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BDO Statsautoriseret revisionsaktieselskab
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REDERIET SCANDINAVIA I APS

TAGHOLM 15, 9400 NØRRESUNDBY

ANNUAL REPORT

1 OCTOBER 2023 - 30 SEPTEMBER 2024

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 16 January 2025

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Jørgen Olesen

CVR NO. 36 94 66 28

CONTENTS

COMPANY DETAILS

Company	Rederiet Scandinavia I ApS Tagholm 15 9400 Nørresundby	
	CVR No.:	36 94 66 28
	Established:	1 July 2015
	Municipality:	Aalborg
	Financial Year:	1 October 2023 - 30 September 2024
Executive Board	Jørgen Olesen Henrik Holst Pedersen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C	
Bank	Nykredit Erhverv Buen 9 6000 Kolding	

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Rederiet Scandinavia I ApS for the financial year 1 October 2023 - 30 September 2024.

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 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024.

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, 16 January 2025

Executive Board

Jørgen Olesen	Henrik Holst Pedersen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Rederiet Scandinavia I ApS

Opinion
We have audited the Financial Statements of Rederiet Scandinavia I ApS for the financial year 1 October 2023 - 30 September 2024, 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 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 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, 16 January 2025

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.

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	2023/24 USD	2022/23 USD '000
GROSS PROFIT		**3,807,183**	**4,668**
Staff costs	1	-761,137	-708
Depreciation, amortisation and impairment		-482,192	-646
OPERATING PROFIT		**2,563,854**	**3,314**
Other financial income	2	145,443	76
Other financial expenses		-38,198	-22
PROFIT BEFORE TAX		**2,671,099**	**3,368**
Tax on profit/loss for the year	3	-1,285	-1
PROFIT FOR THE YEAR		**2,669,814**	**3,367**

PROPOSED DISTRIBUTION OF PROFIT

Proposed dividend for the year		3,500,000	2,500
Extraordinary dividend		0	2,000
Retained earnings		-830,186	-1,133
TOTAL		**2,669,814**	**3,367**

BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2024 USD	2023 USD '000
Ships		3,410,241	2,789
Tangible fixed assets	4	**3,410,241**	**2,789**
FIXED ASSETS		**3,410,241**	**2,789**
Raw materials and consumables		31,881	48
Inventories		**31,881**	**48**
Trade receivables		534,924	448
Receivables from group enterprises		1,632,325	2,038
Hegding instruments	5	802	0
Other receivables		18,558	6
Prepayments and accrued income		13,085	97
Receivables		**2,199,694**	**2,589**
Cash and cash equivalents		**241,892**	**510**
CURRENT ASSETS		**2,473,467**	**3,147**
ASSETS		**5,883,708**	**5,936**

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	2024 USD	2023 USD '000
Share Capital		7,382	7
Fair value reserve, hedging		802	-4
Retained earnings		2,012,891	2,843
Proposed dividend		3,500,000	2,500
EQUITY		**5,521,075**	**5,346**
Financial leasing		67,703	97
Corporation tax		1,285	1
Long-term liabilities	6	**68,988**	**98**
Financial leasing		33,985	31
Trade payables		77,040	162
Payables to group enterprises		33,207	51
Corporation tax		1,218	1
Hedging instruments	5	0	4
Other liabilities		119,401	143
Accruals and deferred income		28,794	100
Current liabilities		**293,645**	**492**
LIABILITIES		**362,633**	**590**
EQUITY AND LIABILITIES		**5,883,708**	**5,936**

Contingencies etc.	7
Charges and securities	8
Related parties	9

EQUITY

USD	Share Capital	Fair value reserve, hedging	Retained earnings	Proposed dividend	Total
Equity at 1 October 2023	7,382	-4,139	2,843,077	2,500,000	5,346,320
Proposed distribution of profit			-830,186	3,500,000	2,669,814
Transactions with owners					
Dividend paid				-2,500,000	-2,500,000
Change fair value reserves					
Value adjustments in the year		4,941			4,941
Equity at 30 September 2024	**7,382**	**802**	**2,012,891**	**3,500,000**	**5,521,075**

NOTES

	2023/24 USD	2022/23 USD '000	Note
Staff costs			**1**
Average number of full time employees	14	14	
Wages and salaries	710,177	668	
Pensions	37,618	29	
Social security costs	13,342	11	
	761,137	**708**	
Other financial income			**2**
Group enterprises	132,326	38	
Other interest income	13,117	38	
	145,443	**76**	
Tax on profit/loss for the year			**3**
Calculated tax on taxable income of the year	1,285	1	
	1,285	**1**	

Tangible fixed assets **4**

USD	Ships
Cost at 1 October 2023	5,709,421
Additions	1,101,693
Cost at 30 September 2024	**6,811,114**
Depreciation and impairment losses at 1 October 2023	2,918,679
Depreciation for the year	482,194
Depreciation and impairment losses at 30 September 2024	**3,400,873**
Carrying amount at 30 September 2024	**3,410,241**
Finance lease assets	120,577

Derivative financial instruments **5**

On behalf of affiliates, the parent company has entered a foreign exchange collar to secure the affiliates’ transactions in foreign currency. The company's share of the fair market value of the hedge amounts to USD ('000) 1 at 30 september 2024 and has been recognised under assets and directly to equity.

The hedging instuments impact the Equity as follows:

	Foreign exchange collar
Fair value at 30 September 2024 (assets)	802
Value adjustment in the year recognised in Equity	4,941

NOTES

Note

Long-term liabilities 6

USD	30/9 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2023 total liabilities
Financial leasing..................................	101,688	33,985	0	127,520
Corporation tax..................................	1,285	0	0	1,218
	102,973	**33,985**	**0**	**128,738**

Contingencies etc. 7

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 of the group’s jointly taxed 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 8
As collateral for the parent company's facility with Nykredit Bank A/S an indemnity letter of nom 6 million USD with 1 priority security in the vessel with a book value of USD ('000) 3.410 has been issued.

In addition, a 1st priority assignment of all insurances in relation to the vessel has been granted.

Related parties 9
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.

ACCOUNTING POLICIES

The Annual Report of Rederiet Scandinavia I ApS for 2023/24 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 in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company’s activities are settled in this currency. The exchange rate of USD against DKK is 6.6597 at 30 September 2024 and 7.0390 at 30 September 2023.

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

INCOME STATEMENT

Net revenue

Net revenue comprise freight income generated by the company's Vessel and is recognized in the income statement as delivery of the service according to contracts takes place. Net revenue is recognized exclusive of VAT, duties and less commisions 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 operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

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

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees. The crew is paid according to the DIS scheme.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial leasing interest, 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.

The company´s current tax is calculated in accordance with the provisions of "tonnageskatteloven".

ACCOUNTING POLICIES

BALANCE SHEET

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

The depreciation basis is cost less estimated residual value after end of 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	16-17 years	10 %

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.

Lease contracts
Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company's loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Company's other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

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.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

ACCOUNTING POLICIES

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment 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.

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.

Accruals and deferred income, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments
The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

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 time of occurrence of the receivables or payables is 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.