V Business Development A/S

Meldahlsgade 5, 2., DK-1613 København V

Annual Report for 1 July 2021 - 30 June 2022

CVR No 28 68 10 11

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 14/1 2023

Per Lønborg-Andersen
Chairman of the General Meeting

Contents

pwc

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of V Business Development A/S for the financial year 1 July 2021 - 30 June 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021/22.

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

Copenhagen, 14 January 2023

Executive Board

Poul Præstegaard Skadhede

Board of Directors

Poul Præstegaard Skadhede	Peter Kåre Groes Christiansen	Thomas Arne Fischer

Independent Auditor's Report

To the Shareholders of V Business Development A/S

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 2022 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 2021 - 30 June 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of V Business Development A/S for the financial year 1 July 2021 - 30 June 2022, 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, 14 January 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	V Business Development A/S Meldahlsgade 5, 2. DK-1613 København V CVR No: 28 68 10 11 Financial period: 1 July - 30 June Municipality of reg. office: København
Board of Directors	Poul Præstegaard Skadhede Peter Kåre Groes Christiansen Thomas Arne Fischer
Executive Board	Poul Præstegaard Skadhede
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	Group				
	2021/22	2020/21	2019/20	2018/19	2017/18
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	185,369	69,723	463,897	366,415	376,926
Operating profit/loss	34,221	6,137	89,333	13,487	131
Net financials	-4,323	-1,276	-6,256	-3,458	-9,226
Profit/loss from discontinuing activities	0	10,501	0	0	0
Net profit/loss for the year	34,530	205,248	64,248	7,008	-9,608
Balance sheet					
Balance sheet total	291,605	205,734	309,416	189,645	277,363
Equity	64,030	36,281	114,181	61,699	79,474
Number of employees	67	63	219	239	237
Ratios					
Gross margin	54.1%	364.9%	68.3%	66.8%	62.1%
Profit margin	20.8%	284.4%	19.3%	3.7%	0.0%
Return on invested capital	13.2%	96.4%	28.9%	7.1%	0.0%
Solvency ratio	22.0%	17.6%	36.9%	32.5%	28.7%
Return on equity	68.8%	272.8%	73.1%	9.9%	-10.3%

In the financial year 2020/21 the Group's shares in Valcon A/S was sold. As an effect the activities of Valcon A/S from 1 of July 2020 was classified as discontinued activities up untill the sale.

Management’s Review

Key activities

The Group's acitivities primarily consists of the subsidiaries Odense Maritime Technology A/S, IHAB Business Development ApS and OMT Naval ApS.

Odense Maritime Technology A/S is the premium maritime consulting firm in Europe with a core focus on delivering smart maritime defense solutions. Odense Maritime Technology has extensive fields of expertise within engineering, procurement, construction and operations within the maritime sector.

IHAB Business Development ApS markets Intellectual Property Rights (IPR) and licenses to Intellectual Property Rights (IPR Licenses) related to ship design within the maritime sector.

OMT Naval ApS develops and markets Intellectual Property Rights (IPR) and licenses to Intellectual Property Rights (IPR Licenses) related to ship design within the maritime sector. It operates globally serving Navies, shipowners and shipyards, and is a global leader in its niches.

Development in the year

The consolidated income statement for 2021/22 shows a profit of TDKK 34,530, and at June 30 2022 the consolidated balance sheet shows equity of TDKK 64,030.

The operational result for 2021/22 is satisfactory and in accordance with the expectations besides the below mentioned matter. In December 2022, Odense Maritime Technology A/S decided to enter into a settlement agreement regarding a claim from a customer and has paid an amount to fully settle all the Company's liabilities in relation to this claim. The settlement agreement has resulted in a less profitable result in the Group compared to the expectation.

Based on the activities within the subsidiaries in the Group, Management expects a lower result for the year ahead.

The subsidiaries' activities in the year

Odense Maritime Technology A/S has worked on several major client projects in APAC and Europe throughout the financial year and has realised a turnover of DKK 100.2 million compared with DKK 72.0 million the year before. The effect of the settlement agreement in Odense Maritime Technology A/S has been recognized in the financial statement for 2021/22 and is the reason for the negative result for 2021/22.

OMT Naval ApS has had a strong and positive development in 2021/22 due to the startup of new projects and sales.

OMT Naval ApS has invested in business development (product development and marketing) and worked on several projects in Denmark, APAC and Europe. Management finds the Company's annual result and financial situation satisfactory.

Management's Review

Our employees

The subsidiaries continued success is conditioned by their ability to attract, develop and retain the most skilled talents in the industry. Our employees are considered to be 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. We acknowledge that in the maritime consulting industry there are a risk for the employee's wellbeing as a consequence of the tendency of higher workload, and we work actively to mitigate this. Developing our employees' digital competences is a particular top priority for us.

Special risks

The subsidiaries exposure to a specialized market for the sale of consulting services within ship design, ship building, etc. makes the subsidiaries 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 subsidiaries.

Foreign exchange risks

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

Subsequent events

Other than what is described in note 1, 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	
		2021/22	2020/21	2021/22	2020/21
		TDKK	TDKK	TDKK	TDKK
Revenue	2	**185,369**	**69,723**	**7,172**	**11,049**
Work on own account recognised in assets		0	1,988	0	0
Other operating income		4,378	192,138	0	0
Other external expenses		-89,389	-9,440	-2,711	-2,679
Gross profit/loss		**100,358**	**254,409**	**4,461**	**8,370**
Staff expenses	3	-60,786	-55,338	-4,074	-8,729
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-973	-796	0	0
Profit/loss before financial income and expenses		**38,599**	**198,275**	**387**	**-359**
Income from investments in subsidiaries	5	0	0	32,550	26,777
Financial income	6	1,442	2,056	0	0
Financial expenses	7	-5,765	-3,332	-73	-91
Profit/loss before tax		**34,276**	**196,999**	**32,864**	**26,327**
Tax on profit/loss for the year	8	254	-2,252	8,394	732
Profit/loss from continuing activities		**34,530**	**194,747**	**41,258**	**27,059**
Profit/loss from discontinuing activities	9	0	10,501	0	0
Net profit/loss for the year		**34,530**	**205,248**	**41,258**	**27,059**

Balance Sheet 30 June

Assets

	Note	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Completed development projects		7,659	6,433	0	0
Development projects in progress		2,161	3,766	0	0
Intangible assets	10	**9,820**	**10,199**	**0**	**0**
Investments in subsidiaries	11	0	0	47,418	17,460
Investments in associates	12	10,762	0	0	0
Receivables from group enterprises	13	0	0	0	2,765
Other investments	13	0	153	0	0
Deposits	13	989	1,508	989	933
Fixed asset investments		**11,751**	**1,661**	**48,407**	**21,158**
Fixed assets		**21,571**	**11,860**	**48,407**	**21,158**
Trade receivables	14	63,658	39,499	0	0
Contract work in progress	15	5,039	1,727	0	0
Receivables from group enterprises		0	0	3,251	487
Other receivables		42,408	72,489	169	312
Deferred tax asset	16	20,172	831	513	0
Corporation tax receivable from group enterprises		0	0	18,780	4,994
Prepayments		1,586	1,298	0	0
Receivables		**132,863**	**115,844**	**22,713**	**5,793**
Other securities and investments		**18,427**	**18,622**	**0**	**0**
Cash at bank and in hand		**118,744**	**59,408**	**11,637**	**6,728**
Currents assets		**270,034**	**193,874**	**34,350**	**12,521**
Assets		**291,605**	**205,734**	**82,757**	**33,679**

Balance Sheet 30 June

Liabilities and equity

	Note	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Share capital		777	777	777	777
Reserve for net revaluation under the equity method		0	0	7,631	0
Reserve for development costs		9,820	10,199	0	0
Retained earnings		34,819	8,951	50,881	19,150
Equity attributable to shareholders of the Parent Company		**45,416**	**19,927**	**59,289**	**19,927**
Minority interests		18,614	16,354	0	0
Equity		**64,030**	**36,281**	**59,289**	**19,927**
Provision for deferred tax	16	0	0	0	7,671
Other provisions	18	33,358	39,276	0	0
Provisions		**33,358**	**39,276**	**0**	**7,671**
Payables to owners and Management		0	1,135	0	0
Other payables		2,114	4,570	0	8
Long-term debt	19	**2,114**	**5,705**	**0**	**8**
Trade payables		3,699	1,637	100	5
Contract work in progress, liabilities	15	23,811	9,395	0	0
Corporation tax		19,675	4,994	22,719	4,994
Other payables	19	144,918	108,446	649	1,074
Short-term debt		**192,103**	**124,472**	**23,468**	**6,073**
Debt		**194,217**	**130,177**	**23,468**	**6,081**
Liabilities and equity		**291,605**	**205,734**	**82,757**	**33,679**

Special items	1
Distribution of profit	17
Contingent assets, liabilities and other financial obligations	22
Related parties	23
Subsequent events	24
Accounting Policies	25

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	777	0	10,199	8,951	19,927	16,354	36,281
Cash payment concerning formation of entity	0	0	0	200	200	0	200
Cash capital reduction	0	0	0	-241	-241	-632	-873
Extraordinary dividend paid	0	0	0	0	0	-6,227	-6,227
Other equity movements	0	0	0	119	119	0	119
Development costs for the year	0	0	594	-594	0	0	0
Depreciation, amortisation and impairment for the year	0	0	-973	973	0	0	0
Net profit/loss for the year	0	0	0	25,411	25,411	9,119	34,530
Equity at 30 June	**777**	**0**	**9,820**	**34,819**	**45,416**	**18,614**	**64,030**

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	777	0	0	19,150	19,927	0	19,927
Reserve for group internal profit	0	0	0	-1,896	-1,896	0	-1,896
Net profit/loss for the year	0	7,631	0	33,627	41,258	0	41,258
Equity at 30 June	**777**	**7,631**	**0**	**50,881**	**59,289**	**0**	**59,289**

Cash Flow Statement 1 July - 30 June

	Note	Group 2021/22 TDKK	Group 2020/21 TDKK
Net profit/loss for the year		34,530	205,248
Adjustments	20	5,042	-184,746
Change in working capital	21	38,439	6,716
Cash flows from operating activities before financial income and expenses		**78,011**	**27,218**
Financial income		1,442	2,056
Financial expenses		-5,764	-3,333
Cash flows from ordinary activities		**73,689**	**25,941**
Corporation tax paid		-6,288	-1,361
Cash flows from operating activities		**67,401**	**24,580**
Development projects		-1,838	-2,079
Business sale		0	199,818
Cash flows from investing activities		**-1,838**	**197,739**
Minority interests		0	-28,685
Purchase of treasury shares		0	-6,413
Dividend paid		-6,227	-244,234
Buy and sale of other securities		0	1,825
Cash flows from financing activities		**-6,227**	**-277,507**
Change in cash and cash equivalents		**59,336**	**-55,188**
Cash and cash equivalents at 1 July		59,408	114,596
Cash and cash equivalents at 30 June		**118,744**	**59,408**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		118,744	59,408
Cash and cash equivalents at 30 June		**118,744**	**59,408**

Notes to the Financial Statements

1 Special items

By virtue of its business area, the Group's subsidiaries can be party to disputes which are not unusual for the business.

In prior years, Odense Maritime Technology A/S received a significant claim from a customer.

In December 2022 the dispute was settled. The cost of the settlement is a material amount and has been recognized in the financial statements as part of Other Expenses.

2 Revenue

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK
Geographical segments				
The Scandinavian countries	30,668	7,731	7,172	11,049
The rest of Europe	27,301	31,817	0	0
The rest of the world	127,400	30,175	0	0
	185,369	**69,723**	**7,172**	**11,049**
Business segments				
Maritime consultancy services	185,369	69,723	0	0
Shared service fee	0	0	7,172	11,049
	185,369	**69,723**	**7,172**	**11,049**

Notes to the Financial Statements

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
3 Staff expenses				
Wages and salaries	59,540	54,970	4,068	8,729
Other social security expenses	415	368	6	0
Other staff expenses	831	0	0	0
	60,786	**55,338**	**4,074**	**8,729**
Including remuneration to:				
Executive Board and Board of Directors	2,516	3,667	0	1,351
	2,516	**3,667**	**0**	**1,351**
Average number of employees	**67**	**63**	**8**	**11**

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

	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Amortisation of intangible assets	973	796	0	0
	973	**796**	**0**	**0**

5 Income from investments in subsidiaries

	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Share of profits of subsidiaries			32,550	26,777
			32,550	**26,777**

6 Financial income

	Group 2021/22	Group 2020/21	Parent 2021/22	Parent 2020/21
Other financial income	1,442	2,056	0	0
	1,442	**2,056**	**0**	**0**

		Group		Parent	
		2021/22	2020/21	2021/22	2020/21
		TDKK	TDKK	TDKK	TDKK
7	**Financial expenses**				
	Other financial expenses	5,536	3,332	73	91
	Exchange adjustments, expenses	229	0	0	0
		5,765	**3,332**	**73**	**91**
8	**Tax on profit/loss for the year**				
	Current tax for the year	19,270	918	-28	-295
	Deferred tax for the year	-19,524	765	-8,366	-437
	Adjustment of tax concerning previous years	1,334	0	0	0
	Adjustment of deferred tax concerning previous years	-1,334	569	0	0
		-254	**2,252**	**-8,394**	**-732**
9	**Discontinuing activities**				
	Revenue	0	141,442	0	0
	Other external expenses	0	-42,846	0	0
	Gross profit/loss	**0**	**98,596**	**0**	**0**
	Staff expenses	0	-83,406	0	0
	Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	0	-1,577	0	0
	Profit/loss before financial income and expenses	**0**	**13,613**	**0**	**0**
	Financial expenses	0	-130	0	0
	Profit/loss before tax	**0**	**13,483**	**0**	**0**
	Tax on profit/loss for the year	0	-2,982	0	0
		0	**10,501**	**0**	**0**

Notes to the Financial Statements

10 Intangible assets

Group

	Completed development projects	Development projects in progress
	TDKK	TDKK
Cost at 1 July	7,959	3,766
Additions for the year	0	1,838
Disposals for the year	0	-1,244
Transfers for the year	2,199	-2,199
Cost at 30 June	10,158	2,161
Impairment losses and amortisation at 1 July	1,526	0
Amortisation for the year	973	0
Impairment losses and amortisation at 30 June	2,499	0
Carrying amount at 30 June	**7,659**	**2,161**
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.

Notes to the Financial Statements

	Parent	
	2021/22	2020/21
	TDKK	TDKK
11 Investments in subsidiaries		
Cost at 1 July	39,787	39,876
Disposals for the year	0	-89
Cost at 30 June	39,787	39,787
Value adjustments at 1 July	-22,327	2,748
Disposals for the year	0	-270
Net profit/loss for the year	32,550	26,777
Dividend to the Parent Company	-643	-46,735
Other equity movements, net	0	-3,325
Amortisation of goodwill	0	0
Reserve for internal group profit	-1,896	-1,626
Other adjustments	-53	104
Value adjustments at 30 June	7,631	-22,327
Carrying amount at 30 June	**47,418**	**17,460**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Odense Maritime Technology A/S	Denmark	4,750	51.50%
IHAB Business Development ApS	Denmark	100	58.27%
OMT Naval ApS	Denmark	100	81.64%
OMT Employee Holding ApS	Denmark	100	100.00%
Val-Holding ApS	Denmark	512	27.96%
OMT S4DK ApS	Denmark	40	100.00%
OMT F4DK ApS	Denmark	40	100.00%
OMT S4SG ApS	Denmark	40	100.00%
OMT Projects ApS	Denmark	40	100.00%
OMT People ApS	Denmark	40	100.00%

Notes to the Financial Statements

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK

12 Investments in associates

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Cost at 1 July	350	350	0	0
Additions for the year	15,140	0	0	0
Cost at 30 June	15,490	350	0	0
Value adjustments at 1 July	-350	-350	0	0
Reserve for internal profit	-4,378	0	0	0
Value adjustments at 30 June	-4,728	-350	0	0
Carrying amount at 30 June	**10,762**	**0**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Maritime Equity Partners ApS (Annual Report year end 30 June 2022)	Denmark	200,000	25.00%
CubedIN A/S	Denmark	800,000	50.00%
Danske Patruljeskibe K/S	Denmark	0	33.33%
Komplementarselskabet Danske Patruljeskibe A/S	Denmark	420,000	33.33%

13 Other fixed asset investments

	Group		Parent	
	Other investments	Deposits	Receivables from group enterprises	Deposits
	TDKK	TDKK	TDKK	TDKK
Cost at 1 July	153	1,508	2,765	933
Additions for the year	0	56	0	56
Disposals for the year	-153	-575	-2,765	0
Cost at 30 June	0	989	0	989
Carrying amount at 30 June	**0**	**989**	**0**	**989**

Notes to the Financial Statements

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK

14 Trade receivables

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

15 Contract work in progress

Selling price of work in progress	5,039	1,727	0	0
Payments received on account	-23,811	-9,395	0	0
	-18,772	**-7,668**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	5,039	1,727	0	0
Prepayments received recognised in debt	-23,811	-9,395	0	0
	-18,772	**-7,668**	**0**	**0**

16 Deferred tax asset

Deferred tax asset at 1 July	831	4,275	-7,671	-8,403
Changes in deferred tax	19,524	-765	8,366	437
Changes in deferred tax previous years	-183	-2,679	-182	295
Deferred tax asset at 30 June	**20,172**	**831**	**513**	**-7,671**

Deferred tax relates primarily to provisions as well as the balance of tax losses for future recapture occuring in connection with the joint taxation is set off against the Danish joint taxation income. The net tax asset is exppected to be utilized within a short time period.

Notes to the Financial Statements

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK

17 Distribution of profit

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Extraordinary dividend paid	0	43,822	0	43,822
Reserve for net revaluation under the equity method	0	0	7,631	-5,121
Minority interests	9,119	157,298	0	0
Retained earnings	25,411	4,128	33,627	-11,642
	34,530	**205,248**	**41,258**	**27,059**

18 Other provisions

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Other provisions	33,358	39,276	0	0
	33,358	**39,276**	**0**	**0**

The provisions are expected to mature as follows:

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Between 1 and 5 years	33,358	39,276	0	0
	33,358	**39,276**	**0**	**0**

19 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Payables to owners and Management

	Group 2021/22 TDKK	Group 2020/21 TDKK	Parent 2021/22 TDKK	Parent 2020/21 TDKK
Between 1 and 5 years	0	1,135	0	0
Long-term part	0	1,135	0	0
Within 1 year	0	0	0	0
	0	**1,135**	**0**	**0**

Notes to the Financial Statements

19 Long-term debt (continued)

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	2,114	4,570	0	8
Long-term part	2,114	4,570	0	8
Other short-term payables	144,918	108,446	649	1,074
	147,032	**113,016**	**649**	**1,082**

20 Cash flow statement - adjustments

Financial income	-1,442	-2,056
Financial expenses	5,765	3,462
Depreciation, amortisation and impairment losses, including losses and gains on sales	973	-191,342
Tax on profit/loss for the year	-254	5,234
Other adjustments	0	-44
	5,042	**-184,746**

21 Cash flow statement - change in working capital

Change in receivables	2,841	32,497
Change in other provisions	-5,918	-7,060
Change in trade payables, etc	41,516	-18,721
	38,439	**6,716**

Notes to the Financial Statements

22 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

	Group		Parent	
	2021/22	2020/21	2021/22	2020/21
	TDKK	TDKK	TDKK	TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	2,287	2,112	0	624
	2,287	**2,112**	**0**	**624**

Other contingent liabilities

The 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 by the Group amounts to TDKK 19,675. Moreover, the 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.

23 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.

24 Subsequent events

Other than what is described in note 1, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

25 Accounting Policies

The Annual Report of V Business Development A/S for 2021/22 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 2021/22 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, V Business Development A/S, 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

25 Accounting Policies (continued)

Business combinations

Recently acquired or recently founded enterprises are recognised in the Consolidated Financial Statements from the time of acquisition. Sold or dismantled enterprises are recognised in the Consolidated Financial Statements up until the time of relinquishment. Comparative figures are not restated for recently acquired, sold or dismantled enterprises.

Profit and loss in connection with the sale of subsidiaries and associates is measured as the difference between the sales price and the carrying amount of net assets at the time of the sale, including non-amortised goodwill and expected costs of sale or dismantling.

For acquisitions of new enterprises, the acquisition method is used, according to which the assets and obligations of the newly acquired businesses are measured at fair value at the time of acquisition. An amount is recognised under provisions for covering costs in connection with decided and published restructurings in the acquired business in connection with the acquisition. The taxation effect of the revaluations carried out are taken into account.

Any positive differences (goodwill) between cost and fair value of acquired identified assets and obligations, including provisions for restructuring, are recognised under intangible assets and are amortised systematically over the Income Statement according to an individual assessment of the useful life, maximum 20 years. Negative differences (negative goodwill) corresponding to an expected unfavourable development in the enterprises in question are recognised in the Balance Sheet under Prepayments and are recognised in the Income Statement at the rate of realisation of the unfavourable development. For negative goodwill not related to an expected unfavourable development, an amount is recognised in the Balance Sheet corresponding to the fair value of non-monetary assets, which are subsequently recognised in the Income Statement over the non-monetary assets' average useful life. Goodwill and negative goodwill from acquired enterprises can be regulated until the end of the year after the acquisition.

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

25 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.

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.

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

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.

Notes to the Financial Statements

25 Accounting Policies (continued)

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.

Profit from discontinued activities

Discontinued activities represent a separate line of business having been sold. The results of discontinued activities are presented separately in the income statement.

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.

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

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Notes to the Financial Statements

25 Accounting Policies (continued)

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

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

The item“Investments in subsidiaries” 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 and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries 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.

Subsidiaries 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.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

25 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

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.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

25 Accounting Policies (continued)

Equity

Dividend

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

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.

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.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Notes to the Financial Statements

25 Accounting Policies (continued)

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

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

pwc