

Annual General Meeting

3 May 2023

Baltic Sea Properties

BALTIC SEA PROPERTIES

Presenters



Lars Christian Berger

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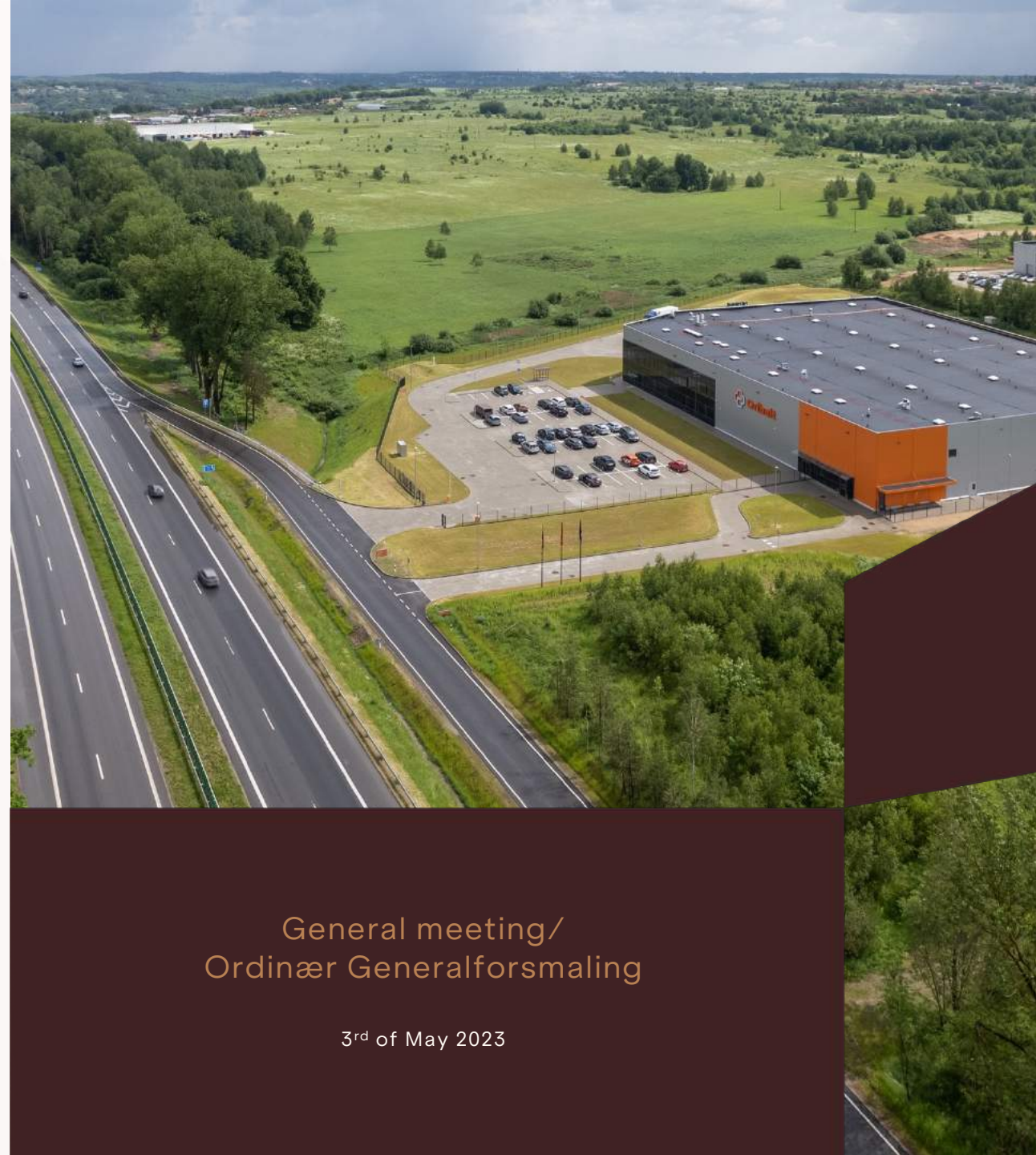
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Chairman & CIO

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General meeting/
Ordinær Generalforsamling

3rd of May 2023



Agenda – annual general meeting

Company presentation

- Highlights 2022
- Corporate strategy review
- Risk management
- Portfolio & certification status
- Financing overview
- Concluding remarks and outlook

General meeting



General meeting/
Ordinær Generalforsamling

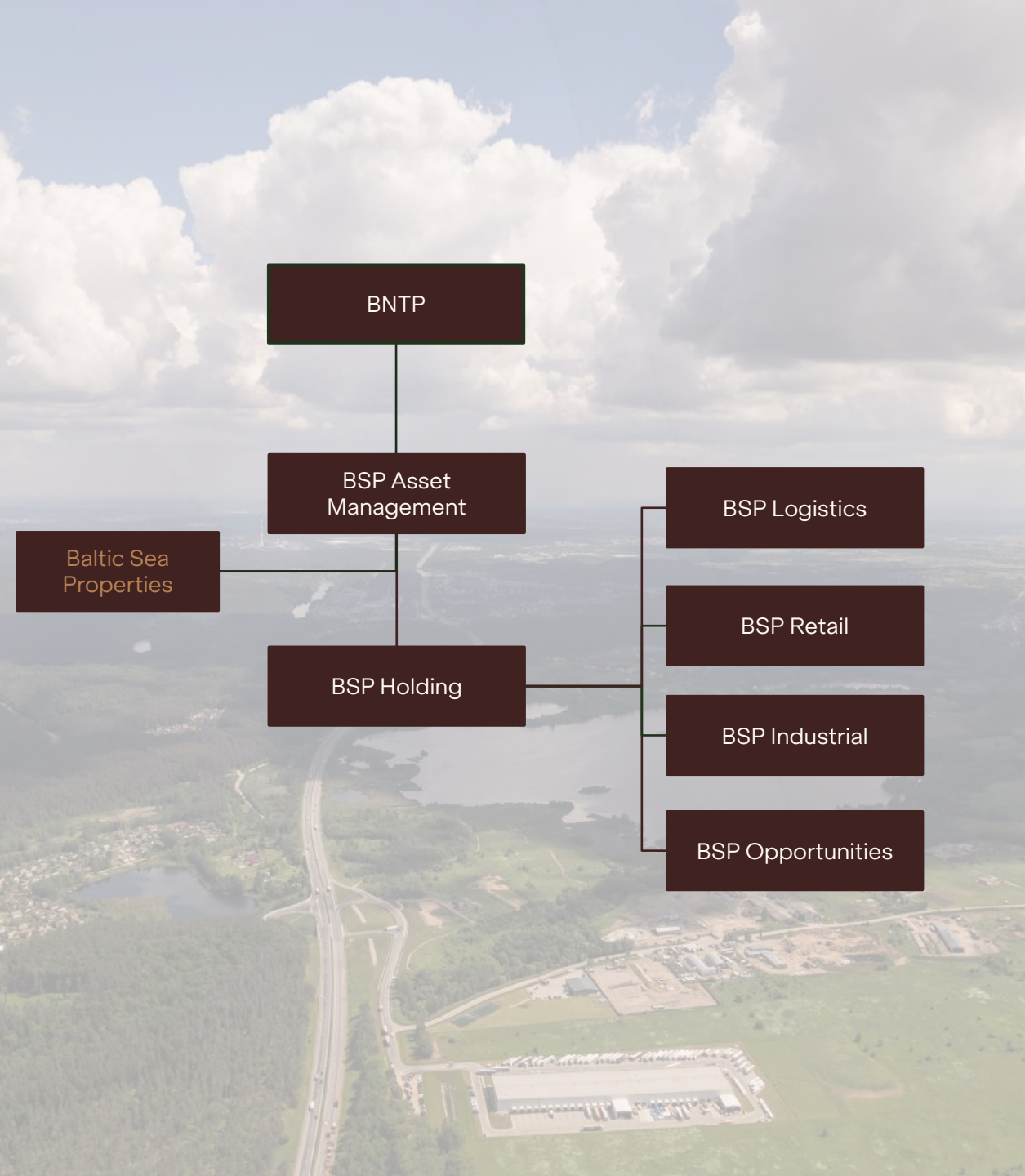
3rd of May 2023

About us

- **Baltic Sea Properties AS (BSP)** is among the Baltics' leading real estate investors and developers – owning a portfolio of logistics, industrial and commercial assets.
- BSP is a public company listed on the Oslo Stock Exchange (OSE, EG: "BALT")
- BSP has a full service, professional management team with deep knowledge of the Baltic real estate market.
- BSP is expanding quickly by developing and acquiring new assets and forming new partnerships.

Quick facts:

- | | |
|---|------------------------------|
| ◦ Total leasable area of approx. | 124,000 m² |
| ◦ Annualised rental income | 8.1 MEUR |
| ◦ Land bank for new development approx. | 212,300 m² |



Highlights 2022

Company level:

- Developed and delivered **three** developments projects for Delamode and DPD – signed one expansion project for Oribalt (completed in April 2023)
- Acquired a 11,900 m² neighbourhood shopping centre in Klaipėda
- Significant work with project pipeline
- Improved capital structure with refinancing of existing assets
- Maintain dividend distribution to shareholders – cash flow remains strong
- BREEAM certifications
- Transition from GAAP to International Financial Reporting Standards (IFRS)
- Professionalise and systemise to enable for company growth
- Launched our new visual profile, including a new website on balticsea.no.

Market

- Uncertainties related to outcomes from the Russian invasion of Ukraine, market turbulence and its consequences
- Baltic countries have shown resilience
- High inflationary pressure and rising interest rates
- Weakened transaction market and pressure on valuations
- Long-term trends favours the fundamentals of BSP's investment sectors

About us

Vision

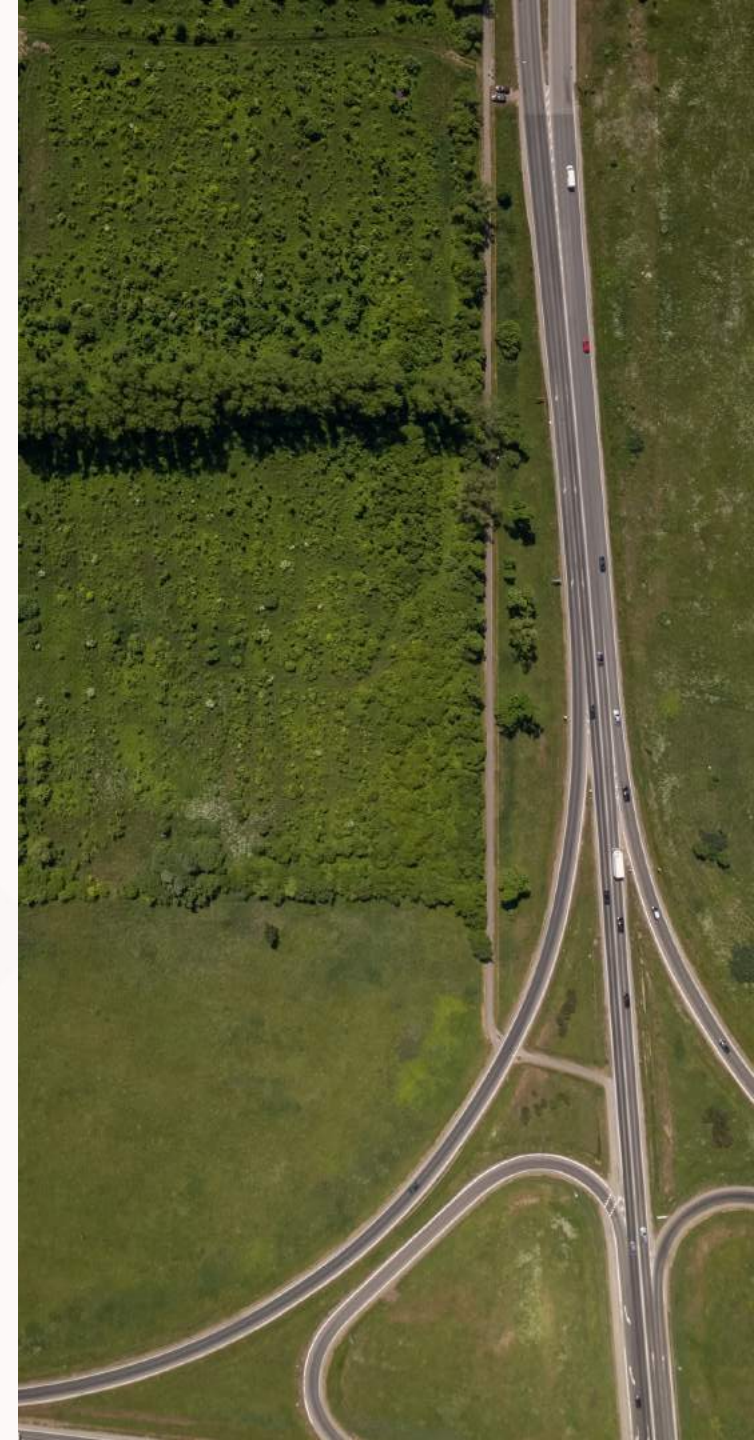
To be the preferred real estate partner and leading investment company in the region.

Mission

To foster a great team, to provide high quality and sustainable solutions for our partners, thus creating superior long-term value and returns for our shareholders.

Values

- Commitment to our people and their professional development
- Focusing on innovation and value creation
- Respect for our social and physical environment
- Accountability and fairness with our stakeholders
- Reliability and integrity in all we do



Corporate & Investment Strategy

Key Success Factors

Ownership	Stable shareholder base and organisation
Structure	Fully integrated investment, development & management company
People	Professional, respectful & innovative team culture
Strategy	Long term hold & grow strategy with strong diversified cashflow. Partnership approach.
Scale	Economy of scale to increase margins & liquidity
Returns	Superior risk adjusted average returns with dividends

Investment & Corporate strategy

Goals & Objectives

- To target an average annual IRR (Internal Rate of Return) of **10-15%**.
- To target the company's equity growth to **100m** EUR before Y/E **2027**
- To target an annual dividend of **1.5-3.0%** of NAV (Net Asset Value)
- To monitor and investigate strategic M&A (Mergers and Acquisitions) opportunities
- To sustain a growing, high quality and balanced investment portfolio - by continually researching, learning and developing our business & investment strategies.
- To continually identify, balance, mitigate and manage risks in the organisation, portfolio and individual projects.

Corporate & Investment Strategy

Investment Strategy

Geography

Baltic states (primarily)

Asset type

> 65% Industrial & Logistics

< 35% Other/Opportunity (including retail; office; DIY; hotels; residential; social & other infrastructure; renewable energy; and related private equity investment, etc.)

Equity allocation

> 65% Investment Projects

< 35% Development Projects

Joint venture projects

< 35% of Net Asset Value

Leverage

< 60% LTV (Loan to Value) ratio for entire portfolio

Cash reserves

> 5% of Net Asset Value

Corporate & Investment Strategy

Risk Management

RISKS	MAJOR FACTORS & ISSUES	MITIGATION & MANAGEMENT
-------	------------------------	-------------------------

General	Political – Invasion of Ukraine & embargos Economic – Inflation, growth & interest rates Social - Cost of living & demographics Technological - E-commerce & automation Environmental - Climate & EU taxonomy Legal & tax – Possible changes in legislation	NATO membership, refocus of transit logistics Contingencies, discipline & cautious growth ambitions Good ESG & HRM policies, tenant considerations Understanding changes in logistics, retail & office ESG policies, sustainability, renewable energy Awareness & proactive mitigation measures
Real Estate Market	Economic uncertainty creating negative implications for liquidity, finance & valuations	Long term grow & hold strategy of existing portfolio with long leases and solid financing. Market may offer good value opportunities for growth
Real Estate Portfolio	Sector demand and attractiveness changes and implications of embargos, E-commerce & remote working trends	Maintaining a balanced portfolio with quality assets, good locations with sustainable income from strong tenants. Continually adapting investment & development strategies for new opportunities.
Real Estate Assets	Increased focus on environmental impact & sustainability of buildings/projects	Long term life cycle approach with CAPEX and upgrade investments to maintain and improve quality and sustainability of the projects
Real Estate Development	Controlling quality, cost, safety and delivery time of projects.	Long term partnerships with reliable partners with established project management procedures and policies
Suppliers/Contractors	Real & opportunistic inflationary pressure	Long term partnership, win-win approach with integrated supply chain management

Corporate & Investment Strategy

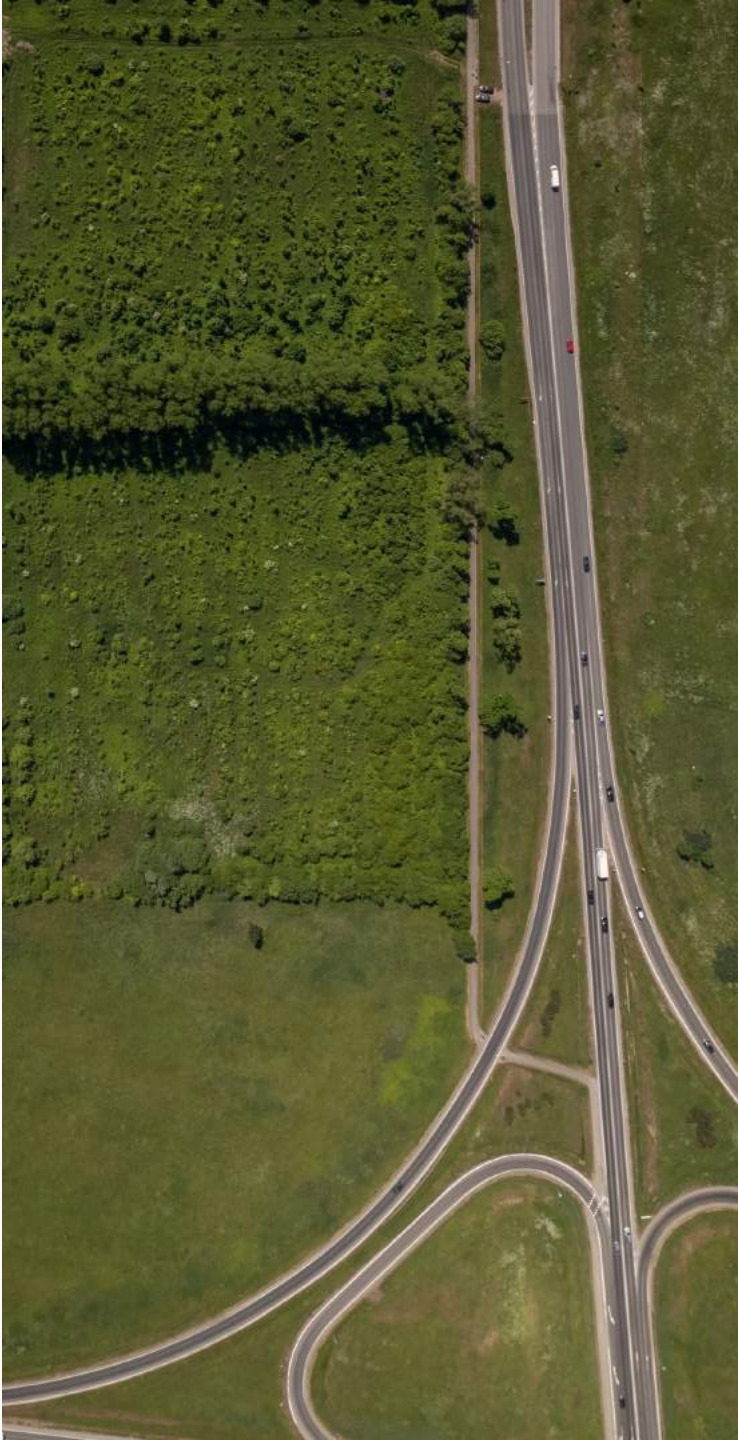
Risk Management

RISKS	MAJOR FACTORS & ISSUES	MITIGATION/MANAGEMENT
Tenants/Income	Profitability stress due to inflation & global economic slowdown	Tenant partnership approach with long term leases and good communication.
Vacancy	New leases and renewals	Portfolio weighted average unexpired lease term is over 9 years. Market rent levels for attractive premises
Capital Management	Balancing of equity & debt. Debt availability & refinancing terms	Strong partnerships with leverage rates under 60% Loan to Value (including banks and mezzanine finance) and with favourable finance terms.
Interest Rates	Euribor interest rates staying elevated	Adequate debt service contingencies Some interest rate hedging
Liquidity	Market uncertainty	Quality assets and maintaining cash reserves Already extended loan terms with Luminor
Currency	All income in Euro, small part cost in NOK	Maintaining minimal EUR/NOK cost exposure
Corporate Governance	Professionalism and ensuring compliance with fiduciary duties	Structured internal control measures Education & best practice policy adoption

Corporate & Investment Strategy









Risk Management

RISKS	MAJOR FACTORS & ISSUES	MITIGATION/MANAGEMENT
Code of Conduct	Corruption, gross negligence, irresponsible business practices and/or partnerships	Strict policies with high standards of integrity and zero-tolerance policy for any breaches
Human Resources Management	Maintaining professional, motivated and responsible people. Business process continuity risk for key executives	Good HRM policies. Respectful working environment with fair remuneration packages with a strong focus on education/training & professional development. Developed standard procedures with shared responsibility to reduce continuity risks.



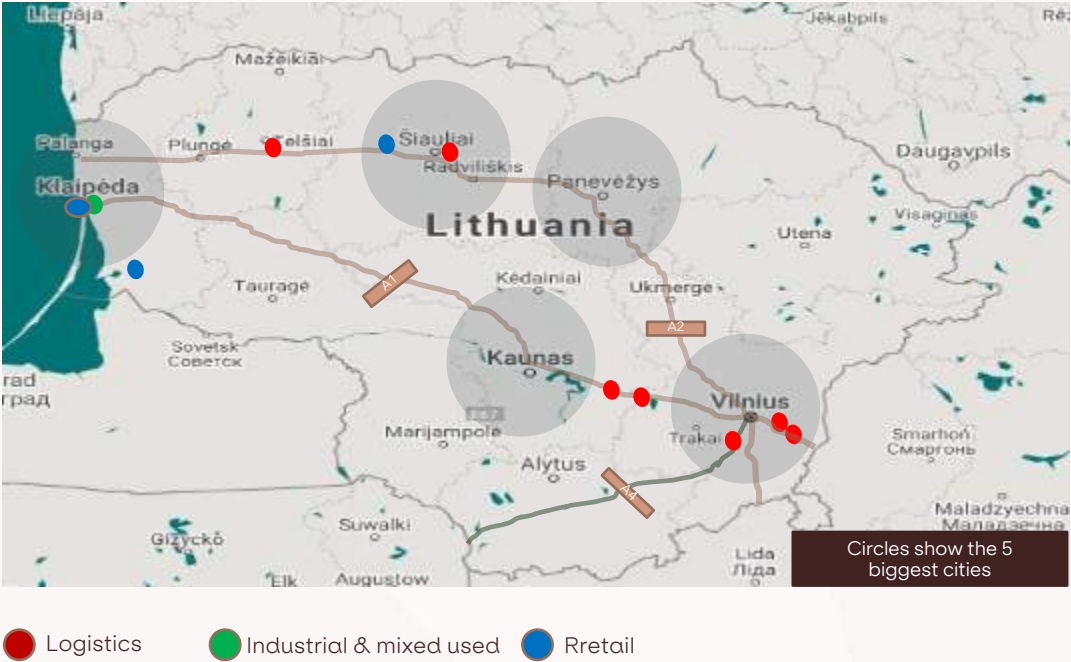
Investment portfolio

Diversified portfolio of properties

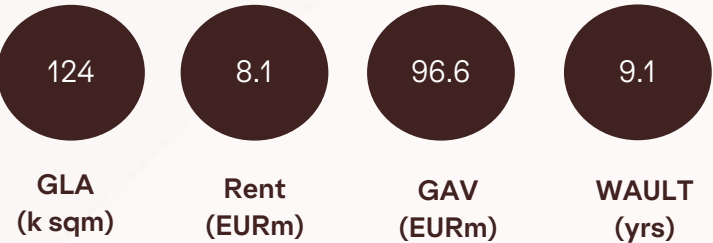
Logistics (64%)	Industrial & Mixed use (19%)	Retail (17%)
<ul style="list-style-type: none">7 properties~84,279 m²	<ul style="list-style-type: none">1 properties (3 stages)~23,990 m²	<ul style="list-style-type: none">3 properties~15.795 m²
<div><div>1</div><div>BSP Park – Vilnius East</div></div> <div>Year built: 2006 GLA: 17,149 m² Main client: Girteka</div>	<div><div>2</div><div>BSP Park – Vilnius A4</div></div> <div>Year built: 2017/2022 GLA: 18,226 m² Main client: Rhenus</div>	
<div><div>3</div><div>BSP Park – Vilnius A1</div></div> <div>Year built: 2020/2023 GLA: 9,629 m² Main client: Oribalt</div>	<div><div>4</div><div>BSP Park – Vilnius West</div></div> <div>Year built: 2020/ 2022 GLA: 13,305 m² Main client: Delamode</div>	
<div><div>5</div><div>BSP Park – Vilnius A3</div></div> <div>Year built: 2006 GLA: 21,929 m² Main client: Vinges</div>	<div><div>6</div><div>Business Park, Klaipeda</div></div> <div>Year built: 2004-2008 GLA: 24,000 m² Main client: Multiple</div>	
<div><div>7</div><div>Retail</div></div> <div>Year built: 2007-2019 GLA: 15,795 m² Anchor: Maxima & Norfa</div>	<div><div>8</div><div>DPD</div></div> <div>Year built: 2022 GLA: 4,140 m² Main tenant: DPD</div>	

Source: Company information
* Annualised contracted rent

Strategic locations



Key portfolio stats





Our development approach

Tenant focus

Our built to suite development projects are tailor-made to our clients' needs. We offer flexible and innovative solutions as part of our value proposition.

Attractive locations

We acquire land plots in strategic locations and secure sufficient land to allow their long-term development.

Quality buildings

We deliver buildings of high standard with modern technology that will serve our clients well for the long run.

Long-term

We believe in the value of long contracts with strong clients, so when we enter a new partnership, we do it for the long run.



Sustainability

We have high sustainability ambitions; which is why we focus on sustainability as an integral part of our development strategy, where we amongst other measures are offering the following initiatives together with our new developments.

- Roof construction to be designed and built to allow installation of solar panels
- Building to be certified with BREEAM in-use certification minimum “very good”
- Other additional building upgrades

Development | Track record

Strong development operations

- 13,000 sqm logistics terminal was handed over to Rhenus Logistics in 2017
- Repeat business from Rhenus for a 5,000 sqm expansion delivered in January 2020
- Two additional terminals were successfully handed over to Oribalt and Delamode in 2020
- Repeat business from Delamode for a 5,000 sqm expansion Q2 2021
- Oribalt expansion completed Q1 2023
- Developing two new distribution terminals for French owned DPD - 2022



Publicly recognised in the industry

- “Strongest Brand Baltics – Developers Logistics” in 2020, 2021 & 2022 (European Real Estate 500)
- “Logistics/industrial developer of the year” 2020 (Euromoney Real Estate Survey)



Certification status



Delamode terminal
BREEAM In-Use: "Very good"



Oribalt terminal
BREEAM In-Use: "Very good"



Rhenus terminal
BREEAM In-Use: "Very good"



Maxima retail stores
BREEAM In-Use: "Good"



DPD - Šiauliai
Status: Ongoing



DPD - Telšiai
Status: Ongoing



Klaipėda Business Park
Status: Planning



Grandus Shopping
Centre



Vingės terminal



Girteka terminal

BREEAM[®]

BREEAM is an environmental assessment and rating system that measures a building's sustainability performance across categories like energy use, water consumption, materials, and waste, aiming to promote sustainable building practices and reduce environmental impact. The resulting rating indicates the building's sustainability performance and can be used to demonstrate a commitment to sustainability and improve long-term building performance.

BREEAM In-Use

The assessment of:

**UAB "BSP Logistic Property
IV" (Rhenus)
Metelių str. 12
Vilnius
LT-02236
Lithuania**

has been carried out according to Technical Manual:

BREEAM International In-Use: Commercial Version 6

by a Licensed Assessor for:

Baltic Sea Properties

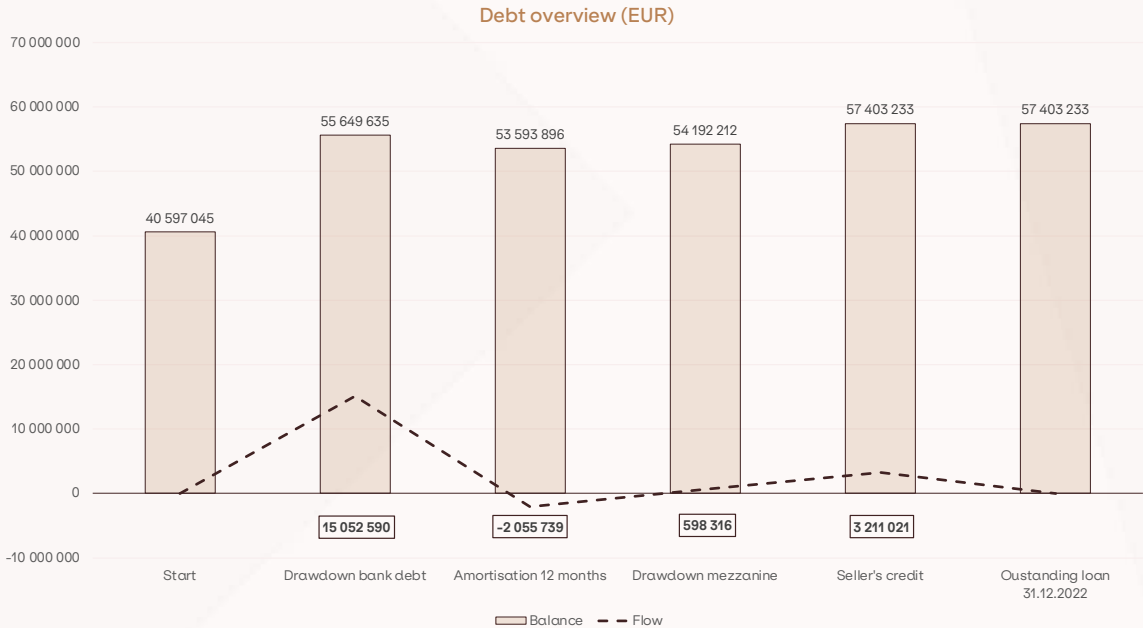


Key figures – financing structure

Year	Debt maturity			Interest Swap maturity		
	EUR	Share %	Interest margin	EUR	Share %	Swap fixed rate
0-1 year						
1-3 years				22 633 828	100 %	0.60 %
4-5 years	52 126 800	90.8 %	2.1 %			
Total funding real estate portfolio ¹	52 126 800	90.8 %	2.1 %	22 633 828	43 %	0.60 %
Mezzanine ²	2 065 412	3.6 %	9.3 %			
Seller credit ³	3 211 021	5.6 %	8.0 %			
Sum loan	57 403 233	100.0 %	2.73%	22 633 828	39.43 %	0.60 %

Loan financing	31/12/2022	31/12/2021
Interest-bearing debt incl. mezzanine loan and seller credit (MEUR)	57.4	40.7
LTV incl. mezzanine loan and seller credit	59.38 %	53.90 %
Interest-bearing debt excl.mezzanine loan and seller credit (MEUR)	52.1	39.2
LTV excl. mezzanine loan and seller credit	53.92 %	51.92 %
12-month running interest rate all loans (incl. margin)*	2.73 %	2.65 %
Interest rate hedging ratio	39.74 %	62%
Time until maturity interest-bearing debt (weighted)	4.4 yrs	3.9 yrs
Time until maturity interest hedging contracts (weighted)	1.3 yrs	2.2 yrs

* Excl. 3-months EURIBOR & swap agreements



Concluding remarks and outlook

- One of the largest and most recognised developers/owners of logistics and industrial space in the Baltics.
- Significant development track record lays a strong fundament for the future.
- Continuing our work on professionalisation and systemisation – enabler for growth.
- Continuing to developing and investing in our ESG initiatives.
- The Baltic market has shown resilience despite market uncertainties.
- Market turbulence and increasing inflation and interest rates highly influence valuations, cash flows and access to funding.
- The company's strong financial platform provide flexibility and opportunity.
- Company growth is expected to increase visibility.
- BSP remains with a significant investment pipeline supporting the company's growth ambitions, despite prevalent uncertainties.
 - Expansion of existing investment projects
 - New projects on own development land
 - Potential Built to suit (BTS) for new clients
 - Evaluating M&A strategies



Annual General Meeting

3 May 2023

Baltic Sea Properties

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
6. Approval of remuneration to the board for 2023/2024
7. Election of the nomination committee
8. Approval of remuneration to the nomination committee for 2023/2024
9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present

Åpning av møte og registrering av fremmøtte aksjonærer

2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting

Valg av møteleder og person til å medundertegne protokollen sammen med møteleder

3. Approval of notice and agenda

Godkjenning av innkalling og dagsorden

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
- 4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year**
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9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Consolidated statement of profit or loss

Amounts in NOK thousand

<i>For the year ended 31 December</i>	<i>Note</i>	2022	2021
Rental income	6	69 521	63 803
Gain from sale of fixed assets	13	0	6 596
Change in fair value of investment properties	13	17 252	56 314
Other income	6	1 138	2 016
Total operating income		87 910	128 730
Payroll and related costs	8	13 056	12 262
Depreciation, amortisation and impairment	14	219	306
Other operating expenses	7, 9	11 789	8 834
Total operating expenses		25 063	21 402
Operating profit		62 847	107 328
Change in fair value of financial instruments	10, 24	10 295	3 832
Financial income	10	456	1
Financial expenses	10	(18 387)	(18 103)
Net currency exchange differences	10	981	824
Net financial income (cost)		(6 654)	(13 446)
Profit before income tax		56 193	93 883
Income tax expense	11	1 181	616
Change in deferred tax liability/asset	11	8 032	11 366
Profit for the period		46 979	81 901
<i>Earnings per share</i>	<i>Note</i>	2022	2021
Basic	12	7,04	12,27
Diluted	12	7,04	12,27
Profit is attributable to:		2022	2021
Owners of Baltic Sea Properties group		46 979	81 901
Non-controlling interests		-	-

Comments YTD P&L:**Revenue:**

Increase of rental income driven by CPI adjustments, revenue from new assets and full year of 2021 acquisitions.

Changes in fair value driven by development profits in 2022 (mNOK 6)

Other operating cost :

Direct ownership costs slightly up due to increase in RE and land tax (mNOK 2.1 vs MNOK 1.4)

Other operating costs up due to a higher scale of operations and provision for loss of mNOK 2.0.

Net Financials:

Changes in value of SWAPS lowers the net financial cost significantly

Interest expenses increased due to higher loan portfolio

Solid covenant coverage on group level – larger scale will increase robustness

ICR coverage including group leverage – 2.76

ICR coverage RE loan – 3.76

For the year ended 31 December	2022	2021	2022	2021
Income from Property management				
Currency	NOK thousand	NOK thousand	EUR thousand	EUR thousand
Rental income	69 521	63 803	6 882	6 278
Property expenses ex mng	(2 184)	(1 393)	(216)	(137)
Net rent	67 337	62 410	6 666	6 141
Other operating income	1 138	2 016	113	198
Administration cost	(13 056)	(12 262)	(1 292)	(1 206)
Other operating cost	(7 823)	(7 746)	(774)	(762)
Net realised interest cost & finance expenses	(17 931)	(18 103)	(1 775)	(1 781)
Net income from property management (IFPM)	29 665	26 315	2 936	2 589
Changes in value of investment properties	17 252	56 314	1 708	5 541
Changes in value of financial instruments	10 295	3 832	1 019	377
Realised changes in value of investment properties	(2 000)	6 596	(198)	649
Net currency exchange differences	981	824	97	81
Profit before tax	56 193	93 881	5 562	9 237
Current tax	(1 181)	(616)	(117)	-61
Deferred tax	(8 032)	(11 366)	(795)	-1 118
Profit from continued operations	46 979	81 900	4 650	8 058

Consolidated statement of financial position

Amounts in NOK thousand

	Note	31 December 2022	31 December 2021	1 January 2021
Assets				
Investment property	13	1 040 278	773 053	575 976
Other operating assets	14	1 727	823	197
Right-of-use assets	18	231	345	494
Financial derivatives, non-current	17	6 581	72	19
Other financial non-current assets	15	-	-	11 297
Long-term receivables	16, 17	134	14	-
Total non-current assets		1 048 952	774 308	587 981
Trade receivables	17	4 071	2 021	413
Financial derivatives, current	15	-	-	-
Other receivables and other current assets	19	3 726	1 787	1 464
Cash and cash equivalents	17, 20	44 083	52 791	38 888
Total current assets		51 880	56 599	40 765
Investment property held for sale		-	-	114 964
Total assets		1 100 832	830 906	743 710

Consolidated statement of financial position

Amounts in NOK thousand

	Note	31 December 2022	31 December 2021	1 January 2021
Equity				
Share capital	21, 30	669	669	669
Share premium	30	118 788	118 788	118 788
Other paid-in equity	30	-1	-2	-2
Total paid-in equity		119 456	119 455	119 455
Retained earnings	30	286 226	228 029	189 142
Total equity		405 682	347 485	308 596
Liabilities				
Deferred tax liabilities	11	42 772	33 865	22 797
Interest-bearing liabilities	22, 23	541 659	369 599	143 265
Lease liabilities, non-current	18	23 919	21 225	13 843
Financial derivatives, non-current	17, 24	-	3 970	6 857
Other non-current provisions		134	-	-0
Total non-current liabilities		608 483	428 660	186 761
Lease liabilities, current	18	220	263	162
Interest-bearing liabilities, current	22, 23	60 150	35 560	228 585
Trade payables	17	8 149	4 251	3 237
Income tax payable	11	2 132	3 065	5 084
Financial derivatives, current	17, 24	-	-	1 225
Other current liabilities	17, 28	16 014	11 622	10 060
Total current liabilities		86 666	54 762	248 353
Total equity and liabilities		1 100 832	830 906	743 710

Key figures – NAV development

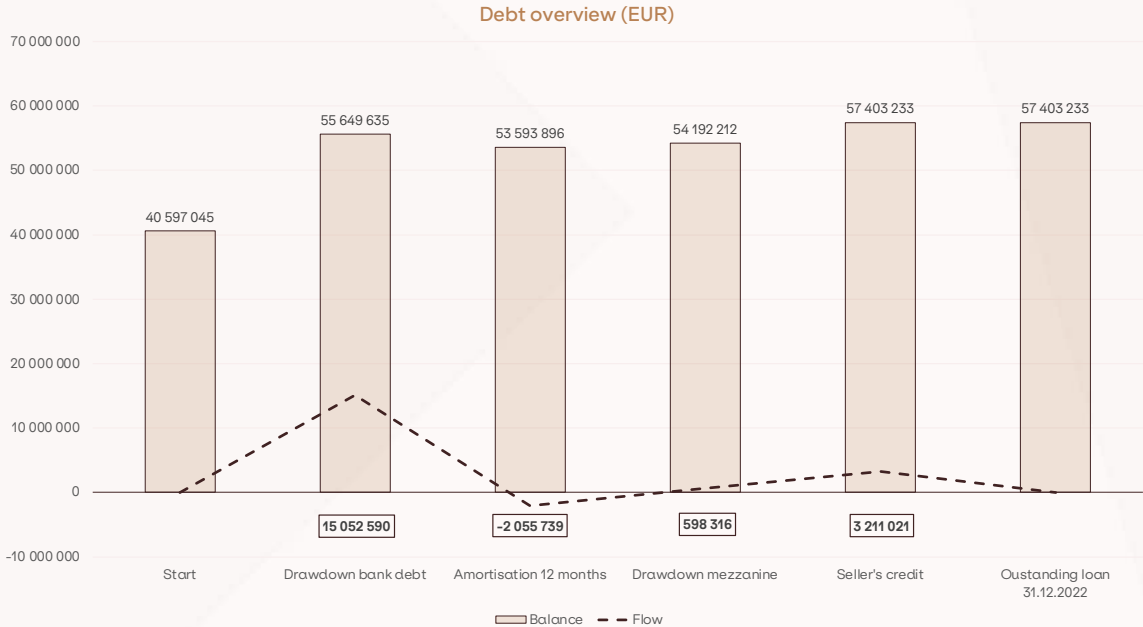
Net Asset Value (NAV) per share development	31/12/2022	31/12/2021	31/12/2020
NAV (NOK) - BSP method (IFRS)	62.11	53.93	48.08
Dividend (NOK)	1.50	1.50	1.00
Return inc. dividend	18.08 %	15.24 %	
NAV (EUR) - BSP method (IFRS)	5.91	5.40	4.59
Dividend (EUR)	0.15	0.15	0.10
Return inc. dividend	12.18 %	20.79 %	
Net internal rate of return (IRR) in period (end 20-22) - NOK	16.59 %		
Net internal rate of return (IRR) in period (end 20-22) - EUR	16.43 %		
Applied EURNOK conversion rate	10.5138	9.9888	10.4703

Key figures – financing structure

Year	Debt maturity			Interest Swap maturity		
	EUR	Share %	Interest margin	EUR	Share %	Swap fixed rate
0-1 year						
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LTV incl. mezzanine loan and seller credit	59.38 %	53.90 %
Interest-bearing debt excl.mezzanine loan and seller credit (MEUR)	52.1	39.2
LTV excl. mezzanine loan and seller credit	53.92 %	51.92 %
12-month running interest rate all loans (incl. margin)*	2.73 %	2.65 %
Interest rate hedging ratio	39.74 %	62%
Time until maturity interest-bearing debt (weighted)	4.4 yrs	3.9 yrs
Time until maturity interest hedging contracts (weighted)	1.3 yrs	2.2 yrs

* Excl. 3-months EURIBOR & swap agreements



Consolidated statement of cash flows*Amounts in NOK thousand*

<i>For the year ended 31 December</i>	<i>Note</i>	<i>2022</i>	<i>2021</i>
Profit for the period before tax		56 193	93 883
<i>Adjustments for:</i>			
Changes in value of investment properties	13	(17 252)	(56 314)
Gain from sale of fixed assets	13	-	(6 596)
Depreciation, amortisation and impairment	13	219	306
Changes in fair value of derivatives	10, 24	(10 295)	(3 832)
Financial income	10	(456)	(1)
Financial expenses	10	18 387	18 103
Net currency exchange differences	10	(981)	(824)
Changes in trade receivables & payables	17, 28	13 856	1 230
Changes in other accruals	17, 28	863	(1 113)
Taxes paid (net)	11	1 332	(500)
Net cash flows from operating activities		61 864	44 341
Proceeds from property transactions	13	-	118 190
Investments in investment property	13	(211 165)	(184 328)
Investments in property, plant and equipment	13	-	-
Proceeds from sale of shares and other equity instruments	15	-	11 297
Acquisition of other investments	14	(629)	-
Interest received		162	1
Net cash flows from investing activities		(211 632)	(54 841)
Proceeds from interest-bearing debt	22, 23	244 603	270 862
Repayment of interest-bearing debt	22, 23	(76 274)	(218 829)
Repayments of lease liabilities	22, 23	(207)	(190)
Dividends paid to company's shareholders		(10 032)	(9 981)
Interest paid		(15 929)	(15 764)
Net cash flows from financing activities		142 161	26 098
Net change in cash and cash equivalents		(7 607)	15 598
Effects of foreign exchange on cash and cash equivalents		(1 100)	(1 696)
Cash and cash equivalents at the beginning of the period		52 790	38 888
Cash and cash equivalents at the end of the period		44 083	52 790

Annual Financial Statement 2022 for the Parent Company

Amounts in NOK

Income Statement	Note	31 December 2022	31 December 2021
Operating income			
Other operating income	14	4 707 374	2 792 610
Sum operating income		4 707 374	2 792 610
Operating expenses			
Wages and social costs	3	4 565 285	4 261 996
Depreciations on fixed assets	4	54 820	15 776
Other operating expenses	3,10	2 726 292	2 263 613
Sum operating expenses		7 346 397	6 541 385
Profit from operations		-2 639 022	-3 748 775
Financial income & expenses			
Dividends received from subsidiaries	2	-	7 985 567
Interest income from subsidiaries	2	4 208 469	4 332 536
Other interest income		161 598	294
Profit from sale of shares		-	8 182 408
Currency gain (+) / loss (-)	13	9 723 510	-3 334 550
Interest expenses to subsidiaries	2	619 061	857 927
Other interest expenses	9	2 519 826	2 809 049
Impairment of non-current financial assets (+) / Reversal of previous years' impairment of non-current financial assets (-)	2	-	-649 114
Other financial expenses	9, 13	1 390 550	183 750
Net profit from financial items		9 564 141	13 964 642
Profit before taxes		6 925 119	10 215 867
Corporate income tax	5	-	-
Change in deferred taxes	5	-	-
Taxes on profit		-	-
PROFIT AFTER TAXES		6 925 119	10 215 867
Allocation of profit			
Dividend (distributed during the accounting year)	6	10 032 348	9 981 311
Transferred to/from retained earnings	6	-3 107 229	234 556
Sum allocation		6 925 119	10 215 867

Annual Financial Statement 2022 for the Parent Company

Amounts in NOK

Balance Sheet	Note	31 December 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Other fixed assets	4	840 587	13 715
Sum fixed assets		840 587	13 715
Non-current financial assets			
Investments in subsidiaries	2	12 723 177	2 168 377
Loans to subsidiaries	2	140 069 000	210 203 060
Sum non-current financial assets		152 792 177	212 371 437
Sum fixed assets		153 632 764	212 385 152
CURRENT ASSETS			
Accounts receivable			
Trade receivables		724 801	141 529
Other accounts receivable	15	-	82 100
Sum accounts receivable		724 801	223 629
Cash and cash equivalents			
Cash and cash equivalents	8	15 626 155	3 571 098
Sum current assets		16 350 956	3 794 727
SUM ASSETS		169 983 720	216 179 879

Annual Financial Statement 2022 for the Parent Company

Amounts in NOK

Balance Sheet	Note	31 December 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Other fixed assets	4	840 587	13 715
Sum fixed assets		840 587	13 715
Non-current financial assets			
Investments in subsidiaries	2	12 723 177	2 168 377
Loans to subsidiaries	2	140 069 000	210 203 060
Sum non-current financial assets		152 792 177	212 371 437
Sum fixed assets		153 632 764	212 385 152
CURRENT ASSETS			
Accounts receivable			
Trade receivables		724 801	141 529
Other accounts receivable	15	-	82 100
Sum accounts receivable		724 801	223 629
Cash and cash equivalents			
Cash and cash equivalents	8	15 626 155	3 571 098
Sum current assets		16 350 956	3 794 727
SUM ASSETS		169 983 720	216 179 879

Annual Financial Statement 2022 for the Parent Company

Amounts in NOK

Balance Sheet	Note	31 December 2022	31 December 2021
EQUITY			
Paid-in equity			
Share capital	6, 7	668 823	668 823
Own shares	6	-1 040	-1 500
Share premium	6	118 788 021	118 788 021
Sum paid-in equity		119 455 805	119 455 344
Retained earnings			
Retained earnings	6	27 687 991	30 565 431
Sum retained earnings		27 687 991	30 565 431
Sum equity		147 143 796	150 020 775
LIABILITIES			
Non-current liabilities			
Non-current borrowings from subsidiaries	2	116 152	50 466 154
Other non-current liabilities	9	21 715 333	-
Sum non-current liabilities		21 831 485	50 466 154
Current liabilities			
Trade payables		191 432	231 181
Payable dues and other taxes		202 532	181 952
Current borrowings from subsidiaries	2	7 177	-
Other current liabilities	9, 16	607 298	15 279 817
Sum current liabilities		1 008 438	15 692 950
Sum liabilities		22 839 923	66 159 104
SUM EQUITY & LIABILITIES		169 983 720	216 179 879

4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year

The board proposes the following resolutions:

Norsk oversettelse	English translation
Godkjenning av årsregnskapet og årsberetning for regnskapsåret 2022, og disponering av årets resultat	Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
Disponeringen av årsresultatet gjelder for det norske morselskapet Baltic Sea Properties AS.	The disposition of the 2022 result is for the parent company, Baltic Sea Properties AS.
Styret foreslår følgende vedtak:	The board proposes the following resolutions:
Styrets forslag til årsregnskap og årsberetning for 2022, samt revisors beretning, godkjennes.	The board's proposal for annual accounts and the directors report for 2022, as well as the auditor's report, are approved.
Årets resultat: NOK 6 925 119	Result for the year: NOK 6,925,119
Tilleggsutbytte utdelt i 2022: NOK 10 032 348	Dividend distributed in 2022: NOK 10,032,348
Overført annen egenkapital: NOK -3 107 229	Transferred other equity: NOK -3,107,229
Det vedtas videre at selskapets styre mottar fullmakt til å utbetale opptil NOK 1,60 per aksje som utbytte ved utbetaling fra overkursfond. Fullmakten gjelder frem til neste ordinære generalforsamling.	It is further resolved that the company's board receives authorization to pay up to NOK 1.60 per share as a dividend upon payment from a share premium fund. The authorization is valid until the next ordinary general meeting.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
- 5. Election of the board**
6. Approval of remuneration to the board for 2023/2024
7. Election of the nomination committee
8. Approval of remuneration to the nomination committee for 2023/2024
9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Election of the board

The board proposes the following resolutions:

Norsk oversettelse

Valg av styre

Samtlige styremedlemmer er på valg.

Dagens styre består av:

- James Clarke (styreleder)
- Bjørn Bjøro (styremedlem)
- John Afseth (styremedlem)
- John David Mosvold (styremedlem)

Valgkomiteens innstilling for valg av styre er at eksisterende styre velges for ett nytt år:

- James Clarke (styreleder)
- Bjørn Bjøro (styremedlem)
- John Afseth (styremedlem)
- John David Mosvold (styremedlem)

Styret foreslår følgende vedtak:

Valgkomiteens innstilling for valg av styre godkjennes.

English translation

Election of the board

All board members are up for election.

The current board consists of:

- James Clarke (chairman of the board)
- Bjørn Bjøro (board member)
- John Afseth (board member)
- John David Mosvold (board member)

The nomination committee's recommendation for the election of the board is that the existing board is elected for one new year:

- James Clarke (chairman of the board)
- Bjørn Bjøro (board member)
- John Afseth (board member)
- John David Mosvold (board member)

The board proposes the following resolution:

The nomination committee's recommendation for the election of the board is approved.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
- 6. Approval of remuneration to the board for 2023/2024**
7. Election of the nomination committee
8. Approval of remuneration to the nomination committee for 2023/2024
9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Approval of remuneration to the board for 2023/2024

The board proposes the following resolutions:

Norsk oversettelse

Fastsettelse av styrets honorar for 2023/2024

Styret foreslår følgende vedtak i henhold til valgkomiteens innstilling:

Styrets honorar for 2023/2024 fastsettes til NOK 300 000 til styrets leder og NOK 200 000 til øvrige styremedlemmer, uforandret fra forrige år.

English translation

Approval of remuneration to the board for 2023/2024

The board proposes the following resolution according to the nomination committee's recommendation:

The board's remuneration for 2023/2024 is set at NOK 300,000 for the chairman of the board and NOK 200,000 to other board members, unchanged from last year.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
6. Approval of remuneration to the board for 2023/2024
- 7. Election of the nomination committee**
8. Approval of remuneration to the nomination committee for 2023/2024
9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Election of the nomination committee

The board proposes the following resolutions:

Norsk oversettelse

Valg av valgkomité

Styret foreslår at valgkomiteen, bestående av John Arne Brennsund (valgkomiteens leder) og Arne Sunde fortsetter for to nye år. I tillegg foreslås det at John Erik Halsnes inntre som et tredje medlem i valgkomiteen.

Styrets forslag til vedtak:

Den sittende valgkomité velges for to nye år, i tillegg velges John Erik Halsnes som nytt medlem av valgkomiteen.

English translation

Election of the nomination committee

The board proposes that the nomination committee, consisting of John Arne Brennsund (chairman of the nomination committee) and Arne Sunde, continues for two new years. In addition, it is proposed that John Erik Halsnes joins as a third member of the nomination committee.

The board's proposed resolution:

The current nomination committee is elected for two new years, and John Erik Halsnes is elected as a new member of the nomination committee.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
6. Approval of remuneration to the board for 2023/2024
7. Election of the nomination committee
- 8. Approval of remuneration to the nomination committee for 2023/2024**
9. Approval of remuneration to the auditor for 2022
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Approval of remuneration to the nomination committee for 2023/2024

The board proposes the following resolutions:

Norsk oversettelse

Styret foreslår følgende vedtak:

Valgkomiteens honorar for 2023/2024 fastsettes til NOK 20 000 til leder og NOK 15 000 til øvrige medlemmer.

English translation

The board proposes the following resolutions:

The Nomination Committee's fee for 2023/2024 is set at NOK 20,000 for the chairman and NOK 15,000 for the other members.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
6. Approval of remuneration to the board for 2023/2024
7. Election of the nomination committee
8. Approval of remuneration to the nomination committee for 2023/2024
- 9. Approval of remuneration to the auditor for 2022**
10. Board authorisation to increase the share capital

General meeting

3rd of May 2023

Approval of remuneration to the nomination committee for 2023/2024

The board proposes the following resolutions:

Norsk oversettelse

Styret foreslår at revisors honorar dekkes etter regning.

English translation

The board proposes that the auditor is remunerated per invoice.

General meeting - Agenda

1. Opening of the meeting and registration of shareholders present
2. Election of a chairman of the meeting and a person to co-sign the minutes together with the chairman of the meeting
3. Approval of notice and agenda
4. Approval of the annual accounts and the directors report for the financial year 2022, as well as the profit for the year
5. Election of the board
6. Approval of remuneration to the board for 2023/2024
7. Election of the nomination committee
8. Approval of remuneration to the nomination committee for 2023/2024
9. Approval of remuneration to the auditor for 2022
- 10. Board authorisation to increase the share capital**

General meeting

3rd of May 2023

Board authorisation to increase the share capital

The board proposes the following resolutions:

Norsk oversettelse

Styret mener at det er hensiktsmessig at styret har en fullmakt til å kunne gjennomføre kapitalforhøyelse(r) i selskapet. En slik fullmakt vil gi styret fleksibilitet og mulighet til å handle raskt dersom det er behov for å styrke Selskapets egenkapital, eksempelvis for finansiering av videre vekst og/eller i forbindelse med transaksjoner hvor provenyet kan betales i form av aksjer som oppgjør for nye eiendommer.

Styret foreslår derfor at det gis en fullmakt til å gjennomføre kapitalforhøyelse i Selskapet på inntil 10 % av aksjekapitalen. Videre foreslår styret at fullmakten begrenses til å kunne benyttes ved kapitalbehov til styrking av Selskapets egenkapital, finansiering av videre vekst, utstedelse aksjer som vederlag i forbindelse med oppkjøp av andre selskaper, virksomheter eller eiendeler eller for å finansiere slike oppkjøp.

På denne bakgrunn foreslår styret at generalforsamlingen fatter følgende vedtak:

1. I henhold til aksjeloven § 10-14 gis styret fullmakt til å forhøye Selskapets aksjekapital med inntil NOK 66 882,32.
2. Aksjeeiernes fortrinnsrett til de nye aksjene etter aksjelovens § 10-4 kan fravikes.
3. Fullmakten omfatter kapitalforhøyelse mot innskudd i andre eiendeler enn penger og rett til å pådra Selskapet særlige plikter mv.
4. Fullmakten omfatter ikke kapitalforhøyelse ved fusjon.
5. Styret gis fullmakt til å fastsette hensiktsmessig struktur og nærmere vilkår for kapitalforhøyelsen(e).
6. Fullmakten gjelder til ordinær generalforsamling i 2024, senest til 30. juni 2024.

English translation

The board believes that it is appropriate for the board to have a power of attorney to be able to carry out a capital increase(s) in the company. Such a power of attorney will give the board flexibility and the opportunity to act quickly if there is a need to strengthen the Company's equity, for example to finance further growth and / or in connection with transactions where the proceeds can be paid in the form of shares for new properties.

The board therefore proposes that a power of attorney be granted to carry out a capital increase in the Company of up to 10% of the share capital. Furthermore, the Board proposes that the authorization be limited to being able to be used for capital needs to strengthen the Company's equity, finance further growth, issue shares as consideration in connection with acquisitions of other companies, companies or assets or to finance such acquisitions.

On this basis, the board proposes that the general meeting make the following resolutions:

1. Pursuant to section 10-14 of the Private Limited Liability Companies Act the board is granted an authorization to increase the Company's share capital with up to NOK 66,882.32.
2. The shareholders' preferential right to the new shares pursuant to section 10-4 of the Private Limited Liability Companies Act may be deviated from.
3. The authorization does include the right to share capital increase against contribution in kind and the right to incur specific obligations on behalf of the Company.
4. The authorization does not include share capital increase in connection with mergers.
5. The board is authorized to determine the most practical structure and further conditions for the share capital increase(s).
6. The authorization is valid until the annual general meeting in 2024, no later than 30 June 2024.

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