



World Marine Offshore A/S

Torskekaj 1
6700 Esbjerg
CVR No. 34581711

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Niels Stie Kaalund

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	9
Balance sheet at 31.12.2020	10
Statement of changes in equity for 2020	12
Notes	13
Accounting policies	19

Entity details

Entity

World Marine Offshore A/S

Torskekaj 1

6700 Esbjerg

CVR No.: 34581711

Registered office: Esbjerg

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Jesper Teddy Lok, Chairman of the Board

Johnny Christian Haahr

Niels Stie Kaalund

Executive Board

Peter Lykke-Kjeldsen

Lars Christian Zøhner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

6701 Esbjerg

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of World Marine Offshore A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Esbjerg, 30.06.2021

Executive Board

Peter Lykke-Kjeldsen

Lars Christian Zøhner

Board of Directors

Jesper Teddy Lok
Chairman of the Board

Johnny Christian Haahr

Niels Stie Kaalund

Independent auditor's report

To the shareholders of World Marine Offshore A/S

Report on the audit of the financial statements

Opinion

We have audited the financial statements of World Marine Offshore A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of the Danish Companies Act on lending to shareholders

As was informed in the auditor's report in the financial statements for 2019, the company granted loans of DKK 24,637 to a shareholder in December 2019, which is a violation of the Danish Companies Act. The balance was repaid in Q1 2020.

Esbjerg, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jesper Smedegaard Larsen

State Authorised Public Accountant
Identification No (MNE) mne18510

Claus Vium Jensen

State Authorised Public Accountant
Identification No (MNE) mne33724

Management commentary

Financial highlights

	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000
Key figures				
Gross profit/loss	7,671	10,315	32,756	7,947
Operating profit/loss	(15,269)	(2,146)	18,021	2,749
Net financials	68	956	(120)	108
Profit/loss for the year	(11,332)	5,011	16,185	2,852
Total assets	109,929	88,758	101,979	56,750
Investments in property, plant and equipment	102	30	703	125
Equity	36,426	47,758	25,135	9,084
Ratios				
Return on equity (%)	-26.9	14.3	94.6	31.4
Equity ratio (%)	33.14	53.81	24.65	16.01

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The primary activity of the Company is transport of personnel and goods to offshore installation, Offshore Logistics services, Maritime Management and Subsea activities.

Development in activities and finances

Sales have increased in the current period primarily through an increase of the company's fleet.

Profit/loss for the year in relation to expected developments

The result is below expectations. The result is hugely affected by strategic initiatives for expansion into Asia, US and France as well as strengthening of organizational setup. Furthermore, the result is negatively impacted by delayed activities due to COVID-19.

Uncertainty relating to recognition and measurement

The company has on two foreign projects a total netfinancing of approx. DKK 6.4 million per 31.12.2020, which is recognized under other receivables and trade receivables. The receivables are due, but the repayments awaits a number of circumstances. Management does not expect losses on these receivables.

Outlook

The activity level for 2021 is expected to be slightly higher than 2020 due to full year impact of the expansion of the fleet over 2020. The result for 2021 will continue being impacted by costs related to growth on foreign markets, however a positive net result is expected for 2021.

The company has through joint venture secured long-term contracts for time charter of two new-build crew transfer vessels to a large OEM for operation in Taiwan with operation commencement in 2022.

Further expansion of activities in Asia and US is expected during 2021 with operation commencing in 2022 and 2023.

Particular risks

The company does not have any particular business risks in addition to generally occurring risks within the industry.

Use of financial instruments

The company's revenue and purchase cash flows are predominantly in EUR or DKK.

For transactions in other currencies the currency exposure is evaluated and hedging by means of FX derivatives is applied on a case-by-case basis. The company does not have any particular financial risks in addition to generally occurring risks within the industry.

Environmental performance

The Company is constantly working to reduce environmental impacts from its operations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		7,670,587	10,314,641
Staff costs	3	(15,680,518)	(11,040,234)
Depreciation, amortisation and impairment losses	4	(1,667,475)	(1,420,475)
Other operating expenses	5	(5,591,135)	0
Operating profit/loss		(15,268,541)	(2,146,068)
Income from investments in group enterprises		3,351,757	6,566,935
Income from investments in associates		(5,519)	(115,191)
Other financial income		1,156,102	1,565,071
Other financial expenses		(1,087,748)	(608,736)
Profit/loss before tax		(11,853,949)	5,262,011
Tax on profit/loss for the year	6	521,988	(251,000)
Profit/loss for the year	7	(11,331,961)	5,011,011

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Acquired licences		670,167	1,026,753
Goodwill		7,375,669	8,429,336
Intangible assets	8	8,045,836	9,456,089
Other fixtures and fittings, tools and equipment		341,454	496,296
Property, plant and equipment	9	341,454	496,296
Investments in group enterprises		18,006,352	13,241,638
Receivables from group enterprises		5,800,000	0
Investments in associates		0	0
Financial assets	10	23,806,352	13,241,638
Fixed assets		32,193,642	23,194,023
Trade receivables		33,384,906	18,318,678
Receivables from group enterprises		327,796	15,024,291
Receivables from associates		27,692	96,690
Deferred tax	11	149,000	0
Other receivables		34,441,069	10,715,718
Tax receivable		53,000	2,783,580
Receivables from owners and management	12	0	24,637
Prepayments	13	5,994,532	6,038,648
Receivables		74,377,995	53,002,242
Cash		3,357,706	12,561,727
Current assets		77,735,701	65,563,969
Assets		109,929,343	88,757,992

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital	14	720,000	720,000
Reserve for net revaluation according to the equity method		8,135,136	4,730,416
Retained earnings		27,571,102	42,307,783
Equity		36,426,238	47,758,199
Payables to shareholders and management		12,000,000	13,500,000
Other payables		1,446,000	416,800
Non-current liabilities other than provisions	15	13,446,000	13,916,800
Current portion of non-current liabilities other than provisions	15	1,500,000	1,500,000
Bank loans		8,891,540	268,874
Prepayments received from customers		2,267,415	3,489,415
Trade payables		15,284,214	17,420,190
Payables to group enterprises		27,983,836	1,912,802
Payables to associates		79,362	0
Payables to shareholders and management		395,207	450,000
Tax payable		0	251,000
Other payables		3,655,531	1,790,712
Current liabilities other than provisions		60,057,105	27,082,993
Liabilities other than provisions		73,503,105	40,999,793
Equity and liabilities		109,929,343	88,757,992
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	16		
Assets charged and collateral	17		
Related parties with controlling interest	18		
Transactions with related parties	19		
Group relations	20		

Statement of changes in equity for 2020

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	720,000	4,730,416	42,307,783	47,758,199
Profit/loss for the year	0	3,404,720	(14,736,681)	(11,331,961)
Equity end of year	720,000	8,135,136	27,571,102	36,426,238

Notes

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report

2 Uncertainty relating to recognition and measurement

The company has on two foreign projects a total netfinancing of approx. DKK 6.4 million per 31.12.2020, which is recognized under other receivables and trade receivables. The receivables are due, but the repayments awaits a number of circumstances. Management does not expect losses on these receivables.

3 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	13,886,050	9,444,507
Pension costs	1,067,477	1,041,353
Other social security costs	249,727	136,605
Other staff costs	477,264	417,769
	15,680,518	11,040,234
Average number of full-time employees	21	17

	Remuneration of management 2020 DKK	Remuneration of management 2019 DKK
Total amount for management categories	3,982,030	2,681,221
	3,982,030	2,681,221

4 Depreciation, amortisation and impairment losses

	2020	2019
	DKK	DKK
Amortisation of intangible assets	1,410,253	1,105,296
Depreciation of property, plant and equipment	257,222	315,179
	1,667,475	1,420,475

5 Other operating expenses

Other operating expenses comprise write-downs and exchange rate adjustments on foreign projects which did not develop as expected. These expenses are viewed as of a secondary nature as in relation to the Entity's primary activities.

6 Tax on profit/loss for the year

	2020 DKK	2019 DKK
Current tax	(53,000)	251,000
Change in deferred tax	(149,000)	0
Adjustment concerning previous years	(319,988)	0
	(521,988)	251,000

7 Proposed distribution of profit and loss

	2020 DKK	2019 DKK
Retained earnings	(11,331,961)	5,011,011
	(11,331,961)	5,011,011

8 Intangible assets

	Acquired licences DKK	Goodwill DKK
Cost beginning of year	1,129,991	10,536,670
Cost end of year	1,129,991	10,536,670
Amortisation and impairment losses beginning of year	(103,238)	(2,107,334)
Amortisation for the year	(356,586)	(1,053,667)
Amortisation and impairment losses end of year	(459,824)	(3,161,001)
Carrying amount end of year	670,167	7,375,669

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,525,806
Additions	102,380
Cost end of year	1,628,186
Depreciation and impairment losses beginning of year	(1,029,510)
Depreciation for the year	(257,222)
Depreciation and impairment losses end of year	(1,286,732)
Carrying amount end of year	341,454

10 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Investments in associates DKK
Cost beginning of year	8,486,216	0	25,000
Additions	1,400,000	5,800,000	0
Disposals	(40,000)	0	0
Cost end of year	9,846,216	5,800,000	25,000
Revaluations beginning of year	4,755,422	0	(25,000)
Share of profit/loss for the year	3,351,757	0	(5,519)
Investments with negative equity value depreciated over receivables	12,958	0	5,519
Reversal regarding disposals	39,999	0	0
Revaluations end of year	8,160,136	0	(25,000)
Carrying amount end of year	18,006,352	5,800,000	0

Receivables from group enterprises are subordinated for all financial creditors (banks and other credit institutions), and the loans is settled in the event of WMO Support A/S's dissolution or bankruptcy after the financial creditors have been settled.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
BB Towing & Diving A/S	Esbjerg	A/S	77.8
WMO Management A/S	Esbjerg	A/S	100
WMO Invest A/S	Esbjerg	A/S	100
World Marine Offshore GmbH	Germany	GmbH	100
World Marine Offshore Ltd.	England	Ltd.	100
WMO Support A/S	Esbjerg	A/S	100
World Marine Offshore France A/S	Esbjerg	A/S	100

Investments in associates	Registered in	Corporate form	Equity interest %
Inertia ApS	Esbjerg	ApS	50
WMO Sitefacility ApS (owned by WMO Invest A/S)	Esbjerg	ApS	50
JOS WMO JV (owned by World Marine Offshore France A/S)	Frankrig	JV	50

11 Deferred tax

	2020
	DKK
Tax losses carried forward	149,000
Deferred tax	149,000

Changes during the year	2020
	DKK
Recognised in the income statement	149,000
End of year	149,000

The company's deferred tax activities arose as a result of tax losses for carry-overs. Management expects to be able to use the deferred tax asset in future earnings.

Since the value of the deferred tax asset is dependant on future developments, some uncertainty is attached to the measurement of the asset, as unforeseen circumstances may have a positive or negative impact on management's expectations of future operations.

12 Receivables from owners and management

	Executive Board
	DKK
Repaid during the year	24,637

13 Prepayments

Prepayments include advance payments regarding rent, IT-subscriptions, insurance etc.

14 Share capital

	Number	Par value	Nominal
		DKK	value
			DKK
A-capital	360,000	1	360,000
B-capital	360,000	1	360,000
	720,000		720,000

15 Non-current liabilities other than provisions

	Due within 12	Due within 12	Due after	Outstanding
	months	months	more than 12	after 5 years
	2020	2019	months	2020
	DKK	DKK	DKK	DKK
Payables to shareholders and management	1,500,000	1,500,000	12,000,000	7,500,000
Other payables	0	0	1,446,000	0
	1,500,000	1,500,000	13,446,000	7,500,000

16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where WMO Shipping Company A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

The company has Timecharter agreements with the parent company with a duration of up to 11 months. The company has Timecharter agreements with external parties with a duration of under 1 year.

The company has entered into operational lease and rent agreements with remaining maturity of 2 - 61 months, where the total obligations are DKK 1.5 million at 31.12.2020.

The company has lost a lawsuit in which the company has appealed the decision to a higher court. It is the company's expectation that new and other information will lead to a different outcome of the lawsuit. If the lawsuit is unexpectedly lost, the estimated additional costs will amount to around DKK 2 million.

17 Assets charged and collateral

Security has been provided in Timecharter agreements, as well as a guarantees and withdrawal declarations have been given to the parent company's financial partners. The parent company's financial partners have jointly provided guarantees and granted loans of DKK 131 million at 31.12.2020.

Bank loans are secured by cash of DKK 2.9 million at 31.12.2020.

Shares in WMO Support A/S are pledged to the subsidiary's financial partner as collateral for accounts as at 31.12.2020.

The company has guaranteed for the repayment of bank loans in WMO Support A/S and WMO Sitefacility ApS. The bank loans comprise a total of DKK 25.1 million at 31.12.2020.

The company's financial partner has provided guarantees of work for a total of DKK 1.65 million at 31.12.2020.

18 Related parties with controlling interest

WMO Shipping Company A/S, Esbjerg, Denmark has a controlling interest in the Company through shares and owner agreements.

19 Transactions with related parties

	Parent DKK	Subsidiaries DKK	Other related parties DKK
Sales	14,854,576	120,000	0
Purchases	38,737,878	6,389,294	0
Interest expenses	0	0	225,000
Liabilities other than provisions	13,271,423	2,348,708	7,500,000

Transactions with related parties do not comprise transactions with fully owned subsidiaries.

20 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
WMO Shipping Company A/S, Esbjerg

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration

fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
--	---------

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.