OMT Naval ApS

Sverigesgade 4, DK-5000 Odense C

Annual Report for 1 July 2022 - 30 June 2023

CVR No 41 36 97 44

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 9 /10 2023

Per Lønborg-Andersen
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 OMT Naval ApS for the financial year 1 July 2022 - 30 June 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 30 June 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022/23.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 9 October 2023

Executive Board

Peter Kåre Groes Christiansen

Board of Directors

Poul Præstegaard Skadhede Chairman	Thomas Knudsen	Peter Kåre Groes Christiansen

Independent Auditor's Report

To the Shareholders of OMT Naval ApS

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 July 2022 - 30 June 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of OMT Naval ApS for the financial year 1 July 2022 - 30 June 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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.

Independent Auditor's Report

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and 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 Group or 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 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 and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- 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 Group's and 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 Group and 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 9 October 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Fromm Christiansen
statsautoriseret revisor
mne18628

Kim Danstrup
statsautoriseret revisor
mne32201

Company Information

The Company	OMT Naval ApS Sverigesgade 4 DK-5000 Odense C CVR No: 41 36 97 44 Financial period: 1 July - 30 June Municipality of reg. office: Odense
Board of Directors	Poul Præstegaard Skadhede, Chairman Thomas Knudsen Peter Kåre Groes Christiansen
Executive Board	Peter Kåre Groes Christiansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group	
	2022/23	2021/22
	TDKK	TDKK
Key figures		
Profit/loss		
Revenue	211,324	133,481
Operating profit/loss	68,550	73,721
Profit/loss before financial income and expenses	68,550	78,099
Net financials	-2,557	-138
Net profit/loss for the year	50,116	60,765
Balance sheet		
Balance sheet total	184,612	207,405
Equity	87,053	83,505
Cash flows		
Cash flows from:		
- operating activities	52,278	85,137
- investing activities	-2,671	-9,634
- including investment in property, pland and equipment	0	0
- financing activities	-46,568	-6,831
Change in cash and cash equivalents for the year	3,039	68,672
Number of employees	67	37
Ratios		
Gross margin	58.2%	73.0%
Profit margin	32.4%	58.5%
Return on assets	37.1%	37.7%
Solvency ratio	47.2%	40.3%
Return on equity	58.8%	145.5%

Management's Review

Key activities

The OMT Naval Group ("Group") is the premium maritime consulting firm in Europe with a core focus on delivering smart maritime defence solutions and has extensive fields of expertise within engineering, procurement, construction, and operations within the maritime sector.

The Group develops and markets Intellectual Property Rights (IPR) solutions and licenses to Intellectual Property Rights (IPR Licenses) related to ship design within the maritime sector.

The Group also markets advisory services within its fields of expertise to the maritime industry.

The Group operates globally serving Navies, shipowners, and shipyards, and is a global leader in its niches.

The OMT Naval Group's activities consists of the parent company OMT Naval ApS and 6 subsidiaries.

Development in the year

The income statement of the Group for 2022/23 shows a profit of TDKK 50,116, and at 30 June 2023 the balance sheet of the Group shows equity of TDKK 87,053.

Management finds the result for 2022/23 is satisfactory and in accordance with the expectations and views the financial situation satisfactory.

Based on the planned and expected activities in the Group, Management expects a similar result for the year ahead.

Management's Review

The subsidiaries' activities in the year

The OMT Naval Group's activities consists of the parent company OMT Naval ApS and 6 subsidiaries.

OMT Naval has continued to invest in business development (product development and marketing) and continued to deliver several projects in APAC and Europe. The result has developed positively compared to last year and has exceeded the expectations. OMT Naval markets Intellectual Property Rights (IPR) solutions and licenses) related to ship design within the maritime sector.

OMT F4DK, OMT S4DK and OMT S4SG all delivers IPR based solution projects. These subsidiaries have increased activities during the year and are expected to continue to do so going forward. The results are in line with expectations.

OMT Projects delivers minor projects within both solutions and advisory and has had increased activity during the year. The result is in line with expectations.

OMT People delivers services to the other companies in the Group. The result is in line with expectations.

IHAB Business Development manages a small subset of the Intellectual Property Rights (IPR) in the group but do not sell these independently of OMT Naval. The result is lower than last year, but in line with expectations.

Our employees

The Group's continued success is conditioned by its ability to attract, develop, and retain the most skilled talents in the industry.

Our employees are our main knowledge resources, and the highly qualified staff is important to the business going forward. We make high demands of our employees, and it is essential that we can offer a challenging career platform in which competence development and flexibility are in focus.

We are therefore proud to have employees that are among the best in Scandinavia. Developing our employees' digital competences is a particular top priority for us.

Management's Review

Special risks

The Groups exposure to a specialized market within ship design, ship building, etc. makes the Group dependent on the development of this industry. However, there is a positive development within the defence and special purpose segments as well as the advisory segment, which all are the present focus areas of the Group.

As the Group is involved in several large long-term deliveries within both solutions and advisory, this makes the project, risk, and financial management critical. It also involves a special risk regarding the evaluation and presentation of these projects in the financial reporting for the Group, as the expected outlook for such projects can change significantly over the project period.

The Group's liabilities and obligations has been accessed by management and in the relevant situations, provisions have been made in the annual report to cover these liabilities and obligations. Provisions relate to future estimates regarding warranties and other obligations and are uncertain by nature.

Foreign exchange risks

The Group have implemented a currency hedging programme to reduce the exchange rate risks in connection with relevant sales.

Research and development

Being at the forefront of the technology development within our fields of expertise is a key objective of the Group. This is done inhouse by developing key technologies and designs, externally together with customers by developing specific solutions to meet the stated requirements and by participating in government funded development projects.

External environment

As a knowledge-based Group, our climate footprint is relatively limited, but we nevertheless believe that caring for the environment is a natural part of running a business. We therefore always aim to reducing the negative effect on the environment from our business activities. We also place huge emphasis on – whenever possible – reducing the climate footprint of the final products and solutions that it is constructed based on our designs and advice.

Subsequent events

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

Income Statement 1 July - 30 June

	Note	Group		Parent	
		2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**211,324**	**133,481**	**176,782**	**66,649**
Other operating income		0	4,378	0	4,378
Other external expenses		-88,409	-40,380	-119,442	-40,098
Gross profit/loss		**122,915**	**97,479**	**57,340**	**30,929**
Staff expenses	2	-52,384	-17,703	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-1,981	-1,677	-481	-177
Profit/loss before financial income and expenses		**68,550**	**78,099**	**56,859**	**30,752**
Income from investments in subsidiaries		0	0	8,874	30,003
Income from investments in associates		-1,306	0	-1,306	0
Financial income	4	91	299	85	0
Financial expenses	5	-1,342	-437	-512	-228
Profit/loss before tax		**65,993**	**77,961**	**64,000**	**60,527**
Tax on profit/loss for the year	6	-15,877	-17,196	-13,468	-6,756
Net profit/loss for the year		**50,116**	**60,765**	**50,532**	**53,771**

Balance Sheet 30 June

Assets

		Group		Parent	
	Note	2022/23	2021/22	2022/23	2021/22
		TDKK	TDKK	TDKK	TDKK
Completed development projects		17,780	13,986	8,655	3,361
Development projects in progress		0	5,774	0	5,774
Intangible assets	7	**17,780**	**19,760**	**8,655**	**9,135**
Investments in subsidiaries	8	0	0	37,431	36,306
Investments in associates	9	11,456	10,762	11,456	10,762
Deposits	10	673	0	0	0
Securities		4,000	4,000	0	0
Fixed asset investments		**16,129**	**14,762**	**48,887**	**47,068**
Fixed assets		**33,909**	**34,522**	**57,542**	**56,203**
Trade receivables	11	21,448	56,976	0	0
Contract work in progress	12	20,275	3,963	17,547	0
Receivables from group enterprises		1,476	3,350	17,730	11,214
Other receivables		5,061	9,569	2,613	6,604
Deferred tax asset	15	6,585	6,206	3,976	1,521
Receivables		**54,845**	**80,064**	**41,866**	**19,339**
Cash at bank and in hand		**95,858**	**92,819**	**73,149**	**80,216**
Current assets		**150,703**	**172,883**	**115,015**	**99,555**
Assets		**184,612**	**207,405**	**172,557**	**155,758**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Share capital	13	182	182	182	182
Reserve for net revaluation under the equity method		0	0	0	15,716
Reserve for development costs		0	0	8,655	9,135
Retained earnings		85,594	74,095	76,939	49,244
Equity attributable to shareholders of the Parent Company		**85,776**	**74,277**	**85,776**	**74,277**
Minority interests		1,277	9,228	0	0
Equity		**87,053**	**83,505**	**85,776**	**74,277**
Provisions relating to investments in group enterprises		0	0	9,715	0
Other provisions	16	40,571	33,358	26,730	9,988
Provisions		**40,571**	**33,358**	**36,445**	**9,988**
Prepayments received from customers		0	18,764	0	18,764
Trade payables		8,374	21	1,224	0
Payables to group enterprises		13,327	38,647	19,783	34,744
Payables to group enterprises relating to corporation tax		15,738	14,554	15,922	8,276
Other payables		19,549	18,556	13,407	9,709
Short-term debt		**56,988**	**90,542**	**50,336**	**71,493**
Debt		**56,988**	**90,542**	**50,336**	**71,493**
Liabilities and equity		**184,612**	**207,405**	**172,557**	**155,758**

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	182	0	0	74,095	74,277	9,228	83,505
Extraordinary dividend paid	0	0	0	-15,000	-15,000	-4,590	-19,590
Purchase of treasury shares	0	0	0	-10,476	-10,476	0	-10,476
Transactions with minority interests	0	0	0	-13,557	-13,557	-2,945	-16,502
Net profit/loss for the year	0	0	0	50,532	50,532	-416	50,116
Equity at 30 June	**182**	**0**	**0**	**85,594**	**85,776**	**1,277**	**87,053**

Statement of Changes in Equity

Parent

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 July	182	15,716	9,135	49,244	74,277	0	74,277
Extraordinary dividend paid	0	0	0	-15,000	-15,000	0	-15,000
Purchase of treasury shares	0	0	0	-10,476	-10,476	0	-10,476
Transactions with minority interests	0	0	0	-13,557	-13,557	0	-13,557
Depreciation, amortisation and impairment for the year	0	0	-480	480	0	0	0
Net profit/loss for the year	0	-15,716	0	66,248	50,532	0	50,532
Equity at 30 June	**182**	**0**	**8,655**	**76,939**	**85,776**	**0**	**85,776**

Cash Flow Statement 1 July - 30 June

	Note	Group 2022/23 TDKK	Group 2021/22 TDKK
Net profit/loss for the year		50,116	60,765
Adjustments	17	20,415	19,011
Change in working capital	18	-636	5,500
Cash flows from operating activities before financial income and expenses		**69,895**	**85,276**
Financial income		91	299
Financial expenses		-1,346	-438
Cash flows from ordinary activities		**68,640**	**85,137**
Corporation tax paid		-16,362	0
Cash flows from operating activities		**52,278**	**85,137**
Purchase of intangible assets		0	-4,494
Fixed asset investments made etc		-2,671	-5,140
Cash flows from investing activities		**-2,671**	**-9,634**
Repayment of other long-term debt		0	-3,900
Purchase of treasury shares		-10,476	0
Transactions with minority interests		-16,502	0
Cash capital increase		0	282
Dividend paid		-19,590	-3,213
Cash flows from financing activities		**-46,568**	**-6,831**
Change in cash and cash equivalents		**3,039**	**68,672**
Cash and cash equivalents at 1 July		92,819	24,147
Cash and cash equivalents at 30 June		**95,858**	**92,819**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		95,858	92,819
Cash and cash equivalents at 30 June		**95,858**	**92,819**

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

1 Revenue

Geographical segments

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
The Scandinavian countries	31,904	27,352	172	0
The rest of Europe	627	39,639	0	0
The rest of the world	178,793	66,490	176,610	66,649
	211,324	**133,481**	**176,782**	**66,649**

All revenues relates to maritime consultancy services.

2 Staff expenses

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Wages and salaries	51,655	16,872	0	0
Pensions	19	0	0	0
Other social security expenses	150	0	0	0
Other staff expenses	560	831	0	0
	52,384	**17,703**	**0**	**0**
Average number of employees	**67**	**37**	**0**	**0**

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Amortisation of intangible assets	1,981	1,677	481	177
	1,981	**1,677**	**481**	**177**

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

4 Financial income

Other financial income	91	299	85	0
	91	**299**	**85**	**0**

5 Financial expenses

Interest paid to group enterprises	105	0	105	0
Interest paid to associates	43	0	43	0
Other financial expenses	293	209	128	0
Exchange adjustments, expenses	901	228	236	228
	1,342	**437**	**512**	**228**

6 Tax on profit/loss for the year

Current tax for the year	16,255	15,072	15,922	8,277
Deferred tax for the year	-1,713	2,124	-3,789	-1,521
Adjustment of tax concerning previous years	1	1,334	1	1,334
Adjustment of deferred tax concerning previous years	1,334	-1,334	1,334	-1,334
	15,877	**17,196**	**13,468**	**6,756**

7 Intangible assets

Group

	Completed development projects	Development projects in progress
	TDKK	TDKK
Cost at 1 July	18,538	5,774
Transfers for the year	5,774	-5,774
Cost at 30 June	24,312	0

Notes to the Financial Statements

7 Intangible assets (continued)

Group

	Completed development projects	Development projects in progress
	TDKK	TDKK
Impairment losses and amortisation at 1 July	4,551	0
Amortisation for the year	1,981	0
Impairment losses and amortisation at 30 June	6,532	0
Carrying amount at 30 June	**17,780**	**0**
Amortised over	10 years	

In relation to development projects, external directly attributable costs and as well as direct payroll cost (with addition of non-allocated internal costs related to IT etc.) are capitalized.

Parent

	Completed development projects	Development projects in progress
	TDKK	TDKK
Cost at 1 July	3,539	5,774
Transfers for the year	5,774	-5,774
Cost at 30 June	9,313	0
Impairment losses and amortisation at 1 July	177	0
Amortisation for the year	481	0
Impairment losses and amortisation at 30 June	658	0
Carrying amount at 30 June	**8,655**	**0**
Amortised over	10 years	

Notes to the Financial Statements

8 Investments in subsidiaries

	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Cost at 1 July	20,590	0
Additions for the year	3,187	20,590
Cost at 30 June	23,777	20,590
Value adjustments at 1 July	15,716	0
Net profit/loss for the year	8,875	30,003
Dividend to the Parent Company	-20,410	-14,287
Other adjustments	-242	0
Value adjustments at 30 June	3,939	15,716
Equity investments with negative net asset value transferred to provisions	9,715	0
Carrying amount at 30 June	**37,431**	**36,306**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
IHAB Business Development A/S	Denmark	100,000	96%
OMT S4DK ApS	Denmark	40,000	100%
OMT F4DK ApS	Denmark	40,000	100%
OMT S4SG ApS	Denmark	40,000	100%
OMT Projects ApS	Denmark	40,000	100%
OMT People ApS	Denmark	40,000	100%

Notes to the Financial Statements

9 Investments in associates

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Cost at 1 July	15,140	0	15,140	0
Additions for the year	2,000	15,140	2,000	15,140
Cost at 30 June	17,140	15,140	17,140	15,140
Value adjustments at 1 July	-4,378	0	-4,378	0
Net profit/loss for the year	-1,306	0	-1,306	0
Reserve for internal profit	0	-4,378	0	-4,378
Value adjustments at 30 June	-5,684	-4,378	-5,684	-4,378
Carrying amount at 30 June	**11,456**	**10,762**	**11,456**	**10,762**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Danske Patruljeskibe K/S	Denmark	45,000,000	33%
Komplementarselskabet Danske Patruljeskibe A/S	Denmark	420,000	33%
CUBEDIN A/S	Denmark	800,000	50%

10 Other fixed asset investments

	Group Deposits TDKK
Cost at 1 July	673
Cost at 30 June	673
Carrying amount at 30 June	**673**

Notes to the Financial Statements

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

11 Trade receivables

The following receivables fall due for payment more than 1 year after year end	8,668	8,668	0	0

12 Contract work in progress

Selling price of work in progress	20,275	3,963	17,547	0
Payments received on account	0	-18,764	0	-18,764
	20,275	**-14,801**	**17,547**	**-18,764**

13 Share capital

There have been no changes in the share capital during the last 5 years.

On 30 June 2023, the Company acquired 9,202 treasury shares, corresponding to 5%. The total payment for the shares amounted to DKK 10,476 thousand, which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The Company holds a total of 9,202 shares with a nominal value of DKK 9,202 corresponding to 5% of the total capital.

14 Distribution of profit

Extraordinary dividend paid	19,590	3,213	15,000	0
Reserve for net revaluation under the equity method	0	0	-15,716	15,716
Minority interests	-416	8,199	0	0
Retained earnings	30,942	49,353	51,248	38,055
	50,116	**60,765**	**50,532**	**53,771**

Notes to the Financial Statements

15 Deferred tax asset

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Deferred tax asset at 1 July	6,206	8,330	1,521	0
Amounts recognised in the income statement for the year	1,713	-2,124	3,789	1,521
Amounts recognised in equity for the year	-1,334	0	-1,334	0
Deferred tax asset at 30 June	**6,585**	**6,206**	**3,976**	**1,521**

Deferred tax relates primarily to temporary differences from provisions as well as the balance of tax losses for future recapture occuring in connection with the joint taxation. The net asset is expected to be utilised within a short time period

16 Other provisions

	Group 2022/23 TDKK	Group 2021/22 TDKK	Parent 2022/23 TDKK	Parent 2021/22 TDKK
Other provisions	40,571	33,358	26,730	9,988
	40,571	**33,358**	**26,730**	**9,988**
The provisions are expected to mature as follows:				
Between 1 and 5 years	40,571	33,358	26,730	9,988
	40,571	**33,358**	**26,730**	**9,988**

17 Cash flow statement - adjustments

	Group 2022/23 TDKK	Group 2021/22 TDKK
Financial income	-91	-299
Financial expenses	1,342	437
Depreciation, amortisation and impairment losses, including losses and gains on sales	1,981	1,677
Income from investments in associates	1,306	0
Tax on profit/loss for the year	15,877	17,196
	20,415	**19,011**

Notes to the Financial Statements

18 Cash flow statement - change in working capital

	Group 2022/23	Group 2021/22
	TDKK	TDKK
Change in receivables	27,925	-56,227
Change in other provisions	7,213	-5,918
Change in trade payables, etc	-35,774	67,645
	-636	**5,500**

19 Contingent assets, liabilities and other financial obligations

	Group		Parent	
	2022/23	2021/22	2022/23	2021/22
	TDKK	TDKK	TDKK	TDKK

Contingent assets

Rental and lease obligations

	Group 2022/23	Group 2021/22	Parent 2022/23	Parent 2021/22
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	1,470	0	0	0
	1,470	**0**	**0**	**0**

Other contingent liabilities

The Parent Company has uncalled capital contributions of DKK 8 million.

As security for currency hedging provided by the Group's bank, DKK 4 million has been pledged. The pledged cash and cash equivalents are recognised as securities in the financial statements.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of V Business Development A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

20 Related parties

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)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

21 Accounting Policies

The Annual Report of OMT Naval ApS for 2022/23 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 Consolidated and Parent Company Financial Statements for 2022/23 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, OMT Naval ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

21 Accounting Policies (continued)

Business combinations

Business acquisitions

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

Notes to the Financial Statements

21 Accounting Policies (continued)

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Revenue

Information on business segments and geographical segments based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold 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 Group.

Notes to the Financial Statements

21 Accounting Policies (continued)

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Other external expenses

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Notes to the Financial Statements

21 Accounting Policies (continued)

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 jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 10 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items“Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

Notes to the Financial Statements

21 Accounting Policies (continued)

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposits and securities, which includes pledged cash and cash equivalents.

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.

Contract work in progress

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Notes to the Financial Statements

21 Accounting Policies (continued)

Equity

Dividend

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

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1 - 5 years. Provisions are measured and recognised based on experience with guarantee work.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

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.

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial debts

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

21 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$