our external hosted whistleblower hotline provides a solution to employees for filing anonymous concerns. Employees who file concerns in good faith will be protected from retaliation. Any form of retaliation against employees who report concerns, will be treated as a serious violation of company policies.

We do not employ the crew on the vessels. All our own employees are situated in Denmark and Germany and have contracts with terms and conditions and in accordance with Danish and German labor market standards. Consequently, no risks with regards to labor- or human rights are identified.

## Corruption and bribery

Our Code of Conduct describes the fundamental principles of how we conduct our business with integrity to create long term value for ourselves and our business partners, while avoiding corruption and bribery.

We have a zero tolerance towards corruption and bribery practices, and have processes in place to prevent corruption and bribery. Preventional measures with regards to for example port costs. Port cost 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 the ports. Further, all costs related to voyages are controlled by our accounting team applying a four-eye principle. We consider the risks related to corruption and bribery very low.

We are currently adjusting our polices, developing our processes and preparing internal training to enforce a speak up culture and enhance our corporate culture, protection of whistleblowers, responsible supplier management and prevention of corruption and bribery.

# Management's review

## **Statement on data ethics, cf. section 99d of the 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.

## **Uncertainty relating to recognition and measurement**

There has been no uncertainty regarding recognition and measurement in the Annual Report.

## **Subsequent events**

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

## Income statement 1 January - 31 December

|                                     | Note | 2024             | 2023              |
|-------------------------------------|------|------------------|-------------------|
|                                     |      | DKK              | DKK               |
| <b>Gross profit</b>                 |      | <b>498,398</b>   | <b>63,482,527</b> |
| Financial income                    | 2    | 1,859,782        | 3,170,980         |
| Financial expenses                  | 3    | -286,824         | -266,392          |
| <b>Profit/loss before tax</b>       |      | <b>2,071,356</b> | <b>66,387,115</b> |
| Tax on profit/loss for the year     |      | -608,050         | -835,682          |
| <b>Net profit/loss for the year</b> | 4    | <b>1,463,306</b> | <b>65,551,433</b> |

## Balance sheet 31 December

### Assets

|                                    | Note | 2024               | 2023               |
|------------------------------------|------|--------------------|--------------------|
|                                    |      | DKK                | DKK                |
| Raw materials and consumables      |      | 4,393,033          | 4,887,095          |
| <b>Inventories</b>                 |      | <b>4,393,033</b>   | <b>4,887,095</b>   |
| Trade receivables                  |      | 19,413,320         | 27,173,250         |
| Receivables from group enterprises |      | 52,712,417         | 43,673,233         |
| Other receivables                  |      | 363,731            | 973,135            |
| Prepayments                        |      | 16,894,318         | 20,797,312         |
| <b>Receivables</b>                 |      | <b>89,383,786</b>  | <b>92,616,930</b>  |
| Cash at bank and in hand           |      | 7,177,812          | 8,518,760          |
| <b>Current assets</b>              |      | <b>100,954,631</b> | <b>106,022,785</b> |
| <b>Assets</b>                      |      | <b>100,954,631</b> | <b>106,022,785</b> |

## Balance sheet 31 December

### Liabilities and equity

|                                                                | Note | 2024               | 2023               |
|----------------------------------------------------------------|------|--------------------|--------------------|
|                                                                |      | DKK                | DKK                |
| Share capital                                                  |      | 125,000            | 125,000            |
| Retained earnings                                              |      | 139,497            | 176,191            |
| Proposed dividend for the year                                 |      | 1,500,000          | 65,500,000         |
| <b>Equity</b>                                                  |      | <b>1,764,497</b>   | <b>65,801,191</b>  |
| Trade payables                                                 |      | 23,410,429         | 30,570,184         |
| Payables to group enterprises                                  |      | 73,592,916         | 3,432,831          |
| Corporation tax                                                |      | 600,796            | 727,940            |
| Deferred income                                                |      | 1,585,993          | 5,490,639          |
| <b>Short-term debt</b>                                         |      | <b>99,190,134</b>  | <b>40,221,594</b>  |
| <b>Debt</b>                                                    |      | <b>99,190,134</b>  | <b>40,221,594</b>  |
| <b>Liabilities and equity</b>                                  |      | <b>100,954,631</b> | <b>106,022,785</b> |
| Staff                                                          | 1    |                    |                    |
| Contingent assets, liabilities and other financial obligations | 5    |                    |                    |
| Related parties                                                | 6    |                    |                    |
| Accounting Policies                                            | 7    |                    |                    |

## Statement of changes in equity

|                              | Share capital  | Retained earnings | Proposed dividend for the year | Total            |
|------------------------------|----------------|-------------------|--------------------------------|------------------|
|                              | DKK            | DKK               | DKK                            | DKK              |
| Equity at 1 January          | 125,000        | 176,191           | 65,500,000                     | 65,801,191       |
| Ordinary dividend paid       | 0              | 0                 | -65,500,000                    | -65,500,000      |
| Net profit/loss for the year | 0              | -36,694           | 1,500,000                      | 1,463,306        |
| <b>Equity at 31 December</b> | <b>125,000</b> | <b>139,497</b>    | <b>1,500,000</b>               | <b>1,764,497</b> |

# Notes to the Financial Statements

|                                 | 2024             | 2023              |
|---------------------------------|------------------|-------------------|
| <b>1. Staff</b>                 |                  |                   |
| Average number of employees     | 0                | 0                 |
|                                 |                  |                   |
|                                 | 2024             | 2023              |
|                                 | DKK              | DKK               |
| <b>2. Financial income</b>      |                  |                   |
| Interest from group enterprises | 1,494,850        | 1,528,708         |
| Other financial income          | 208,969          | 579,053           |
| Exchange gains                  | 155,963          | 1,063,219         |
|                                 | <b>1,859,782</b> | <b>3,170,980</b>  |
|                                 |                  |                   |
|                                 | 2024             | 2023              |
|                                 | DKK              | DKK               |
| <b>3. Financial expenses</b>    |                  |                   |
| Other financial expenses        | 74,786           | 34,540            |
| Exchange loss                   | 212,038          | 231,852           |
|                                 | <b>286,824</b>   | <b>266,392</b>    |
|                                 |                  |                   |
|                                 | 2024             | 2023              |
|                                 | DKK              | DKK               |
| <b>4. Profit allocation</b>     |                  |                   |
| Proposed dividend for the year  | 1,500,000        | 65,500,000        |
| Retained earnings               | -36,694          | 51,433            |
|                                 | <b>1,463,306</b> | <b>65,551,433</b> |

# Notes to the Financial Statements

|                                                                          | 2024             | 2023           |
|--------------------------------------------------------------------------|------------------|----------------|
|                                                                          | DKK              | DKK            |
| <b>5. 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                                                            | 211,674          | 201,420        |
| Between 1 and 5 years                                                    | 818,304          | 262,833        |
| After 5 years                                                            | 490,232          | 841            |
|                                                                          | <b>1,520,210</b> | <b>465,094</b> |

All amounts for rental and lease obligations are in TDKK.

## Other contingent liabilities

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

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

|                             | Basis                                                                        |
|-----------------------------|------------------------------------------------------------------------------|
| <b>Controlling interest</b> |                                                                              |
| Baltic Shipping Company A/S | Baltic Shipping Company A/S owns all shares in Baltic Coaster Chartering ApS |

## 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)(6) of the Danish Financial Statements Act.

## Consolidated Financial Statements

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

| Name                         | Place of registered office |
|------------------------------|----------------------------|
| Baltic Holding Hundested ApS | Hillerød                   |

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

# Notes to the Financial Statements

## 7. Accounting policies

The Annual Report of Baltic Coaster Chartering ApS for 2024 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 2024 are presented in DKK.

### 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.

### 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.

# Notes to the Financial Statements

## Income statement

### Revenue

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

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

### Expenses for raw materials and consumables

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

### Other external expenses

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

### Gross profit

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

### Financial income and expenses

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

### Tax on profit/loss for the year

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

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

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

## Balance sheet

### Inventories

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

### Receivables

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

### Prepayments

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

# Notes to the Financial Statements

## Equity

### Dividend

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

### Current tax receivables and liabilities

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

### Financial liabilities

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

### Deferred income

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

## Financial Highlights

### Explanation of financial ratios

|                  |                                                                                         |
|------------------|-----------------------------------------------------------------------------------------|
| Return on assets | $\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$ |
| Solvency ratio   | $\text{Equity at year end} \times 100 / \text{Total assets at year end}$                |
| Return on equity | $\text{Net profit for the year} \times 100 / \text{Average equity}$                     |