Weco A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 2023

CVR No. 29 62 28 68

The Annual Report was presented and adopted at the Annual General Meeting of the company on 22/3 2024

Christian Thuesen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Weco A/S for the financial year 1 January - 31 December 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 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Rungsted Kyst, 22 March 2024

Executive Board

Oluf Myhrmann
Manager

Board of Directors

Johan Ernst Wedell-Wedellsborg Chairman	Oluf Myhrmann	Rasmus Lund-Jacobsen

Independent Auditor's report

To the shareholder of Weco 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 31 December 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 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Weco A/S for the financial year 1 January - 31 December 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 Financial 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.

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 Parent 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 Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group´s and the Parent 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 Group´s and the Parent 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 Parent 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.

Independent Auditor's report

Hellerup, 22 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff State Authorised Public Accountant mne30221	Martin Birch State Authorised Public Accountant mne42825

Company information

The Company	Weco A/S Rungsted Strandvej 113 DK-2960 Rungsted Kyst Telephone: 45 45 17 77 77 CVR No: 29 62 28 68 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Board of Directors	Johan Ernst Wedell-Wedellsborg, chairman Oluf Myhrmann Rasmus Lund-Jacobsen
Executive Board	Oluf Myhrmann
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	3,681,258	4,791,650	2,445,047	1,210,545	1,244,786
Profit/loss of primary operations	453,998	984,049	412,260	-78,192	-6,869
Profit/loss of financial income and expenses	255,389	-206,704	-864,702	375,661	455,773
Net profit/loss for the year	702,350	776,785	-448,340	302,984	465,968
Balance sheet					
Balance sheet total	3,032,486	2,829,931	2,391,682	2,894,125	2,636,334
Investment in property, plant and equipment	193,749	37,756	53,257	15,901	49,191
Equity	2,545,012	2,239,141	1,660,788	2,296,436	2,067,970
Cash flows					
Cash flows from:					
- operating activities	548,770	791,646	230,333	-24,371	68,810
- investing activities	-202,391	262,188	189,002	-4,920	56,552
- financing activities	-426,685	-488,779	-159,876	-35,752	-108,941
Change in cash and cash equivalents for the year	-80,306	565,055	259,459	-65,043	16,421
Number of employees	57	56	49	50	47
Ratios					
Profit margin	12.3%	20.5%	16.9%	-6.5%	-0.6%
Return on assets	15.0%	34.8%	17.2%	-2.7%	-0.3%
Solvency ratio	83.9%	79.1%	69.4%	79.3%	78.4%
Return on equity	29.4%	39.8%	-22.7%	13.9%	24.1%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

Management's review

Key activities

The primary activity of the Group is shipping operations, and the group has a portfolio of equity investments in biotech, properties and the food & beverage segment, as well as other securities.

Development in the year

The income statement of the Group for 2023 shows a profit of TDKK 702,350, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TDKK 2,545,012.

The past year and follow-up on development expectations from last year

The shipping activities delivered a strong result in 2023, with Weco Tankers recording their best ever result, and Weco Bulk delivering a strong result in a softer dry bulk market. The shipping group also divested a RoRo vessel at a price higher than book value, recording a profit. The group furthermore divested shareholdings in Joe & the Juice and Infare Solutions, with both divestments recording a profit. The Group's investments in stock- listed biopharmaceutical company Y-mAbs Therapeutics appreciated in value, during a year with slightly better investor interest in biotech and growth companies in general.

Market risks

Revenues from the shipping operations are linked to global market trends, which through demand fluctuations affect freight rates as well as prices of tonnage and fuel. Management continuously assesses the extent to which it is relevant to take measures against these market fluctuations, e.g. through long term contracts.

International provisions imply that in case of a maritime accident that results in oil or chemical spillage, the Group will be imposed heavy financial liabilities in terms of the clean-up work. To reduce this risk, the widest possible insurance coverage has been taken out, comprising environmental and pollution coverage, coverage of the value of vessel and cargo, liability coverage as regards third parties and war risk insurance.

The Group's portfolio of securities is managed by external partners based on a risk profile defined by Management. Efforts are made to reduce the overall risk through a combination of Danish and foreign shares and bonds.

The Group's property portfolio is generally affected by developments in the Danish property market. Except for the Group's headquarters, the portfolio comprises only residential properties.

Foreign exchange risks

Most of the income from shipping activities is in USD and EUR with most operational expenses as well as financial expenses being in USD, and administrational expenses being in USD and DKK.

Interest rate risks

The company has floating-rate loans on it's financing of own vessels, but with most of the vessels employed being chartered from other vessel owners for shorter or longer periods at fixed time charter rates, the company has only limited interest rate risk.

Targets and expectations for the year ahead

Management expects lower results from the shipping activities, as especially dry cargo freight rates have softened since it's peak in 2020/2021. Management expects a result from Shipping activities in the range of DKK 150-300 million in 2024. For investments outside shipping, managements is prohibited from providing guidance due to stock-listed Y-mAbs Therapeutics restrictions on insider information.

Research and development

The Group is not involved in research and development activities.

Management's review

External environment

The Group is focused on a high level of quality and safety as an important element of the operation and has a strong focus on energy efficient ships as well as optimization of fuel consumption to reduce the carbon footprint.

Intellectual capital resources

Through retention and recruitment of new competences, as well as through cooperation, alliances and education, the intellectual capital resources which are major parameters in the development and perfection of new services increase.

The Group has defined goals, positions and strategies that systematically strengthen the value creation and form the basis of the Group's innovative skills, just as it is important to the future success of the Group to attract and retain well-educated employees who identify with the stated core values. Therefore, heavy investments are made to continuously improve the qualifications of both the land-based and offshore staff of the Group.

Annual performance reviews are held with all employees. During the reviews, the employees' goals, plans for the future and career opportunities are discussed and planned.

Management's review

Statement of corporate social responsibility, cf. section 99a of the Financial Statements Act

The Group is under the Danish financial statements act required to report on Corporate Social Responsibility (CSR). Weco's values and approach to do business has always been based on responsibility and accountability, and the company is compliant with all legal requirements within the areas of climate change, environment, human rights, employee conditions and anti-corruption.

Business model
The mission statement of Weco A/S is "We are dedicated to innovative and individual shipping solutions".

The Weco Group contains Weco Shipping, WG Biotech, Weco Biotech and minor shares in real estate companies, food and beverage companies and in biotech. While Weco Shipping has shipping as its main activity, no activities except exercising ownership of minority shares in a biotech company appear in WG Biotech and Weco Biotech, and the two companies have no employees.

The main activities within Weco Shipping contains shipping and includes 15 owned and long-term chartered Bulk and Product Tanker vessels vessels, as well as Weco Bulk and Weco Tanker operating about 40 short-term chartered vessels from external suppliers as their business model. This operation is carried out from offices in Denmark, USA, Brazil, Singapore and Italy with 56 staff in total.

All technical management (crewing, maintenance, control of costs) with respect to owned vessels has been outsourced to external suppliers.

Contracting with suppliers of vessels follows the standard contractual terms provided by the international shipping organization BIMCO. To the extend it has been incorporated into the standard terms, this includes clauses on CSR. Weco Shipping select suppliers based on experience and informal expectations and requirements related to energy efficiency and legal compliance. All chartered vessels undergo inspection from relevant authorities, hereunder also the International Transport Worker's Federation, ITF.

Weco Shipping acknowledges the importance of being alert to challenges within climate change, environment, human rights, employee conditions and anti-corruption, but being a relatively small organization, Weco Shipping do not see the need of formalizing its management approach into written policies and procedures. The management approach is very agile and allows for all within the organization to address top management directly with questions and when in need of approval.

Assessment of risks
Climate change and the environment
It is the ambition to continuously improve energy efficiency with all vessels. Consequently, The Group is always inquiring about energy efficiency when engaging a supplier including contractual terms ensuring the supplier vessel is compliant with low-sulfur bunker regulation. In 2021, we have included contractual terms about low-sulfur bunker regulation compliance in all new contracts, and we will continue this in the future.

However, as the fuel consumption is the only material impact, we may influence, and since the number of transactions are limited, Weco Shipping do not see risks material enough to require a formalized policy.
We will continuously evaluate the need for a more formalized policy.

Human rights
The Group respects and recognizes human rights, the rights of the child and all International Labor Organization (ILO) charters. With its current business model we don’t employ crew on the vessels. When selecting a supplier, it is contractually ensured that the responsibility of work and employment conditions belong to the supplier and that the ITF are granted access to check and review compliance in accordance with international agreements. In 2023, we have included contractual terms about responsibility of work and employment contracts in all new contracts, and we will continue this in the future. We have not identified any breaches in 2023.

Consequently, we do not see risks leading to a need for a formalized policy on human rights. We will continuously evaluate the need for a more formalized policy.

Anti-corruption
Weco Shipping has a zero tolerance towards corruption and bribery practices. Contracts with both customers and suppliers follow the standards provided by BIMCO. Port costs forwarded by chartered vessels that are to be paid by Weco Shipping undergo quality assurance and approval from an external service provider, which know all official rates in ports. Further, all costs related to voyages are approved directly by management applying a four eye principle, so the risks related to corruption and bribery are considered very low. In 2023, we have followed the anti-corruption procedures described above and we will continue to do so in the future. We have not identified any breaches in 2023.

Policy regarding employees
It is the policy to enable Weco Group to attract, retain and evolve the best possible employees, meaning employees that are highly qualified and motivated to successfully manage present and future assignments. Highly competent employees are, because of the relationship business, one of the most important resources for our success and results, hence a risk in not attracting the right employees. We seek to mitigate the risk by focusing on development and the welfare of our current employees and by being present in the business.

It is the policy to enable Weco Group to attract, retain and evolve the best possible employees, meaning employees that are highly qualified and motivated to successfully manage present and future assignments. Highly competent employees are, because of the relationship business, one of the most important resources for our success and results, hence a risk in not attracting the right employees. We seek to mitigate the risk by focusing on development and the welfare of our current employees and by being present in the business.

We are an attractive place to work where each employee finds joy and welfare physical and psychological. This is secured by a good working environment through development and involvement of the employees. Our primary source of new employees in our Shipping group is trainees in a two year trainee program. In 2022 we hired 2 trainees, in 2023 we hired 3 trainees, and in 2024 we expect to hire 2 trainees.

Policies on CSR
Referencing the above assessment and evaluation of risks related to CSR, the Group has decided not to author formalized policies for impacts related to climate change, environmental issues, human rights, and anti-corruption. Our work within these areas is described in the sections above. We will continuously evaluate the need for more formalized policies.

Management's review

Statement on gender composition, cf. section 99b of the Financial Statements Act

Within the Group it has been decided that each company required to report in accordance with section 99b of the Danish financial statements act must do so on its own. Since no companies registered in Denmark within the Group have more than 50 employees, there are no policies, activities or results related to the underrepresented gender on other management levels.

Target for the Board of WECO A/S
In 2019 the Group set a target to have 33% women on the Board of Directors by 2026. Being a company managed directly by the owners and given the development of the business, it has not been possible for the Group to either add or occupy one of the four positions of the Board with a woman. In general, there are not many female candidates available, and further the general assembly and the owners have not seen the need to make adjustments to the current board leading to that there are still only men on the Board at the end of 2023.

The Groups' long-term ambition is to achieve a composition of the underrepresented gender at Board of Directors, reflecting the composition of gender in the total organization. On Board of Directors level we have had no changes in 2023. The executive management as well as the board are all appointed based on their specific and relevant industry knowledge, and constitutes only internal leaders Top Managements equals Board of Directors and other management levels equals the executive board.

	2023
Top management	
Total number of members	3
Underrepresented gender %	0%
Target figure %	33%
Year for meeting target	2026
Other management levels	
Total number of members	1

Policy to increase gender diversity on other management levels
As other management consists of two or fewer employees and the company has under 50 employees, the company has chosen to use the exemption clause and has not stated the proportion of the underrepresented gender as well as the target figures and policy for this, meaning other management levels.

Statement on data ethics, cf. section 99d of the Financial Statements Act

Weco A/S comply with the Danish legislation on GDPR with regards to employee and personal data.

Given our business model and activities all data are considered business critical and will as such never be shared with or in any way be made available to third parties. Consequently, Management at Weco A/S has seen no immediate need for approving a policy on data ethics but will follow the topic closely with the aim of potentially setting such a policy in the near future.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Subsequent events

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

Income statement 1 January - 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Revenue	1	3,681,258	4,791,650	0	0
Value adjustments of assets held for investment		-2,320	-185	0	0
Other operating income	2	2,366	112,502	0	1,006
Direct expenses		-3,112,865	-3,695,462	0	0
Other external expenses		-19,787	-36,211	-3,545	-8,858
Gross profit		**548,652**	**1,172,294**	**-3,545**	**-7,852**
Staff expenses	3	-119,022	-156,832	-1,337	-3,064
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2,4	22,311	-31,413	-124	0
Other operating expenses		2,057	0	0	0
Profit/loss before financial income and expenses		**453,998**	**984,049**	**-5,006**	**-10,916**
Income from investments in subsidiaries	5	0	0	326,700	440,068
Income from investments in associates	6	76,658	78,739	68,191	15,049
Financial income	7	191,464	28,017	104,774	14,892
Financial expenses	8	-12,733	-313,460	-25,702	-29,364
Profit/loss before tax		**709,387**	**777,345**	**468,957**	**429,729**
Tax on profit/loss for the year	9	-7,037	-560	-3,987	784
Net profit/loss for the year	10	**702,350**	**776,785**	**464,970**	**430,513**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Land and buildings	12	207,715	35,864	0	0
Investment properties	11	5,298	5,289	0	0
Other fixtures and fittings, tools and equipment	12	163,664	148,155	149,676	144,920
Vessels	12	252,496	228,269	0	0
Property, plant and equipment		**629,173**	**417,577**	**149,676**	**144,920**
Investments in subsidiaries	13	0	0	1,566,720	1,646,133
Investments in associates	14	357,616	372,680	907	33,650
Other investments	15	320,269	269,776	110,549	127,607
Fixed asset investments		**677,885**	**642,456**	**1,678,176**	**1,807,390**
Fixed assets		**1,307,058**	**1,060,033**	**1,827,852**	**1,952,310**
Bunkers		87,601	118,351	0	0
Inventories		**87,601**	**118,351**	**0**	**0**
Trade receivables		263,685	182,124	0	0
Receivables from group enterprises		0	0	28,577	48,972
Receivables from associates		41,767	19,120	0	7,649
Other receivables	17,23	85,570	113,727	31,453	31,740
Deferred tax asset	21	4	381	4	4
Corporation tax		401	0	0	0
Prepayments	18	213,058	297,364	0	0
Receivables		**604,485**	**612,716**	**60,034**	**88,365**
Current asset investments	19, 16	**223,701**	**148,884**	**144,214**	**94,138**
Cash at bank and in hand		**809,641**	**889,947**	**89,645**	**12,245**
Current assets		**1,725,428**	**1,769,898**	**293,893**	**194,748**
Assets		**3,032,486**	**2,829,931**	**2,121,745**	**2,147,058**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital	20	50,000	50,000	50,000	50,000
Revaluation reserve		4,064	4,064	0	0
Reserve for net revaluation under the equity method		0	0	878,512	1,158,213
Other statutory reserves		0	22,449	0	0
Reserve for hedging transactions		-202	-2,416	0	0
Reserve for exchange rate conversion		4,584	0	0	0
Retained earnings		1,959,887	1,663,704	1,089,821	529,588
Equity attributable to shareholders of the Parent Company		**2,018,333**	**1,737,801**	**2,018,333**	**1,737,801**
Minority interests		526,679	501,340	0	0
Equity		**2,545,012**	**2,239,141**	**2,018,333**	**1,737,801**
Provision for deferred tax	21	20,917	0	0	0
Provisions		**20,917**	**0**	**0**	**0**
Mortgage loans		14,519	15,381	0	0
Lease obligations		79,595	105,754	0	0
Long-term debt	22	**94,114**	**121,135**	**0**	**0**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Mortgage loans	22	862	857	0	0
Credit institutions		85	52,406	85	52,406
Lease obligations	22	26,393	26,334	0	0
Trade payables		126,691	176,375	0	162
Payables to group enterprises		0	0	81,578	344,794
Payables to associates		3,785	6,527	0	0
Payables to owners and Management		0	6,457	0	6,457
Corporation tax		7,734	1,098	7,643	691
Other payables	23	57,356	79,044	10,640	4,747
Deferred income	24	149,537	120,557	3,466	0
Short-term debt		**372,443**	**469,655**	**103,412**	**409,257**
Debt		**466,557**	**590,790**	**103,412**	**409,257**
Liabilities and equity		**3,032,486**	**2,829,931**	**2,121,745**	**2,147,058**

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Statement of changes in equity

Group

	Share capital	Revaluation reserve	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	4,064	-2,416	22,449	1,663,704	1,737,801	501,340	2,239,141
Exchange adjustments	0	0	177	-17,865	-18,787	-36,475	-15,326	-51,801
Extraordinary dividend paid	0	0	0	0	-150,000	-150,000	-192,291	-342,291
Fair value adjustment of hedging instruments, end of year	0	0	2,037	0	0	2,037	0	2,037
Other equity movements	0	0	0	0	0	0	-4,424	-4,424
Net profit/loss for the year	0	0	0	0	464,970	464,970	237,380	702,350
Equity at 31 December	**50,000**	**4,064**	**-202**	**4,584**	**1,959,887**	**2,018,333**	**526,679**	**2,545,012**

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50,000	1,158,213	529,588	1,737,801
Exchange adjustments	0	-50,089	13,614	-36,475
Extraordinary dividend paid	0	0	-150,000	-150,000
Dividend from group enterprises	0	-513,885	513,885	0
Other equity movements	0	-1,062	3,099	2,037
Transfers, reserves	0	-19,725	19,725	0
Net profit/loss for the year	0	305,060	159,910	464,970
Equity at 31 December	**50,000**	**878,512**	**1,089,821**	**2,018,333**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Result of the year		702,350	776,785
Adjustments		-316,674	131,484
Change in working capital		-5,073	-123,670
Cash flow from operations before financial items		**380,603**	**784,599**
Financial income		183,019	13,283
Financial expenses		-12,733	-6,743
Cash flows from ordinary activities		**550,889**	**791,139**
Corporation tax paid		-2,119	507
Cash flows from operating activities		**548,770**	**791,646**
Purchase of property, plant and equipment		-191,484	-37,756
Fixed asset investments made etc		0	-99,751
Sale of property, plant and equipment		-5,197	382,324
Sale of fixed asset investments made etc		-17,302	12,701
Current asset investments made		-184,076	-90,019
Sale of current asset investments		148,644	0
Dividends received from associates		47,024	94,689
Cash flows from investing activities		**-202,391**	**262,188**
Repayment of mortgage loans		-857	-854
Repayment of loans from credit institutions		-52,321	-52,480
Reduction of lease obligations		-26,159	-176,789
Repayment of payables to associates		0	-33,335
Cash capital increase		0	42
Other equity entries		-5,057	0
Dividend paid		-342,291	-225,363
Cash flows from financing activities		**-426,685**	**-488,779**
Change in cash and cash equivalents		**-80,306**	**565,055**
Cash and cash equivalents at 1 January		889,947	324,892
Cash and cash equivalents at 31 December		**809,641**	**889,947**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		809,641	889,947
Cash and cash equivalents at 31 December		**809,641**	**889,947**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Globally	3,681,258	4,791,650	0	0
	3,681,258	**4,791,650**	**0**	**0**
Business segments				
Shipping - Tank	2,174,785	1,865,409	0	0
Shipping - Bulk	1,454,108	2,696,611	0	0
Shipping - Project	0	182,547	0	0
Shipping - RoRo	52,365	47,083	0	0
	3,681,258	**4,791,650**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
2. Special items				
Profit on sale of vessels, Other operating income	0	-107,239	0	0
Reversals of impairment of fixed assets	-38,352	0	0	0
	-38,352	**-107,239**	**0**	**0**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
3. Staff Expenses				
Wages and salaries	118,977	150,199	1,292	2,931
Pensions	8	4,301	8	118
Other social security expenses	5	303	5	10
Other staff expenses	32	2,029	32	5
	119,022	**156,832**	**1,337**	**3,064**
Including remuneration to the Executive Board and Board of Directors	**3,153**	**6,840**	**2,853**	**5,580**
Average number of employees	**57**	**56**	**2**	**2**

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

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Amortisation of intangible assets	0	150	0	0
Depreciation of property, plant and equipment	16,041	31,263	0	0
Impairment of tangible assets	-38,352	0	0	0
Gain and loss on disposal	0	0	124	0
	-22,311	**31,413**	**124**	**0**
Which is specified as follows:				
Amortisation - Goodwill	0	150	0	0
Depreciation - Buildings	348	348	0	0
Depreciation - Other fixtures and fittings, tools and equipment	1,208	1,029	0	0
Depreciation - Ships	14,485	29,886	0	0
Profit on sale of fixed assets	0	0	124	0
Reversal of impairment previous years	-38,352	0	0	0
	-22,311	**31,413**	**124**	**0**

5. Income from investments in subsidiaries

	Parent company 2023	Parent company 2022
	TDKK	TDKK
Share of profits	326,700	440,068
	326,700	**440,068**

6. Income from investments in associates

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Share of profits	-4,641	80,315	-20,578	15,049
Amortisation of goodwill	-6,034	-1,446	-1,062	0
Profit / loss on sale of investments in associates	87,333	-130	89,831	0
	76,658	**78,739**	**68,191**	**15,049**

7. Financial income

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Income from securities, which are fixed assets	130,139	0	76,495	0
Interest received from group enterprises	0	0	6,098	2,828
Other financial income	47,621	20,844	17,905	12,064
Exchange adjustments	13,704	7,173	4,276	0
	191,464	**28,017**	**104,774**	**14,892**

8. Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Impairment losses on financial assets	0	299,544	0	3,530
Interest paid to group enterprises	0	0	12,589	9,475
Other financial expenses	12,733	13,916	5,825	3,275
Exchange adjustments, expenses	0	0	7,288	13,084
	12,733	**313,460**	**25,702**	**29,364**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
9. Income tax expense				
Current tax for the year	7,196	66	3,987	-784
Deferred tax for the year	-77	62	0	0
Adjustment of tax concerning previous years	-82	432	0	0
	7,037	**560**	**3,987**	**-784**

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
10. Profit allocation				
Extraordinary dividend paid	150,000	75,000	150,000	75,000
Reserve for net revaluation under the equity method	0	0	305,060	417,979
Minority interests' share of net profit/loss of subsidiaries	237,380	346,272	0	0
Retained earnings	314,970	355,513	9,910	-62,466
	702,350	**776,785**	**464,970**	**430,513**
Extraordinary dividend after year end	40,000	0	40,000	0

Notes to the Financial Statements

11. Assets measured at fair value
Group

	Investment properties
	TDKK
Cost at 1. January	5,889
Additions for the year	2,264
Cost at 31. December	8,153
Value adjustments at 1. January	-600
Revaluations for the year	-2,255
Value adjustments at 31. December	-2,855
Carrying amount at 31. December	**5,298**

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The determination of fair value is based on a return-based model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value. The discount rate applied is 4% (2022: 4%).

Notes to the Financial Statements

12. Property, plant and equipment

	Group			Parent company
	Land and buildings	Other fixtures and fittings, tools and equipment	Vessels	Other fixtures and fittings, tools and equipment
	TDKK	TDKK	TDKK	TDKK
Cost at 1. January	33,429	169,939	423,157	147,822
Exchange adjustment	0	-2	933	0
Additions for the year	172,199	19,285	0	5,220
Disposals for the year	0	-7,712	0	-464
Cost at 31. December	205,628	181,510	424,090	152,578
Revaluations at 1. January	4,064	0	0	0
Revaluations at 31. December	4,064	0	0	0
Impairment losses and depreciation at 1. January	1,629	21,784	194,888	2,902
Exchange adjustment	0	0	135	0
Depreciation for the year	348	770	14,923	0
Reversal of impairment and depreciation of sold assets	0	-4,708	0	0
Reversal for the year of previous years impairment losses	0	0	-38,352	0
Impairment losses and depreciation at 31. December	1,977	17,846	171,594	2,902
Carrying amount at 31. December	**207,715**	**163,664**	**252,496**	**149,676**
Amortised over	20-50 years	3-10 years	2-25 years	3-10 years
Including assets under finance leases amounting to	0	0	252,496	0

Notes to the Financial Statements

	Parent company	
	2023	2022
	TDKK	TDKK

13. Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January	458,816	458,816
Additions for the year	150,000	0
Cost at 31 December	608,816	458,816
Value adjustments at 1 January	1,145,526	787,778
Exchange adjustment	-50,089	26,074
Net profit/loss for the year	326,720	440,068
Dividend to the Parent Company	-513,885	-105,775
Other equity movements, net	-2,431	-2,619
Value adjustments at 31 December	905,841	1,145,526
Equity investments with negative net asset value amortised over receivables	52,063	41,791
Carrying amount at 31 December	**1,566,720**	**1,646,133**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Weco Shipping A/S	Hørsholm, Denmark	TDKK 35.000	100%
Weco Biotech ApS	Hørsholm, Denmark	TDKK 200	80%
Weco-Properties ApS	Hørsholm, Denmark	TDKK 10.000	100%
Weco LIT ApS	Hørsholm, Denmark	TDKK 1.000	75%
WF&B ApS	Hørsholm, Denmark	TDKK 50	100%
WI 2017 ApS	Hørsholm, Denmark	TDKK 100	100%
Datoselskabet af 22.11.2013 ApS	Hørsholm, Denmark	TDKK 81	100%

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

14. Investments in associates

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
Cost at 1 January	316,268	207,105	20,844	20,735
Exchange adjustment	-8,167	9,412	0	0
Additions for the year	117,704	99,751	8,514	109
Disposals for the year	-11,989	0	-1,798	0
Cost at 31 December	413,816	316,268	27,560	20,844
Value adjustments at 1 January	52,826	64,536	12,687	-1,712
Exchange adjustment	-611	4,110	0	0
Net profit/loss for the year	-4,641	80,315	-20,577	15,049
Dividends received	-47,024	-94,689	0	-650
Amortisation of goodwill	-6,034	-1,446	-1,062	0
Other adjustments	-448	0	0	0
Reversals for the year of revaluations in previous years	-28,695	0	-18,378	0
Transfers for the year	-24,108	0	0	0
Value adjustments at 31 December	-58,735	52,826	-27,330	12,687
Equity investments with negative net asset value amortised over receivables	2,535	3,586	677	119
Carrying amount at 31 December	**357,616**	**372,680**	**907**	**33,650**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes
Copenhagen Commercial Platform ApS	Hørsholm, Denmark	TDKK 78	25%
Golden Weco Dry Bulk	Liberia	TUSD 0	50%
Grace Harmony Singapore Pte. Ltd.	Singapore	TUSD 26,000	50%
Weco Marina Bay	Singapore	TUSD 14,200	50%
Bibjool ApS	Hørsholm, Denmark	TDKK 50	30%
Cajool Artclub ApS	Hørsholm, Denmark	TDKK 100	40%
Majool Artclub ApS	Hørsholm, Denmark	TDKK 120	33%

Notes to the Financial Statements

Name	Place of registered office	Share capital	Ownership and Votes
Omni Elearning 2017 ApS	Copenhagen, Denmark	TDKK 212	31%
Zuuvi ApS	Copenhagen, Denmark	TDKK 50	21,88%
Kronprinsensgade 7 Holding ApS	Copenhagen, Denmark	TDKK 5,200	20%
Emmerys ApS	Copenhagen, Denmark	TDKK 500	20%
L.E.T.T. AS	Oslo, Norway	TDKK 5,911	35%
Tæk United I/S	Gentofte, Denmark		50%
Brøndbyvestervej 18 ApS	Gentofte, Denmark	TDKK 500	46%
Tribeca Maritime Partners LLC	Singapore	TUSD 7,385	25%

All foreign associates are recognised and measured as separate entities.

15. Other fixed asset investments

	Group	**Parent company**
	Other investments	Other investments
	TDKK	TDKK
Cost at 1. January	157,008	83,663
Additions for the year	39,599	20,299
Disposals for the year	-30,897	-30,897
Cost at 31. December	165,710	73,065
Revaluations at 1. January	112,768	43,944
Revaluations for the year	72,035	23,784
Reversal for the year of revaluations of assets sold	-30,244	-30,244
Revaluations at 31. December	154,559	37,484
Carrying amount at 31. December	**320,269**	**110,549**

Notes to the Financial Statements

16. Fair values

	Value adjustment, income statement	Fair value at 31. December
	TDKK	TDKK
Group		
Current asset investments	8,445	233,701
Other fixed asset investments	72,425	0
Parent company		
Current asset investments	2,611	0
Other fixed asset investments	23,784	0

The Group's investments in Current Asset investments and Other fixed asset investments consist of listed- and unlisted shares and investments in private equity funds.

For Private Equity funds, the fair value is determined on basis of information provided by the individual Private Equity funds for an example received quarterly reports where the valuation models DCF and multiples are used.

The fair value of unlisted shares is calculated according to the information provided on the basis of unobservable inputs. A decrease or an increase in the used assumptions will have a direct effect on the fair value.

17. Other receivables

Other receivables consist of loans and deposits. Hereof DKK 12,179k falls due for payment after 12 months.

Other receivables DKK 0 (2022: DKK 60,609k) relate to loans to two minority shareholders in Weco Bulk A/S. The loans was issued in accordance with the Danish Company Act §210. The interest rate on the loans was 5%, and the loans were settled in 2023 as part of the distributions of dividends.

18. Prepayments

Prepayments consist of prepaid T/C hire, Port costs and accruals regarding uninvoiced revenue.

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
19. Securities				
Shares	223,701	148,884	144,214	94,138
	223,701	**148,884**	**144,214**	**94,138**

Notes to the Financial Statements

20. Share capital

The share capital consists of 50,000 shares of a nominal value of TDKK 1.000. No shares carry any special rights.

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

21. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	-381	-443	-4	-4
Addition from purchase	21,371	0	0	0
Amounts recognised in the income statement for the year	-77	62	0	0
Deferred tax liabilities at 31 December	**20,913**	**-381**	**-4**	**-4**
Recognised in the balance sheet as follows:				
Assets	4	381	4	4
Provisions	-20,917	0	0	0
	20,913	**-381**	**-4**	**-4**

22. 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:

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	11,029	11,909	11,029	0
Between 1 and 5 years	3,490	3,472	-11,029	0
Long-term part	14,519	15,381	0	0
Within 1 year	862	857	0	0
	15,381	**16,238**	**0**	**0**

22. Long-term debt

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Lease obligations				
After 5 years	0	0	0	0
Between 1 and 5 years	79,595	105,754	0	0
Long-term part	79,595	105,754	0	0
Within 1 year	26,393	26,334	0	0
	105,988	**132,088**	**0**	**0**

23. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts and futures have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Hedge Accounting Not Applied:
-Interest rate swaps, with a nominal value of tDKK 15,000 and a duration until 31 December 2028

Hedge Accounting Applied:
-Oil contracts with a duration of 0-12 months.

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	TDKK	TDKK	TDKK	TDKK
Assets	74	0	0	0
Liabilities	2,257	5,971	1,733	1,596

	Value adjustment, income statement	Value adjustment, equity	Fair value at 31. December
	TDKK	TDKK	TDKK
Oil Contracts (Hedging applied)	0	-450	-450
Interest rate swaps (Hedging not applied)	-137	0	-1,733

24. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

25. Contingent assets, liabilities and other financial obligations

Charges and security

The Group has provided security for mortgage debt totaling DKK 15.381k (2022: 16.283k) by way of mortgages on the Company's properties. The total carrying amount of the properties concerned is DKK 35.516k (2022: DKK 35.864k).

The Group has placed security for associated companies' debt of DKK 3.281k (2022: DKK 6.603k). The Parent has placed security for associated companies' debt of DKK 0 (2022: DKK 3.100k).

Rental and lease obligations

The Group has entered into operating lease agreements with a total future lease payment of DKK 3.980k (2022: DKK 3.117k)

The Group's contractual obligations relating to short-term chartering of vessels total DKK 1.616.518k (2022: DKK 1.963.229k).

Other contingent liabilities

There is a residual liability corresponding to the Group's share of the non-paid capital totalling DKK 7.141k (2022: DKK 10.546k) tied to the Group's investment in associates and other investments and DKK 5.895k (2022: DKK 8.590k) for the Parent Company.

The Group has committed to a loan facility for investments of DKK 0 (2022 : DKK 2.004k), the facility is currently not used. The Parent Company has committed to a loan facility for investments of DKK 0 (2022 DKK 0), the facility is currently not used.

As part of the ordinary shipping operations, the Group regularly receives claims from customers. The individual claims are provided for in the Financial Statements based on an individual assessment.

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 is disclosed in the Annual Report of Weco A/S, which is the management company of the joint taxation purposes. 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 Group's liability.

Notes to the Financial Statements

26. Fee to auditors appointed at the general meeting

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
PricewaterhouseCoopers				
Audit fee	1,355	1,150	295	221
Other assurance engagements	63	39	65	0
Tax advisory services	1,762	849	873	415
Non-audit services	0	95	0	0
	3,180	**2,133**	**1,233**	**636**

Notes to the Financial Statements

27. Accounting policies

The Annual Report of Weco A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 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.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Weco 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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the book value 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 book value method is applied at the date of acquisition, and comparative figures have not been restated.

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.

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

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement. in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Notes to the Financial Statements

Segment information on revenue

Information on business segments and geographical segments is 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 is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Direct expenses

Direct expenses is related to vessel operating costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales 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 together with gains and losses on the sale 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.

Income from investments in subsidiaries, associates and participating interests

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 less goodwill amortization or added badwill amortization.

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 parent Company is jointly taxed with Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

The Group is comprised by the tonnage tax regime.

Notes to the Financial Statements

Balance sheet

Intangible fixed 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 5-10 years

Property, plant and equipment

Investment properties

After the initial recognition investment properties are measured at fair value.

The fair value of certain investment properties has been determined by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc.

Other property, plant and equipment

Other property, plant and equipment are measured at cost added revaluations and less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	20 - 50 years
Other fixtures and fittings, tools and equipment	3 - 10 years
Vessels	2- 25 years

Depreciation period and residual value are reassessed annually.

Aquried artwork is carried at cost with a residual value at cost.

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, associates and participating interests

Investments in subsidiaries, associates and participating interests 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 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 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.

Notes to the Financial Statements

Subsidiaries and associates with a negative net asset value are recognised at DKK 0, and any receivables from these companies are written down to the extent that the receivable is irrecoverable. To the extent that the company has a legal or constructive obligation that exceeds the receivable, the remaining amount is recognised in provisions.

Fixed asset investments

Other investments comprise investments in unlisted securities in which the Company holds below 20% of the voting rights and does not exercise significant influence. Other investments are measured at fair value. The fair value is made up at the market value at the balance sheet date at a value made up using generally recognised valuation principles if the securities are unlisted. If the fair value cannot be reliably measured, cost is used as an alternative.

Inventories

Bunkers and lube oil are measured at the lower of cost under the FIFO method and net realisable value.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning time charter, insurance premiums, etc.

Current Asset Investments

Current and fixed asset investments, which consist of bonds and shares, are measured at their fair values at the balance sheet date.

Equity

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

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 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

Financial liabilities

Loans, such as mortgage 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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.

Financial Highlights

Explanation of financial ratios

Profit margin	Profit/loss of ordinary primary operations x 100 / Revenue
Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity