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**REDERIET O.W. BALTIC A/S**  
**TAGHOLM 15, 9400 NØRRESUNDBY**  
**ANNUAL REPORT**  
**1 OCTOBER 2021 - 30 SEPTEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 12 January 2023**

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**Jørgen Olesen**

**CVR NO. 28 65 83 54**

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**COMPANY DETAILS**

<b>Company</b>	REDERIET O.W. BALTIC A/S Tagholm 15 9400 Nørresundby  CVR No.: 28 65 83 54 Established: 3 July 2006 Municipality: Aalborg Financial Year: 1 October 2021 - 30 September 2022
<b>Board of Directors</b>	Henrik Holst Pedersen, chairman Jørgen Olesen Morten Dodensig
<b>Executive Board</b>	Jørgen Olesen
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C
<b>Bank</b>	Spar Nord Bank A/S Skelagervej 15 9100 Aalborg

## MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of REDERIET O.W. BALTIC A/S for the financial year 1 October 2021 - 30 September 2022.

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 Company's assets, liabilities and financial position at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Nørresundby, 12 January 2023

Executive Board

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Jørgen Olesen

Board of Directors

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Henrik Holst Pedersen  
Chairman

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Jørgen Olesen

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Morten Dodensig

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of REDERIET O.W. BALTIC A/S

### Opinion

We have audited the Financial Statements of REDERIET O.W. BALTIC A/S for the financial year 1 October 2021 - 30 September 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 - 30 September 2022 in accordance with the Danish Financial Statements Act.

### 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 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.

### 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 judgment and maintain professional skepticism 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.

## INDEPENDENT AUDITOR'S REPORT

- 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.

### Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, 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 Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary 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 of Management Commentary.

Odense, 12 January 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Mikkel Aalykke  
State Authorised Public Accountant  
MNE no. mne41307

## MANAGEMENT COMMENTARY

### **Principal activities**

The company's main activity is to own a ship and conduct shipping activities.

### **Development in activities and financial and economic position**

The result for the period shows a profit of USD ('000) 224. Management considers the result for the period satisfactory.

### *Conditions for going concern*

As mentioned in the note on contingent liabilities there is a claim against the company which Management disputes. The claim has not been recognised or provided for in the financial statements as management considers the claim is without legal basis. On the basis of this assessment the financial statements have been prepared on a going concern basis.

### **Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the Company's financial position.

**INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER**

	Note	2021/22 USD	2020/21 USD '000
<b>GROSS PROFIT</b> .....		<b>494,198</b>	<b>343</b>
Depreciation, amortisation and impairment losses.....		-185,074	-123
<b>OPERATING PROFIT</b> .....		<b>309,124</b>	<b>220</b>
Other financial income.....	1, 2	4,163	4,670
Other financial expenses.....		-21,755	-19
<b>PROFIT BEFORE TAX</b> .....		<b>291,532</b>	<b>4,871</b>
Tax on profit/loss for the year.....	3	-67,121	115
<b>PROFIT FOR THE YEAR</b> .....		<b>224,411</b>	<b>4,986</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		224,411	4,986
<b>TOTAL</b> .....		<b>224,411</b>	<b>4,986</b>

**BALANCE SHEET AT 30 SEPTEMBER**

<b>ASSETS</b>	<b>Note</b>	<b>2022 USD</b>	<b>2021 USD '000</b>
Ships.....		1,192,669	1,377
<b>Tangible fixed assets.....</b>	<b>4</b>	<b>1,192,669</b>	<b>1,377</b>
<b>FIXED ASSETS.....</b>		<b>1,192,669</b>	<b>1,377</b>
Receivables from group enterprises.....		447,492	436
Deferred tax assets.....		121,964	134
Other receivables.....		39	38
Prepayments.....		76,366	50
<b>Receivables.....</b>		<b>645,861</b>	<b>658</b>
<b>Cash and cash equivalents.....</b>		<b>280,239</b>	<b>179</b>
<b>CURRENT ASSETS.....</b>		<b>926,100</b>	<b>837</b>
<b>ASSETS.....</b>		<b>2,118,769</b>	<b>2,214</b>

**BALANCE SHEET AT 30 SEPTEMBER**

<b>EQUITY AND LIABILITIES</b>	<b>Note</b>	<b>2022 USD</b>	<b>2021 USD '000</b>
Share capital.....		85,728	86
Retained earnings.....		1,602,825	1,378
<b>EQUITY.....</b>		<b>1,688,553</b>	<b>1,464</b>
Bank loan.....		96,012	410
Corporation tax.....		55,428	0
<b>Long-term liabilities.....</b>	<b>5</b>	<b>151,440</b>	<b>410</b>
Bank loan.....		181,726	0
Trade payables.....		70,574	213
Debt to Group companies.....		0	2
Corporation tax payable.....		18,491	49
Other liabilities.....		7,985	76
<b>Current liabilities.....</b>		<b>278,776</b>	<b>340</b>
<b>LIABILITIES.....</b>		<b>430,216</b>	<b>750</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>2,118,769</b>	<b>2,214</b>
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Staff costs	10		

## EQUITY

	Share capital	Retained earnings	Total
Equity at 1 October 2021.....	85,728	1,378,414	1,464,142
Proposed distribution of profit.....		224,411	224,411
Equity at 30 September 2022.....	85,728	1,602,825	1,688,553

## NOTES

	2021/22 USD	2020/21 USD '000	Note
<b>Other financial income</b>			<b>1</b>
Group enterprises.....	4,163	0	
Other interest income.....	0	4,670	
	<b>4,163</b>	<b>4,670</b>	

**Special items** 2  
 Prior year's result is positively impacted by USD ('000) 4,639 from recognition of intercompany receivables with prior group companies, which will not be collected.

	2021/22 USD	2020/21 USD '000	Note
<b>Tax on profit/loss for the year</b>			<b>3</b>
Calculated tax on taxable income of the year.....	55,428	0	
Adjustment of deferred tax.....	11,693	-115	
	<b>67,121</b>	<b>-115</b>	

<b>Property, plant and equipment</b>	Ships	Note
Cost at 1 October 2021.....	14,599,400	
<b>Cost at 30 September 2022.....</b>	<b>14,599,400</b>	<b>4</b>
Depreciation and impairment losses at 1 October 2021.....	13,221,657	
Depreciation for the year.....	185,074	
<b>Depreciation and impairment losses at 30 September 2022.....</b>	<b>13,406,731</b>	
<b>Carrying amount at 30 September 2022.....</b>	<b>1,192,669</b>	

<b>Long-term liabilities</b>	30/9 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2021 total liabilities	Note
Bank loan.....	277,738	181,726	0	409,896	
Corporation tax.....	55,428	0	0	0	
	<b>333,166</b>	<b>181,726</b>	<b>0</b>	<b>409,896</b>	<b>5</b>

**NOTES****Note****Contingencies etc.****6****Contingent liabilities**

The company was previously part of the OW Bunker group where the vessel operated as a bunker vessel in Uruguay for several years under a bareboat charter with a former affiliate in Montevideo. Other affiliates in the OW Bunker Group traded bunkers with a local company in Uruguay, and chartered the company and Amirtol to transport the traded bunkers. The counterpart has assessed that a claim can be raised against Rederiet O.W. Baltic A/S and the vessel O.W. Baltic for losses incurred as a consequence of trading with affiliates in the OW Bunker Group. The claim amounts to USD 4m. The management of Rederiet O.W. Baltic A/S dispute the claim but the counterpart has been able to obtain an embargo on the vessels activities. The embargo, however, was partly lifted late 2021 where the vessel was allowed to trade outside Uruguayan territorial waters. There still is a risk that the embargo is succeeded by an arrest.

As management believes the company and the vessel cannot be held responsible for losses incurred as a consequence of trading with a 3rd party, even though this is a former affiliate, the claim has not been recognized in the financial statements.

**Joint liabilities**

The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable on the Group's joint taxable income is stated in the annual report of Alba Shipping & Trading A/S, which serves as management Company for the joint taxation.

**Charges and securities****7**

As collateral for the company's debt to Spar Nord Bank A/S a mortgage deed of nominal EUR('000) 7.800 with security in the vessel O.W. Baltic with a book value of USD ('000) 1,193 has been granted.

The mortgage deed has also been pledged as security for the parent company OWAT ApS's debt to Spar Nord Bank A/S.

**Related parties****8*****Consolidated financial statements***

The company is included in the consolidated financial statements of Alba Shipping & Trading A/S, Tagholm 15, 9400 Nørresundby, which is the company's ultimate parent.

## NOTES

## Note

**Conditions for going concern**

9

As mentioned in the note on contingent liabilities there is a claim against the company which Management disputes. The claim has not been recognised or provided for in the financial statements as management considers the claim is without legal basis. On the basis of this assessment the financial statements have been prepared on a going concern basis.

	2021/22	2020/21
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**Staff costs**

10

Average number of employees

1

1

**ACCOUNTING POLICIES**

The Annual Report of REDERIET O.W. BALTIC A/S for 2021/22 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The figures of the annual report are presented in US dollars (USD), which is also the company's functional currency as this currency is considered the most relevant since the main part of the company's activities is settled in that currency. The exchange rate for US dollars relative to Danish kroner is 7.6287 at 30 September 2022 and 6.4220 at 1 October 2021.

The Annual Report is prepared consistently with the accounting principles applied last year.

**INCOME STATEMENT**

**Net revenue**

Net revenue comprise chartering income generated by the company's Vessel and is recognized in the income statement as delivery of the service according to the chartering contract takes place. Net revenue is recognized exclusive of VAT, duties and less commissions related to the sale.

**Cost of sales**

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables to operate the Vessel, bunker fuel, port fees etc.

**Other external expenses**

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

**Financial income and expenses**

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

**Tax**

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

**BALANCE SHEET**

**Tangible fixed assets**

Ships are measured at cost less accumulated depreciation and impairment losses.

The depreciation basis is cost and less the estimated residual value after completion of the useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Ships.....	17 years	27 %

## ACCOUNTING POLICIES

Capitalised ship inspection costs are depreciated separately over 2.5 years.

Profits or losses on sale of tangible fixed assets are calculated as the difference between sales price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or other operating expenses.

### **Impairment of fixed assets**

The carrying amount of tangible fixed assets is assessed on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

### **Receivables**

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

### **Prepayments and accrued income, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### **Tax payable and deferred tax**

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

## ACCOUNTING POLICIES

### Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.