



World Marine Offshore A/S

Torskekaj 1
6700 Esbjerg
CVR No. 34581711

Annual report 2019

The Annual General Meeting adopted the
annual report on 24.08.2020

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 2019	9
Balance sheet at 31.12.2019	10
Statement of changes in equity for 2019	12
Notes	13
Accounting policies	18

Entity details

Entity

World Marine Offshore A/S

Torskekaj 1

6700 Esbjerg

CVR No.: 34581711

Registered office: Esbjerg

Financial year: 01.01.2019 - 31.12.2019

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

P. O. Box 200

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 24.08.2020

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

Violation of the Danish Companies Act on lending to shareholders

The company has granted loans to a shareholder, which is a violation of the Danish Companies Act.

Esbjerg, 24.08.2020

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

	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures			
Gross profit/loss	10,315	32,756	7,947
Operating profit/loss	(2,146)	18,021	2,749
Net financials	956	(120)	108
Profit/loss for the year	5,011	16,185	2,852
Total assets	88,758	101,979	56,758
Investments in property, plant and equipment	30	703	125
Equity	47,758	25,135	9,084
Ratios			
Return on equity (%)	14.3	94.6	31.4
Equity ratio (%)	53.81	24.65	16.00

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 decreased in the current period. In 2019 a major logistics project has been completed and subsea activities have been reduced. In mid-2019, offshore logistics operations have been started in Taiwan, to which CTV vessels have been added.

Group contributions received in 2019 amounts to DKK 17.6 million.

Profit/loss for the year in relation to expected developments

The result is below expectations partly due to losses on debtors.

Uncertainty relating to recognition and measurement

The company has started foreign activities with a netfinancing of approx. 5 million DKK per 31.12.2019, which is recognized under other receivables. The repayment of the receivable awaits a number of circumstances, including that the foreign activities develops as planned. Management does not expect losses on these receivables.

Outlook

The activity level and result for 2020 is expected to be in the same range as 2019.

Particular risks

The Company does not have any particular business or 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.

Research and development activities

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

COVID-19 has not significantly affected the offshore activities, as these have continued as usual. Some logistic projects have been postponed 6 to 12 months due to COVID-19.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		10,314,641	32,755,655
Staff costs	3	(11,040,234)	(13,190,136)
Depreciation, amortisation and impairment losses	4	(1,420,475)	(1,544,178)
Operating profit/loss		(2,146,068)	18,021,341
Income from investments in group enterprises		6,566,935	(1,086,693)
Income from investments in associates		(115,191)	(82,922)
Other financial income		1,565,071	873,013
Other financial expenses		(608,736)	(992,865)
Profit/loss before tax		5,262,011	16,731,874
Tax on profit/loss for the year	5	(251,000)	(547,000)
Profit/loss for the year	6	5,011,011	16,184,874

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired licences		1,026,753	163,490
Goodwill		8,429,336	9,483,003
Intangible assets	7	9,456,089	9,646,493
Other fixtures and fittings, tools and equipment		496,296	781,203
Property, plant and equipment	8	496,296	781,203
Investments in group enterprises		13,241,638	6,603,781
Investments in associates		0	75,790
Other financial assets	9	13,241,638	6,679,571
Fixed assets		23,194,023	17,107,267
Trade receivables		18,318,678	44,588,519
Contract work in progress		0	2,408,387
Receivables from group enterprises		15,024,291	1,401,028
Receivables from associates		96,690	2,274,419
Other receivables		10,715,718	9,017,003
Income tax receivable		2,783,580	0
Receivables from owners and management	10	24,637	0
Prepayments	11	6,038,648	3,307,505
Receivables		53,002,242	62,996,861
Cash		12,561,727	21,875,060
Current assets		65,563,969	84,871,921
Assets		88,757,992	101,979,188

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	12	720,000	720,000
Reserve for net revaluation according to the equity method		4,730,416	0
Retained earnings		42,307,783	24,415,091
Equity		47,758,199	25,135,091
Payables to shareholders and management		13,500,000	15,000,000
Other payables		416,800	0
Non-current liabilities other than provisions	13	13,916,800	15,000,000
Current portion of non-current liabilities other than provisions	13	1,500,000	0
Bank loans		268,874	2,944,032
Prepayments received from customers		3,489,415	2,297,415
Trade payables		17,420,190	45,269,079
Payables to group enterprises		1,912,802	6,135,527
Payables to shareholders and management		450,000	57,937
Income tax payable		251,000	538,586
Other payables	14	1,790,712	4,601,521
Current liabilities other than provisions		27,082,993	61,844,097
Liabilities other than provisions		40,999,793	76,844,097
Equity and liabilities		88,757,992	101,979,188
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	15		
Assets charged and collateral	16		
Related parties with controlling interest	17		
Transactions with related parties	18		
Group relations	19		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	720,000	0	24,415,091	25,135,091
Group contributions etc	0	0	17,608,225	17,608,225
Other entries on equity	0	3,872	0	3,872
Profit/loss for the year	0	4,726,544	284,467	5,011,011
Equity end of year	720,000	4,730,416	42,307,783	47,758,199

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.

COVID-19 has not significantly affected the offshore activities, as these have continued as usual. Some logistic projects have been postponed 6 to 12 months due to COVID-19.

2 Uncertainty relating to recognition and measurement

The company has started foreign activities with a netfinancing of approx. 5 million DKK per 31.12.2019, which is recognized under other receivables. The repayment of the receivable awaits a number of circumstances, including that the foreign activities develops as planned. Management does not expect losses on these receivables.

3 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	9,444,507	11,742,014
Pension costs	1,041,353	1,046,701
Other social security costs	136,605	93,993
Other staff costs	417,769	307,428
	11,040,234	13,190,136

Average number of full-time employees	19	20
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	Remuneration of management 2019 DKK	Remuneration of management 2018 DKK
Total amount for management categories	2,681,221	3,029,070
	2,681,221	3,029,070

4 Depreciation, amortisation and impairment losses

	2019	2018
	DKK	DKK
Amortisation of intangible assets	1,105,296	1,105,296
Depreciation of property, plant and equipment	315,179	438,882
	1,420,475	1,544,178

5 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	251,000	547,000
	251,000	547,000

6 Proposed distribution of profit and loss

	2019	2018
	DKK	DKK
Retained earnings	5,011,011	16,184,874
	5,011,011	16,184,874

7 Intangible assets

	Acquired licences DKK	Goodwill DKK
Cost beginning of year	215,119	10,536,670
Additions	914,872	0
Cost end of year	1,129,991	10,536,670
Amortisation and impairment losses beginning of year	(51,619)	(1,053,667)
Amortisation for the year	(51,619)	(1,053,667)
Amortisation and impairment losses end of year	(103,238)	(2,107,334)
Carrying amount end of year	1,026,753	8,429,336

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,495,524
Additions	30,282
Cost end of year	1,525,806
Depreciation and impairment losses beginning of year	(714,321)
Depreciation for the year	(315,189)
Depreciation and impairment losses end of year	(1,029,510)
Carrying amount end of year	496,296

9 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK
Cost beginning of year	8,419,166	25,000
Additions	67,050	0
Cost end of year	8,486,216	25,000
Revaluations beginning of year	(1,815,385)	50,790
Exchange rate adjustments	3,872	0
Share of profit/loss for the year	6,610,520	(115,191)
Impairment losses for the year	(43,585)	0
Investments with negative equity value depreciated over receivables	0	39,401
Revaluations end of year	4,755,422	(25,000)
Carrying amount end of year	13,241,638	0

Investment in World Marine Offshore GmbH is measured according to accounts per. 30.09.2019

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
Wi-nd ApS	Esbjerg	ApS	100
World Marine Offshore GmbH	Germany	GmbH	100
World Marine Offshore Ltd.	United Kingdom	Ltd.	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

10 Receivables from owners and management

	Executive BoardDKK
Receivables	24,637

11 Prepayments

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

12 Share capital

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

13 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Payables to shareholders and management	1,500,000	13,500,000	7,500,000
Other payables	0	416,800	0
	1,500,000	13,916,800	7,500,000

14 Other payables

	2019 DKK	2018 DKK
Wages and salaries, personal income taxes, social security costs, etc payable	1,790,712	3,910,476
Other costs payable	0	691,045
	1,790,712	4,601,521

15 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 2 years. 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 - 44 months, where the total obligations are DKK 2 million at 31.12.2019.

16 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 141 million at 31.12.2019.

The company guarantees for the payment regarding sales of ships from the parent company to a third party. The collateral amounts to approx. DKK 28 million.

Bank loans are secured by cash of DKK 9 million at 31.12.2019.

17 Related parties with controlling interest

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

18 Transactions with related parties

	Parent DKK	Subsidiaries DKK	Other related parties DKK
Sales	12,314,657	120,000	0
Purchases	35,857,559	333,358	0
Interest expenses	0	0	225,000
Receivables	14,408,016	142,807	0
Liabilities other than provisions	0	0	7,500,000

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

19 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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

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

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.

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
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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.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

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.