BEIERHOLM
VI SKABER BALANCE

Offshore Windservice A/S

Nordsøkaj 51, 7680 Thyborøn
CVR no. 29 39 60 27

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 28.05.25

Frederik Odfjell
Dirigent

Table of contents

Company information etc.

The company

Offshore Windservice A/S
Nordsøkaj 51
7680 Thyborøn
Registered office: Lemvig
CVR no.: 29 39 60 27
Financial year: 01.01 - 31.12

Executive Board

Billy Thøger Kristensen

Board of Directors

Tore Odfjell
Billy Thøger Kristensen
Fredrik Odfjell

Auditors

Beierholm
Godkendt Revisionspartnerselskab

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Offshore Windservice A/S.

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 as at 31.12.24 and of the results of the company's activities and cash flows for the financial year 01.01.24 - 31.12.24.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Thyborøn, May 28, 2025

Executive Board

Billy Thøger Kristensen

Board of Directors

Tore Odfjell	Billy Thøger Kristensen	Fredrik Odfjell

Independent auditor's report

To the capital owners of Offshore Windservice A/S

Opinion

We have audited the financial statements of Offshore Windservice A/S for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including material accounting policy information. 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 company's financial position at 31.12.24 and of the results of the company's operations and cash flows for the financial year 01.01.24 - 31.12.24 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 (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 the management's review

Management is responsible for the management's review.

Our opinion on the financial statements does not cover the management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, it is 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 by law and regulations.

Based on the work we have performed, we conclude that the management’s review is in accordance with the financial statements and has been prepared in accordance with the requirements of Danish Financial Statements Act. We did not identify any material misstatement of the management’s review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

- Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lemvig, May 28, 2025

Beierholm
Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Jens Christian Andersen
State Authorised Public Accountant
MNE-no. mne47904

FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2024	2023	2022	2021	2020
Profit/loss					
Operating profit	22,434	12,960	-5,653	-17,421	-6,838
Total net financials	-14,220	-8,817	-4,826	-8,308	-1,756
Profit for the year	8,207	4,136	-10,486	-25,736	-8,600
Balance					
Total assets	465,070	494,205	501,068	527,381	501,724
Investments in property, plant and equipment	4,860	2,542	-527	62,879	77,476
Equity	225,048	216,842	212,706	223,151	248,592

Ratios

	2024	2023	2022	2021	2020
Profitability					
Return on equity	4%	2%	-5%	-11%	-3%
Equity ratio					
Solvency ratio	48%	44%	42%	42%	50%
Liquidity and financing					
Liquidity ratio	38%	20%	29%	32%	53%

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Solvency ratio: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Liquidity ratio: $\frac{\text{Current assets x 100}}{\text{Short-term payables}}$

Primary activities

The company's activities comprise of operating a shipping company.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit/loss of DKK 8,206,546 against DKK 4,135,752 for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 225,048,283.

The year 2024 has been marked by increasing activity, with the company’s fleet of 10 vessels being more or less fully employed from the second quarter onwards.

In 2024, the company concluded its operations in French waters, resulting in a reduction in travel and crew-related salary expenses for the vessels previously operating there.

Management considers the result for the year to be satisfactory, driven by the increased activity stemming from the focus on the green transition, which has contributed positively to the year’s performance.

During 2024, existing framework agreements for operations with customers were extended with options, now running through to the end of 2026. Customers also have the possibility to extend for an additional year, should the need arise.

Based on this, management maintains a positive outlook for the future and expects results in line with those of 2024.

Information on going concern

The short-term liabilities of DKK 120,312,314 exceed current assets of DKK 45,738,706. Of the short-term liabilities, DKK 77,608,889 represents debt to shareholders, for which the company has received support declarations from the shareholders' companies, confirming their commitment to maintain the loans of DKK 77.608.889 until 31 December 2025 and that the lenders will not demand repayment of the loans, including interest, before that date.

Based on the above, the company's management has chosen to prepare the annual financial statements on a going concern basis.

Outlook

The company expects a profit before tax in the region of DKK 6,000,000 - 10,000,000 for the coming year. The company has entered into new long-term contracts for operations related to offshore wind farms and is experiencing increasing demand in this area.

Combined with the growing focus on the green transition and the ongoing investments in offshore wind farms, this forms the basis for management's expectations for the coming year.

Income statement

Note		2024 DKK	2023 DKK
	Gross profit	**72,594,051**	**65,685,930**
2	Staff costs	-24,199,829	-26,177,763
	Profit before depreciation, amortisation, write-downs and impairment losses	**48,394,222**	**39,508,167**
	Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	-25,663,905	-26,547,766
	Other operating expenses	-296,567	0
	Operating profit	**22,433,750**	**12,960,401**
	Financial income	2,519,488	3,578,031
3	Financial expenses	-16,739,036	-12,395,288
	Profit before tax	**8,214,202**	**4,143,144**
	Tax on profit for the year	-7,656	-7,392
	Profit for the year	**8,206,546**	**4,135,752**

4 Proposed appropriation account

Balance sheet

ASSETS

Note		31.12.24 DKK	31.12.23 DKK
	Acquired rights	382,429	437,078
5	**Total intangible assets**	**382,429**	**437,078**
	Vessels	418,533,204	439,459,799
	Other fixtures and fittings, tools and equipment	415,763	481,323
6	**Total property, plant and equipment**	**418,948,967**	**439,941,122**
	Total non-current assets	**419,331,396**	**440,378,200**
	Trade receivables	18,383,366	41,972,952
	Other receivables	276,846	360,095
7	Prepayments	483,315	432,810
	Total receivables	**19,143,527**	**42,765,857**
8	**Cash**	**26,595,179**	**11,060,663**
	Total current assets	**45,738,706**	**53,826,520**
	Total assets	**465,070,102**	**494,204,720**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.24 DKK	31.12.23 DKK
9	Share capital	12,000,000	12,000,000
	Retained earnings	213,048,283	204,841,737
	Total equity	**225,048,283**	**216,841,737**
10	Payables to other credit institutions	118,335,485	0
10	Other payables	1,374,020	1,332,706
	Total long-term payables	**119,709,505**	**1,332,706**
10	Short-term part of long-term payables	20,239,556	160,811,496
	Payables to other credit institutions	166,623	27,910
	Trade payables	15,831,404	19,220,571
	Payables to group enterprises	67,783,901	67,000,217
	Income taxes	5,656	5,392
	Other payables	16,285,174	28,964,691
	Total short-term payables	**120,312,314**	**276,030,277**
	Total payables	**240,021,819**	**277,362,983**
	Total equity and liabilities	**465,070,102**	**494,204,720**

11 Contingent liabilities
12 Charges and security
13 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24			
Balance as at 01.01.24	12,000,000	204,841,737	216,841,737
Net profit/loss for the year	0	8,206,546	8,206,546
Balance as at 31.12.24	12,000,000	213,048,283	225,048,283

Cash flow statement

Note		2024 DKK	2023 DKK
	Profit for the year	**8,206,546**	**4,135,752**
14	Adjustments	40,187,676	35,372,415
	Change in working capital:		
	Receivables	23,622,330	-12,650,408
	Trade payables	-3,389,167	8,264,712
	Other payables relating to operating activities	-11,383,287	10,174,792
	Cash flows from operating activities before net financials	**57,244,098**	**45,297,263**
	Interest income and similar income received	2,519,488	3,578,031
	Interest expenses and similar expenses paid	-17,251,575	-11,900,319
	Income tax paid	-7,399	-7,188
	Cash flows from operating activities	**42,504,612**	**36,967,787**
	Purchase of intangible assets	-53,644	-106,925
	Purchase of property, plant and equipment	-4,860,024	-2,541,553
	Cash flows from investing activities	**-4,913,668**	**-2,648,478**
	Arrangement of payables to credit institutions	138,713	0
	Repayment of payables to credit institutions	-22,189,622	-29,980,760
	Repayment of other long-term payables	-5,519	46,651
	Cash flows from financing activities	**-22,056,428**	**-29,934,109**
	Total cash flows for the year	**15,534,516**	**4,385,200**
	Cash, beginning of year	11,060,663	6,675,463
	Cash, end of year	**26,595,179**	**11,060,663**
	Cash, end of year, comprises:		
	Cash	26,595,179	11,060,663
	Total	**26,595,179**	**11,060,663**

1. Information as regards going concern

The short-term liabilities of DKK 120,312,314 exceed current assets of DKK 45,738,706. Of the short-term liabilities, DKK 77,608,889 represents debt to shareholders, for which the company has received support declarations from the shareholders' companies, confirming their commitment to maintain the loans of DKK 77.608.889 until 31 December 2025 and that the lenders will not demand repayment of the loans, including interest, before that date.

Based on the above, the company's management has chosen to prepare the annual financial statements on a going concern basis.

	2024 DKK	2023 DKK
2. Staff costs		
Wages and salaries	17,551,667	20,153,360
Pensions	344,982	301,732
Other social security costs	514,236	548,835
Other staff costs	5,788,944	5,173,836
Total	24,199,829	26,177,763
Average number of employees during the year	43	45
Remuneration for the management:		
Remuneration for the Executive Board and Board of Directors	180,000	180,000

With reference to section 98b(3) no. 1 of the Danish Financial Statements Act, remuneration for the Executive Board and Board of Directors are summarized for 2024 and 2023, as information would otherwise lead to amounts being shown for a single member of management.

	2024 DKK	2023 DKK

3. Financial expenses

Interest, group enterprises	4,349,576	2,224,476
Other interest expenses	11,372,665	9,788,956
Foreign currency translation adjustments	0	24,298
Other financial expenses	1,016,795	357,558
Other financial expenses	12,389,460	10,170,812
Total	16,739,036	12,395,288

4. Proposed appropriation account

Retained earnings	8,206,546	4,135,752

5. Intangible assets

Figures in DKK	Acquired rights
Cost as at 01.01.24	704,405
Additions during the year	53,644
Cost as at 31.12.24	758,049
Amortisation and impairment losses as at 01.01.24	-267,327
Amortisation during the year	-108,293
Amortisation and impairment losses as at 31.12.24	-375,620
Carrying amount as at 31.12.24	382,429

6. Property, plant and equipment

Figures in DKK	Vessels	Other fixtures and fittings, tools and equipment
Cost as at 01.01.24	584,632,824	1,000,734
Additions during the year	4,860,024	0
Disposals during the year	-1,000,000	0
Cost as at 31.12.24	588,492,848	1,000,734
Depreciation and impairment losses as at 01.01.24	-145,173,025	-519,411
Depreciation during the year	-25,490,052	-65,560
Reversal of depreciation of and impairment losses on disposed assets	703,433	0
Depreciation and impairment losses as at 31.12.24	-169,959,644	-584,971
Carrying amount as at 31.12.24	418,533,204	415,763

	31.12.24 DKK	31.12.23 DKK
7. Prepayments		
Prepaid insurance premiums	328,550	359,189
Prepaid lease payments	71,000	0
Other prepayments	83,765	73,621
Total	483,315	432,810

8. Cash

Cash includes bank deposits of t.DKK 26,595, which have been deposited as security for Sparebanken Vest, Norway.

9. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK
Share capital	120,000	12,000,000
Total		12,000,000

10. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.24	Total payables at 31.12.23
Payables to credit institutions	20,239,556	6,944,807	138,575,041	160,764,663
Other payables	0	1,224,368	1,374,020	1,379,539
Total	20,239,556	8,169,175	139,949,061	162,144,202

11. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 36 months and total lease payments of t.DKK 341.

Other contingent liabilities

The company has entered into an agreement to rent the premises located in Thyborøn. The agreements runs until and including 31 January 2027. The annual rent amounts to. t.DKK 221.

12. Charges and security

The company has issued and deposited the following all-moneys mortgage as security for debts to Sparebanken Vest:
FOB SWATH 1 - t.EUR 4.330
FOB SWATH 2 - t.DKK 44.520
FOB SWATH 3 - t.DKK 44.520
FOB SWATH 4 - t.DKK 44.520
FOB SWATH 5 - t.DKK 44.520
FOB SWATH 6 - t.EUR 4.330 and t.DKK 11.700
FOB SWATH 7 - t.DKK 55.000
FOB SWATH 8 - t.DKK 55.000
FOB SWATH 9 - t.DKK 67.500
FOB SWATH 10 - t.DKK 67.500

The all-moneys mortgage provides security in ships with a total accounting value of t.DKK 418.533.

A restriction of availability has been registered on all ships in favor of Sparebanken Vest in relation to further mortgaging of the ships.

Cash includes bank deposits of t.DKK 26,595, which have been deposited as security for Sparebanken Vest, Norway.

13. Related parties

Controlling influence	Basis of influence
Odfjell Wind AS, Norge	Ownership

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 2. Staff costs.

	2024 DKK	2023 DKK

14. Adjustments for the cash flow statement

	2024 DKK	2023 DKK
Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	25,663,905	26,547,766
Other operating expenses	296,567	0
Financial income	-2,519,488	-3,578,031
Financial expenses	16,739,036	12,395,288
Tax on profit or loss for the year	7,656	7,392
Total	40,187,676	35,372,415

15. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C with application of provisions for a higher reporting class.

Change in accounting policies

The company has changed its accounting policies in the following areas:

Transition to application of the rules applying to a higher reporting class

The company has switched from reporting class B to reporting class C medium-sized. Consequently, the annual report is presented in accordance with the provisions for reporting class C medium-sized instead of, as previously, reporting class B. The transition to a higher reporting class has resulted in the following changes in recognition and measurement:

Revenue from the sale of services has previously been recognized in the income statement based on the delivery of the services (the delivery method). Going forward, revenue and expenses related to the performance of services will be recognized based on the stage of completion of the work (the production method).

The change in accounting policy has no impact on the result for 2024 or on equity and total assets as of 31 December 2024.

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

15. Accounting policies - continued -

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Gross profit

Gross profit comprises rental income and other operating income and other external expenses.

Revenue

Revenue from the sale of services is recognized in the income statement based on the stage of completion of the services, whereby net revenue corresponds to the sales value of work performed during the year, determined on the basis of the degree of completion at the balance sheet date (the percentage-of-completion method).

15. Accounting policies - continued -

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise operation of ships, production costs, selling costs, vehicle expenses, cost of premises and administrative expenses.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	7	0
Vessels	7-15	0-50
Other plant, fixtures and fittings, tools and equipment	5	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

15. Accounting policies - continued -

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Vessels

On initial recognition, vessels are measured at cost. Cost comprises the purchase price and expenses resulting directly from the purchase, including expenses attributable to the preparation of the asset, until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

On acquisition, cost is decomposed into the vessel and vessel components, which are

15. Accounting policies - continued -

depreciated separately. Vessels are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses’ section.

Proportionate depreciation is provided for vessel components, which are subject to periodic inspections and/or replacement, in line with the actual number of engine hours used until the next periodic inspection and/or replacement when the vessel is treated as being disposed of. Replacement or renovation costs are recognised in the balance sheet as separate assets when the vessel component is ready for use.

Vessels and vessel components are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Other property, plant and equipment

Other property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Other property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Other property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

15. Accounting policies - continued -

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

The companu is subject to tonnage taxation.

Payables

15. Accounting policies - continued -

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the company's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables.
Cash and cash equivalents at the beginning and end of the year comprise cash.