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DK-5000 Odense C
CVR no. 20 22 26 70

ALBA SHIPPING & TRADING A/S

TAGHOLM 15, 9400 NØRRESUNDBY

ANNUAL REPORT

1 OCTOBER 2022 - 30 SEPTEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 11 January 2024

Jørgen Olesen

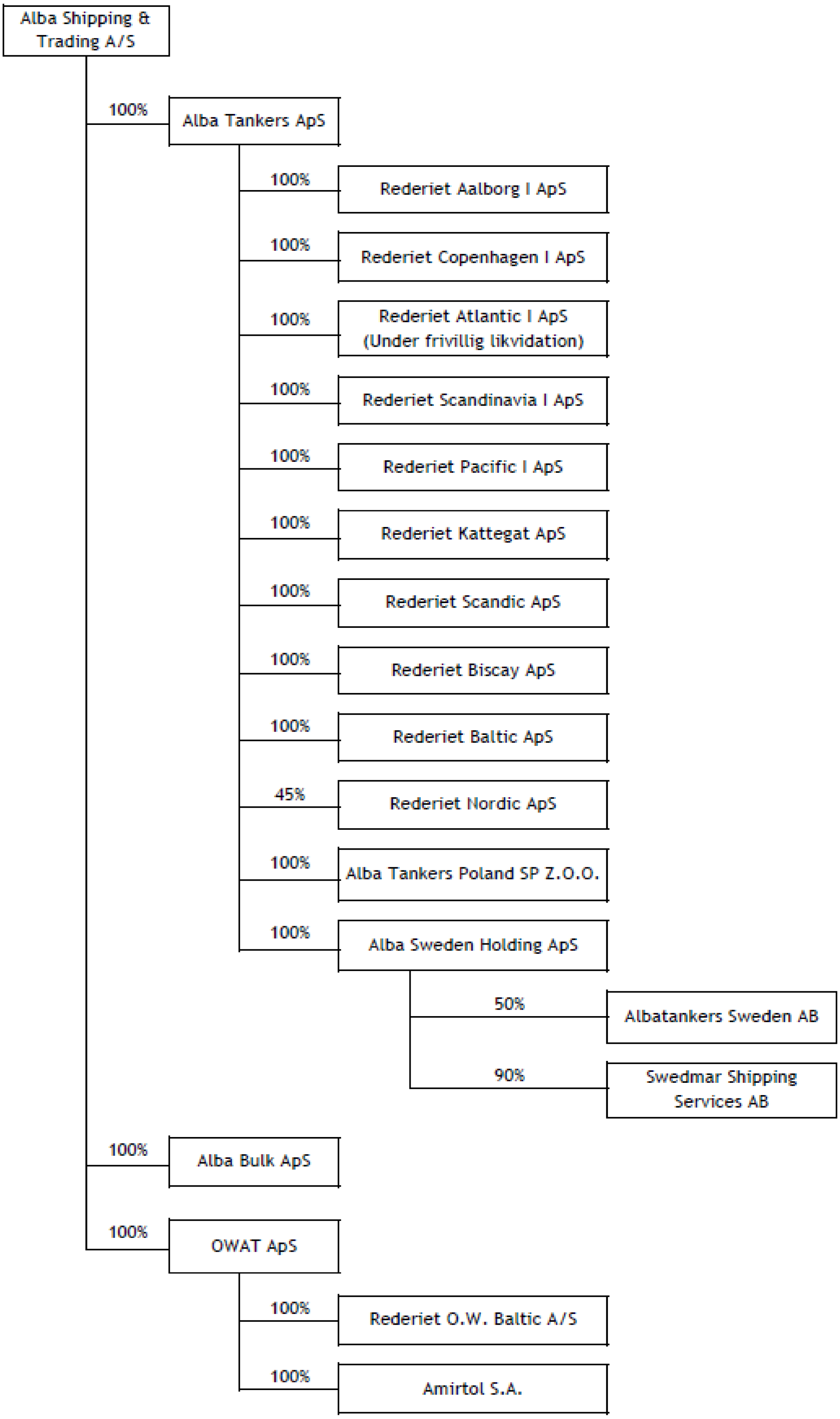
CVR NO. 36 94 56 72

CONTENTS

COMPANY DETAILS

Company	Alba Shipping & Trading A/S Tagholm 15 9400 Nørresundby	
	CVR No.:	36 94 56 72
	Established:	30 June 2015
	Municipality:	Aalborg
	Financial Year:	1 October 2022 - 30 September 2023
Board of Directors	Henrik Klindt Petersen, chairman Ervind Olesen Stig Anders Lindqvist	
Executive Board	Jørgen Olesen Henrik Holst Pedersen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C	
Bank	Nykredit Erhverv Sdr. Havnegade 1 6000 Kolding	
	NIBC Bank N.V. Carnegieplein 4 2517 KJ The Hague	

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Alba Shipping & Trading A/S for the financial year 1 October 2022 - 30 September 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 30 September 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 October 2022 - 30 September 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Nørresundby, 11 January 2024

Executive Board

Jørgen Olesen	Henrik Holst Pedersen

Board of Directors

Henrik Klindt Petersen Chairman	Ervind Olesen	Stig Anders Lindqvist

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Alba Shipping & Trading A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Alba Shipping & Trading A/S for the financial year 1 October 2022 - 30 September 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 30 September 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company" 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Odense, 11 January 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikkel Aalykke
State Authorised Public Accountant
MNE no. mne41307

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022/23 USD '000	2021/22 USD '000	2020/21 USD '000	2019/20 USD '000	2018/19 USD '000
Income statement					
Net revenue	69,563	61,459	43,222	29,779	26,260
Gross profit/loss	42,650	34,263	23,188	17,929	14,788
Operating profit/loss of main activities	21,115	15,010	4,003	4,715	3,466
Financial income and expenses, net	-2,308	-1,253	-1,122	-1,049	-949
Profit/loss for the year	18,214	13,160	2,499	3,308	2,424
Balance sheet					
Total assets	96,489	69,705	57,443	49,550	38,871
Equity	44,675	36,190	23,672	21,776	17,424
Invested capital	44,636	36,151	23,653	21,777	17,408
Cash flows					
Cash flows from operating activities	25,491	15,899	6,767	10,318	6,970
Cash flows from investing activities	-33,103	-8,960	-12,292	-11,668	-9,685
Cash flows from financing activities	4,876	-976	3,659	3,121	2,676
Total cash flows	-2,736	5,963	-1,866	1,771	-39
Investment in tangible fixed assets	-33,150	-12,428	-12,289	-11,668	-9,685
Key ratios					
Operating margin	30.4	24.4	9.3	15.8	13.2
Return on invested capital	52.3	50.2	17.6	24.1	20.6
Solvency ratio incl. minorities	46.3	51.9	41.2	43.9	44.8
Return on equity	45.0	44.0	11.0	16.9	14.4

The ratios stated in the list of key figures and ratios have been calculated as follows:

Invested capital:	Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities
Operating margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$
Return on invested capital:	$\frac{\text{Profit/loss on ordinary activities x 100}}{\text{Average invested capital}}$
Solvency ratio incl. minorities:	$\frac{\text{Equity, at year end x 100}}{\text{Total assets, at year end}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal activities
The Group's principal activities are to operate both owned and 3rd party oil and chemical tankers within the specialized tanker segment. These operations comprise both commercial and technical management of tanker vessels.

The parent company's principal activity is to own investments in underlying Group companies in which the Group's activities are placed.

Development in activities and financial position
The group owns 10 chemical tankers. In addition the group currently operates 17 chemical tankers on commercial management and 2 chemical tankers on technical management.

During the year the group has installed ballast water treatment plants on 5 vessels and with installation of the last plant in October 2023, the installation has now been completed on all vessels where required.

In may 2023 the group acquired the chemical tanker, M/T Baltic. M/T Baltic was taken over in Gdansk and after a short docking period the vessel started trading in June 2023.

The group obtained a loan from Svenska Skeppshypotek of 7m USD in October 2022 related to the purchase of m/t Biscay in September 2022. For the purchase of m/t Baltic in May 2023 the group obtained a loan from NIBC Bank for 11m USD. In connection with establishment of the loan facility for the purchase of m/t Baltic all existing loans with NIBC were also extended for 1 year. The group has a revolving credit facility with Nykredit for 6m USD which has been used as a short term financing option in connection with the purchase of m/t Baltic in addition to the loan obtained from NIBC.

During the year the parent company reduced the share capital by purchase of nominal 476,768 own shares from a previous shareholder.

The group extended the partnership with Besiktas during the year with the sale of additional 16% of the share capital in Alba Tankers Sweden AB, so that the commercial setup is now a 50/50 joint venture with Besiktas.

The group's vessels are primarily employed in the spot market, and thus the group has seen the benefit of a rising spot market during the year. The Group reports a profit for the year of USD ('000) 18,214. Management considers the result for the year satisfactory.

Profit/loss for the year compared to future expectations
The result of the operations and the financial position of the group has been slightly above the expectations stated in prior year's annual report. The vessels are employed in a spot market which is highly volatile and to a certain extent unpredictable, and this is the main reason for the variance compared to prior year's expectation.

Significant events after the end of the financial year
No events have occurred after the end of the financial year with a significant impact to the group's financial position.

Special risks
The Group is exposed to a number of risks as an operator of oil and chemical tankers.

Operating risks
It is crucial for the Group's success that the vessels are efficiently employed and that unplanned off hire days are kept to a minimum. Furthermore, it is crucial to minimize the risk of accidents for both seafarers, cargo and equipment. Technical management performed at a high level, and continuous focus on safety and education are the main factors to mitigate these risks. Allthough no longer a high risk area, there is still focus on Covid- 19 and actions are still being taken to avoid the virus on board.

Special risks (continued)

Market risks
The Group operates in the 3-20,000 DWT oil and chemical tankers market, primarily in Western Europe. The primary operations are to provide infrastructure logistics to customers. Profits are impacted by fluctuations in freight rates, which are determined by supply and demand in the segment, but also by market fluctuations in bunker prices, which are determined by the world-wide supply and demand of oil and gas products.

Foreign exchange risk
Operations in the oil and chemical tanker market are primarily denominated in USD, which is also the functional currency of the group. However, a significant part of transactions, such as purchases of spares, employee salaries and shore-based costs are denominated in local currencies such as DKK, EUR, SEK etc. The company is exposed to currency fluctuations towards USD. During the first half of 2022/23 the Group took a decision not to hedge the exchange risk exposures, but the Group has continuously monitored development in the USD rate and in the second half of the year the group re-applied the use of hedges against currency fluctuations.

When the group applies hedging instruments, the group is also exposed to fair market value adjustments of such instruments.

Interest rate risk
Investments in oil and chemical tankers are cash intensive and the Group has significant loan facilities which carry interest. Loans are primarily denominated in USD and carry interest based on USD SOFR. The Group is exposed to increasing interest rates and has an established policy to hedge part of this exposure by means of interest swaps or interest collars.

As for other hedging instruments the group is exposed to fair market value adjustments of such instruments.

Credit risks
Credit risks arise from the activities of the company in the form of outstanding receivables as well as bank deposits of surplus cash.

Customers are assessed by the chartering team and group management prior to commitment in order to reduce credit risks.

Bank deposits are only made with top tier banks and financial institutions in North West Europe.

Liquidity risk
Access to cash is crucial within the sector and very important to execute the Group strategy. The Group continuously monitors cash flows and cash reserves in order to maintain the necessary free cash flow to operate the vessels.

Vessels are now financed on long term agreements with NIBC Bank N.V and Svenska Skepsshypotekskassen. In addition the group has a revolving credit facility with Nykredit Bank A/S. The loan agreement with both NIBC Bank N.V. and Nykredit Bank A/S have certain financial covenants which have all been met during 2022/23.

The Group budget for 2023/24 shows sufficient cash to meet all existing liabilities and loan covenants.

Intellectual capacity resources
The group’s activities place high demand for skilled and highly educated employee resources for both seafarers and shore-based staff. The group strive to maintain a high retention rate amongst employees, and continuously focuses on maintaining and improving skills and qualifications for all staff categories.

Future expectations
Management expects a result of the group and the parent company for 2023/24 in the range between 16m and 20m USD. The expectation is based on the current market conditions in Western Europe where supply of and demand for tonnage is expected to result in continuation of the satisfactory freight rates. As the group operates in a volatile spot market, expectations may be significantly impacted by market fluctuations.

The sector will see the introduction of the Co2 quota system in 2024. As yet there is no certainty how this will impact the market and freight rates but it is the Group's anticipation that the costs will generally be passed on to the customers.

Sustainability reporting

Business model

The Group's business model is based on the following vision and mission:

The Group's vision:

> "Be the preferred means of transport within our range of operation in the areas we serve."

The Group's mission:

> "Operate the vessels under our care with passion for safety, environment, quality and economy exceeding the expectations of our clients, employees and the society at large."

The operations of the Group are performed under a culture of safety, with due considerations for the climate and the environment and human rights, and are based on a zero-tolerance policy for all relevant areas.

The primary activities are within shipping and comprise both owned and 3rd party vessels under commercial and technical management. All activities related to owned vessels are operated by the Group, whereas 3rd party vessels may only be operated commercially or technically depending on the individual owner. Commercial management of the fleet is operated from Gothenburg, Sweden, and technical management is performed from the Group headquarter in Aalborg, Denmark. Activities in relation to crew are performed from the Group office in Swinoujscie, Poland.

The primary operations of the Group are to provide infrastructure logistics to customers in Western Europe. Vessels are employed on both time charter contracts, Contracts of affreightment and in the spot market. Seafarers are primarily sourced from the EU, with the majority from Poland, but the group also employes an increasing number of Philippine seafarers. Suppliers are primarily sourced locally in the areas where the Group operates. The Group aims to build strong long term relationships with financing institutions securing a long term and stable financing structure.

The Group's shares are owned by a relatively small number of Scandinavian individuals, including the executive directors of the group.

Climate and Environment

Environmental risks
Being an owner and operator of oil and chemical tankers, the Group is exposed to a number of environmental risks and impacts, of which the most significant are: potential spills of both cargo and fuel, oils etc. for consumption, fuel emissions, tank cleaning residuals, ballast water treatment, garbage handling, ship building and scrapping etc.

MANAGEMENT COMMENTARY

Sustainability reporting (continued)

Environmental policies
It is the Group policy to do the outmost to reduce environmental pollution and to avoid environmental hazards. This is expressed through detailed policies and working instructions on board vessels covering areas such as safety, environment, staff training, and energy efficiency, which together form the policies covering the environmental impact and mitigation of environmental risks.

On an operational level the policy is adhered to by training and education of employees as well as the working culture of the Group, where employees take responsibility to operate the vessels with the least possible impact to the climate and environment, including commitment to operate the vessels in a safely manner and commitment to seek new and less polluting solutions when performing repairs and upgrades to the vessels.

The group is in compliance with all regulatory requirements to prevent environmental pollution, e.g. installation of ballast water treatment plants on all vessels, use of compliant antifouling systems to protect marine biodiversity, establishment of inventory of hazardous materials to prevent unidentified and incorrect handling of materials, and use of compliant fuel to meet SECA regulations etc.

As yet the group has only acquired second hand vessels and only disposed of two vessels, but due considerations are given for each single acquisition in respect of potentials for more environmental friendly solutions as part of the upgrades and repairs performed prior to the vessel entering the market.

The Group has initiated a process to consider new-buildings over the coming years, and even though there is no expressed policy regarding this, due considerations will be given to solutions that will help reduce pollution and fuel emissions, both through ship design and technical solutions. Due to the rapid development in this area a key element in future ship design is to be ready for potential changes in future emission restrictions, fuel and power.

Environmental measures and future expectations
As yet the group's targets for environmental impacts are compliance with legislation. As part of compliance, the Group continuously measures and logs fuel consumption, efficiency and emissions which will also be the basis for future targets for consumption and efficiency. The group also measures and logs spills.

The Group has logged the following data for owned vessels:

	2022/23	2021/22	2020/21	2019/20	2018/19
EEOI[1]	48.34	47.66	47.63	54.48	67.89
CO_2 emission (TN)	57,203	51,588	46,100	31,057	26,187
SOx emission (MT)	67.99	40.40	25.35	28.26	14.82
NOx emission (MT)	887.18	843.89	797.81	498.80	429.43
Bunkers consumption (MT)	17.961	16.129	14,379	9,719	8.197
Total distance sailed (NM)	305.331	281.782	238,520	167,739	162,294
Deadweight all told (MT) at 30 September	79.575	68.315	59,359	47,829	24,999
Number of vessels at 30 September	10	9	8	7	5
Spills	0	0	0	0	0

[1]*EEOI = Energy Efficiency Operational Indicator*

The group will continue to measure and log relevant data which will be used to monitor development, and which may form basis for future actions to reduce fuel consumption, spills etc. with the benefit of both the environment and group performance.

There are no set targets as such, since fuel consumption and emissions are dependent on the type of business conducted, i.e. distance sailed as a function of cargo, bunkers operations, heating of cargo etc. EEOI to some extent reflects this but is not a fully transparent measure.

Sustainability reporting (continued)

Social responsibility, staff and human rights

Social responsibility, staff and human right risks
The risks associated with social responsibility, staff and human rights mainly comprise risk of failure to comply with employee working rights, employee safety and the use of child labor at suppliers.

Social responsibility, staff and human right policies
The Group has adopted a number of detailed policies to ensure social responsibility, staff and human rights, including safety policy, training policy, and competence and awareness training. In addition, the culture of the Group is to treat each employee with decency and respect, regardless of gender, political or religious conviction.

Safety at sea is a number one priority for the seafarers and the Group takes all necessary actions to prevent casualties or fatalities on board.

As part of the safety policies, the group has also implemented a drug and alcohol policy, with a zero-tolerance policy for embarked seafarers.

Recruitment and employment is governed by local labor legislation and all seafarers are employed on terms equal to conventions agreed by the relevant Danish Maritime associations. All employees receive proper training, instruction and education to perform the dedicated tasks. Records of working and rest hours are maintained for all seafarers to ensure compliance with legislation. Employees are recruited based on qualifications, regardless of gender, nationality, religion or political conviction.

It is an aim to retain employees for as long as possible, and to maintain a high retention rate among officers on board the vessels.

The Group distances itself from the use of child labor, whether this is within the Group or at suppliers, customers or subcontractors. This is mitigated through the use of local suppliers where the Group has experience and knowledge of the supplier. The Group will resent from using suppliers whom take advantage of child labor.

Social responsibility and human rights measures and future expectations
The group has not experienced any instances of violating behavior during 2022/23.

The group has not experienced any instances of violation of the drug and alcohol policy during 2022/23.

The group has not experienced any incidents of using child labor during 2022/23, whether within the group or at suppliers, customers or subcontractors.

The Group has logged the following data regarding employees:

	2022/23	2021/22	2020/21	2019/20	2018/19
Seafares:					
Lost time injury	0	0	0	0	0
Retention rate - officers	88%	89%	97%	99%	99%
Retention rate - crew members	80%	75%	96%	93%	98%
Male seafarers at 30/9	257	227	205	169	122
Female seafarers at 30/9	2	4	1	0	0
EU seafarers at 30/9	182	183	193	163	121
Non-EU seafarers at 30/9	77	48	13	6	1
Shore staff:					
Male shore staff at 30/9	18	14	12	12	10
Female shore staff at 30/9	10	9	6	6	6
EU shore staff at 30/9	28	23	18	18	16
Non-EU shore staff at 30/9	0	0	0	0	0

Sustainability reporting (continued)

Social responsibility and human rights measures and future expectations (continued)
The group will continue to monitor the relevant data, and act in accordance with our policies. The group foresee challenges to retain a high retention rate due to the current labour market situation but the group is taking actions to maximise the retention rate as far as possible. With addition of new vessels the group has increased the number of employees significantly over the preceding years, and there is a significant task to ensure high retention rates also among new employees.

Compliance and Governance

Compliance and Governance risks
Risk of non-compliance is associated with risk of corruption, bribery or whitewash but is also linked to non-compliance with legal or ethical responsibilities. Such risks may include but is not limited to overruling of internal controls related to contracts and purchasing.

Compliance and Governance policies
The Group has a zero tolerance policy towards corruption, bribery and whitewash and strives to fully comply with all legal and ethical responsibilities.

At the operational level non-compliance is mitigated by a corporate culture with a high level of integrity, led by management and exercised throughout the organization; oversight by management, and implemented controls throughout the operations. In order to ensure legal compliance the group employees well educated staff and takes external advice where the Group does not have the relevant resources in-house.

The group has implemented a whistleblower option where crew and shore staff can report issues in relation to climate and environment, social and human rights, and compliance.

Compliance and Governance measures and future expectations
The group has not experienced any incidents of non-compliance during 2022/23, and has not received any whistleblower notifications.

The group will maintain the established oversight and control procedures for the future and maintain the level of integrity so that the group can also maintain a full compliance with policies in the future.

Policy for the underrepresented gender
Currently, the group's board of directors consists of 100% men, and all executive directors, and senior management within the group are men. Both board members, executive directors, and senior management are selected based on qualifications, regardless of gender, nationality, religion or political orientation.

The group has implemented a policy to increase representation of the underrepresented gender at the board of directors and senior management. It is a goal to have 1 woman in the board of directors within a period of 5 years, and a goal to have 40% women in senior management within 5 years.

Neither the board of directors nor senior management have been replaced since adoption of the policy, so the group has not actively pursued the target during the year.

The group will act according to policy when substitutions shall take place in the future to ensure that necessary actions are taken with an aim to increase representation of the female gender.

Data ethics

The group does not have a single expressed data ethics policy, but has a number of policies and internal guidance concerning IT security, use of data, use of social media, and processing of personal data which together form the policies and ethical principles under which the group collects, stores and uses data.

The group collects and uses data in a number of areas. This is both related to operation of tanker vessels where technical and facts data relating to operation of the vessels are collected, stored and analysed, but also in relation to managing the business financially, including data in relation to employees, customers and vendors. Data are used to monitor performance and fullfil legal requirements both in terms of vessel operations and employment of staff.

The group uses a variety of systems and technologies for processing data. All decisions regarding collection and processing of data involves human oversight. The group does not use artificial intelligence for collection of data.

All processing of data are undertaken with due consideration of ethical issues, the general data protection act, and under a principle of transparency. The group does not process unnecessary data, data politics and guidance are easily accessible and understandable, and all individuals have the possibility to gain insight into which data are being processed.

Data politics and ethics are implemented in the group through awareness, guidance and training of employees. Management are responsible for issuing relevant guidance and policies.

The group also uses external vendors to process and store data. Vendors are selected on the basis of thorough evaluation of security and the ability to process data in accordance with relevant legislation and on the basis of high ethical standards that meet the group’s requirements. Executive management is always involved in decisions to select new vendors.

INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

	Note	Group		Parent Company	
		2022/23 USD	2021/22 USD	2022/23 USD	2021/22 USD
NET REVENUE	1	**69,562,765**	**61,459,180**	**0**	**0**
Cost of sales		-25,375,002	-26,332,861	0	0
Own work, recognised under assets		170,338	77,386	0	0
Other operating income		0	368,616	0	0
Other external expenses	2	-1,707,845	-1,309,129	-87,355	-62,287
GROSS PROFIT/LOSS		**42,650,256**	**34,263,192**	**-87,355**	**-62,287**
Staff costs	3	-14,928,260	-13,849,959	-73,492	-82,019
Depreciation, amortisation and impairment		-6,607,015	-5,403,299	0	0
OPERATING PROFIT		**21,114,981**	**15,009,934**	**-160,847**	**-144,306**
Result of equity investments in group enterprises and associates	4	0	0	16,042,529	10,864,704
Other financial income	5	677,495	448,658	94,192	88,426
Other financial expenses		-2,985,791	-1,701,692	-7,891	-132,683
PROFIT BEFORE TAX		**18,806,685**	**13,756,900**	**15,967,983**	**10,676,141**
Tax on profit/loss for the year	6	-592,207	-596,549	3,995	32,687
PROFIT FOR THE YEAR	7	**18,214,478**	**13,160,351**	**15,971,978**	**10,708,828**

BALANCE SHEET AT 30 SEPTEMBER

		Group		Parent Company	
ASSETS	Note	2023 USD	2022 USD	2023 USD	2022 USD
Land and buildings		191,254	195,706	0	0
Other plant, fixtures and equipment		123,512	177,442	0	0
Ships		76,814,992	50,283,312	0	0
Tangible fixed assets	8	**77,129,758**	**50,656,460**	**0**	**0**
Equity investments in group enterprises		0	0	38,435,915	29,724,301
Rent deposit and other receivables		39,518	39,182	0	0
Fixed assets investments	9	**39,518**	**39,182**	**38,435,915**	**29,724,301**
FIXED ASSETS		**77,169,276**	**50,695,642**	**38,435,915**	**29,724,301**
Raw materials and consumables		858,758	914,883	0	0
Inventories		**858,758**	**914,883**	**0**	**0**
Trade receivables		7,559,459	5,230,361	0	0
Receivables from group enterprises		0	0	1,283,019	1,757,380
Receivables from owners and management		0	371,671	0	371,671
Deferred tax assets	10	111,703	121,964	0	0
Hedging instruments	11	375,790	439,554	0	0
Other receivables		1,097,114	262,984	0	0
Joint tax contribution receivable		0	0	239,311	188,725
Prepayments and accrued income	12	1,554,834	1,169,170	9,379	1,362
Receivables		**10,698,900**	**7,595,704**	**1,531,709**	**2,319,138**
Cash and cash equivalents		**7,762,500**	**10,498,513**	**7,460**	**964**
CURRENT ASSETS		**19,320,158**	**19,009,100**	**1,539,169**	**2,320,102**
ASSETS		**96,489,434**	**69,704,742**	**39,975,084**	**32,044,403**

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	Group 2023 USD	Group 2022 USD	Parent Company 2023 USD	Parent Company 2022 USD
Share Capital	13	668,502	738,169	668,502	738,169
Reserve for net revaluation according to equity value method		0	0	29,993,126	27,509,407
Fair value reserve, hedging		629,904	762,679	0	0
Retained earnings		32,934,747	26,095,722	3,739,853	135,365
Proposed dividend		5,400,000	3,500,000	5,400,000	3,500,000
Minority shareholders		5,041,786	5,093,391	0	0
EQUITY		**44,674,939**	**36,189,961**	**39,801,481**	**31,882,941**
Provision for deferred tax	14	89,773	87,406	0	0
PROVISIONS		**89,773**	**87,406**	**0**	**0**
Bank loan		27,259,538	15,869,101	0	1,923
Financial leasing		521,592	0	0	0
Corporation tax		343,781	381,421	118,405	73,617
Long-term liabilities	15	**28,124,911**	**16,250,522**	**118,405**	**75,540**
Bank loan		5,319,310	3,488,147	0	0
Bank debt		5,740,973	5,101,757	0	0
Financial leasing		146,567	0	0	0
Trade payables		6,307,020	4,445,698	0	0
Payables to group enterprises		0	0	0	15,323
Corporation tax		0	70,544	0	0
Hedging instruments	11	69,011	0	0	0
Other liabilities		4,930,410	3,129,806	55,198	70,599
Accruals and deferred income	16	1,086,520	940,901	0	0
Current liabilities		**23,599,811**	**17,176,853**	**55,198**	**85,922**
LIABILITIES		**51,724,722**	**33,427,375**	**173,603**	**161,462**
EQUITY AND LIABILITIES		**96,489,434**	**69,704,742**	**39,975,084**	**32,044,403**

	Note
Contingencies etc.	17
Charges and securities	18
Related parties	19
Fee to statutory auditor	2

EQUITY

	Group					
	Share capital	Fair value reserve, hedging	Retained earnings	Proposed dividend	Minority shareholders	Total
Equity at 1 October 2022....	738,169	762,679	26,095,726	3,500,000	5,093,390	36,189,964
Prospoped distribution of profit, note 7..................			10,300,811	5,400,000	2,513,667	18,214,478
Transactions with owners						
Dividend paid..................				-3,500,000	-1,042,200	-4,542,200
Capital increase..............			272,087			272,087
Capital reduction.............	-69,667		-3,585,835			-3,655,502
Acquisition min. interests....			-169,244		-1,501,188	-1,670,432
Allocations						
Foreign exchange adjustments....................			21,202		-21,883	-681
Net adjustment of hedging instruments						
Value adjustments in the year............................		-132,775				-132,775
Equity at 30 September 2023............................	**668,502**	**629,904**	**32,934,747**	**5,400,000**	**5,041,786**	**44,674,939**

EQUITY

	Parent Company				
	Share capital	Reserve for net revaluation according to equity value	Retained profit	Proposed dividend	Total
Equity at 1 October 2022	738,169	27,509,407	135,365	3,500,000	31,882,941
Prosposed distribution of profit, note 7		16,042,529	-5,470,551	5,400,000	15,971,978
Transactions with owners					
Dividend paid				-3,500,000	-3,500,000
Capital reduction	-69,667		-3,585,835		-3,655,502
Allocation to reserve					
Foreign exchange adjustments		7,085			7,085
Value adjustments of equity		-905,021			-905,021
Transfers					
Reversal of revaluations in previous years		-1,679,327	1,679,327		0
Received/declared dividend		-10,981,547	10,981,547		0
Equity at 30 September 2023	**668,502**	**29,993,126**	**3,739,853**	**5,400,000**	**39,801,481**

CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER

	Group	
	2022/23 USD	**2021/22** USD
Profit/loss for the year	18,214,478	13,160,351
Depreciation and amortisation, reversed	6,607,015	5,403,299
Reversed realization gains	0	-368,616
Adjustment of other financial expenses	54,776	0
Tax on profit/loss, reversed	592,207	596,549
Other adjustments	0	-77,185
Corporation tax paid	-1,194,669	-484,196
Change in inventories	56,125	-350,207
Change in receivables (ex tax)	-3,322,110	-2,072,358
Change in current liabilities (ex bank and tax)	4,482,908	-344,596
Other cash flows from operating activities	0	435,836
CASH FLOWS FROM OPERATING ACTIVITY	**25,490,730**	**15,898,877**
Purchase of tangible fixed asstets	-33,103,063	-12,405,982
Sale of tangible fixed asstets	0	3,242,782
Purchase of financial assets	0	-36,071
Sale of financial assets	0	16,363
Other cash flows from investing activities	0	222,566
CASH FLOWS FROM INVESTING ACTIVITY	**-33,103,063**	**-8,960,342**
Proceeds from long-term borrowing	18,447,047	15,794,853
Repayments of loans	-4,793,794	-21,329,878
Capital reduction	-3,655,502	0
Change in bank debt	819,114	4,917,474
Dividends paid in the financial year	-4,542,200	-358,163
Other cash flows from financing activities	-1,398,345	0
CASH FLOWS FROM FINANCING ACTIVITY	**4,876,320**	**-975,714**
CHANGE IN CASH AND CASH EQUIVALENTS	**-2,736,013**	**5,962,821**
Cash and cash equivalents at 1. oktober	10,498,513	4,535,692
CASH AND CASH EQUIVALENTS AT 30. SEPTEMBER	**7,762,500**	**10,498,513**
Cash and cash equivalents at 30 September comprise:		
Cash and cash equivalents	7,762,500	10,498,513
CASH AND CASH EQUIVALENTS	**7,762,500**	**10,498,513**

BDO

NOTES

	Group		Parent Company		
	2022/23 USD	**2021/22** USD	**2022/23** USD	**2021/22** USD	**Note**
Net revenue					**1**
Time Charter	8,954,933	9,306,314			
Freight income	60,552,941	52,066,035			
Commission, Sweden	2,383,670	2,130,495			
Administration fees	410,906	90,243			
Commission	-2,778,435	-2,216,324			
Other income	38,750	82,417			
	69,562,765	**61,459,180**			
Segment details (geography)					
Western Europe	52,341,726	48,308,100			
Other	17,221,039	13,151,080			
	69,562,765	**61,459,180**			
Fee to statutory auditor					**2**
Total fee:					
BDO DK	126,776	59,279	10,335	9,586	
BDO SE	7,808	5,948	0	0	
Deloitte DK	0	5,833	0	0	
	134,584	**71,060**	**10,335**	**9,586**	
Specification of fee:					
Statutory audit	46,940	38,226	4,617	3,510	
Assurance engagements	11,934	6,554	0	0	
Other services	75,710	26,280	5,718	6,076	
	134,584	**71,060**	**10,335**	**9,586**	

	Group		Parent Company		
	2022/23 USD	**2021/22** USD	**2022/23** USD	**2021/22** USD	
Staff costs					**3**
Number of full time employees	249	253	2	2	
Wages and salaries	13,852,351	12,716,352	73,437	82,019	
Pensions	488,386	611,971	0	0	
Social security costs	446,684	444,367	0	0	
Other staff costs	140,839	77,269	55	0	
	14,928,260	**13,849,959**	**73,492**	**82,019**	
Remuneration of Executive Board	1,078,944	616,744	0	0	
Remuneration of Board of Directors	62,400	62,400	62,400	62,400	
	1,141,344	**679,144**	**62,400**	**62,400**	

NOTES

	Group		Parent Company		
	2022/23 USD	2021/22 USD	2022/23 USD	2021/22 USD	Note
Result of equity investments in group enterprises and associates					4
Income from investments in subsidiaries	0	0	16,042,529	10,864,704	
	0	**0**	**16,042,529**	**10,864,704**	
Other financial income					5
Group enterprises	0	0	83,019	76,000	
Other interest income	677,495	448,658	11,173	12,426	
	677,495	**448,658**	**94,192**	**88,426**	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year	581,946	584,856	-3,995	-32,687	
Adjustment of deferred tax	10,261	11,693	0	0	
	592,207	**596,549**	**-3,995**	**-32,687**	
Proposed distribution of profit					7
Proposed dividend for the year	5,400,000	3,500,000	5,400,000	3,500,000	
Allocation to reserve for net revaluation according to equity value method	0	0	16,042,529	10,864,704	
Retained earnings	10,300,811	7,278,730	-5,470,551	-3,655,876	
Minority interests share of subsidiaries results	2,513,667	2,381,621	0	0	
	18,214,478	**13,160,351**	**15,971,978**	**10,708,828**	

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Note

Tangible fixed assets 8

	Group		
	Land and buildings	Other plant, fixtures and equipment	Ships
Cost at 1 October 2022	222,812	367,800	67,667,424
Additions	0	39,187	33,111,025
Disposals	0	0	-4,701,518
Cost at 30 September 2023	**222,812**	**406,987**	**96,076,931**
Depreciation and impairment losses at 1 October 2022	27,106	190,358	17,454,011
Reversal of depreciation of assets disposed of	0	0	-4,701,518
Depreciation for the year	4,452	93,117	6,509,446
Depreciation and impairment losses at 30 September 2023	**31,558**	**283,475**	**19,261,939**
Carrying amount at 30 September 2023	**191,254**	**123,512**	**76,814,992**
Finance lease assets			678,270

Fixed assets investments 9

	Group
	Rent deposit and other receivables
Cost at 1 October 2022	39,518
Cost at 30 September 2023	**39,518**
Carrying amount at 30 September 2023	**39,518**

	Parent Company
	Equity investments in group enterprises
Cost at 1 October 2022	14,895
Additions	3,350,098
Disposals	-339
Cost at 30 September 2023	**3,364,654**
Revaluation at 1 October 2022	29,709,406
Exchange adjustment	7,085
Dividend	-8,103,411
Profit/loss for the year	16,042,529
Reversal of revaluation disposed of	-1,679,327
Equity movements	-905,021
Revaluation at 30 September 2023	**35,071,261**
Carrying amount at 30 September 2023	**38,435,915**

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Fixed asset investments (continued) 9
Investments in subsidiaries

Name and registered office	Ownership
Alba Tankers Aalborg ApS, Nørresundby	100 %
- Rederiet Aalborg I ApS, Nørresundby	100 %
- Rederiet Copenhagen I ApS, Nørresundby	100 %
- Rederiet Atlantic I ApS (Under frivillig likvidation), Nørresundby	100 %
- Rederiet Scandinavia I ApS, Nørresundby	100 %
- Rederiet Pacific I ApS, Nørresundby	100 %
- Rederiet Kattegat ApS, Nørresundby	100 %
- Rederiet Scandic ApS, Nørresundby	100 %
- Rederiet Biscay ApS, Nørresundby	100 %
- Rederiet Baltic ApS, Nørresundby	100 %
- Rederiet Nordic ApS, Nørresundby	45 %
- Alba Tankers Poland SP Z.O.O., Swinoujscie, Poland	100 %
- Alba Sweden Holding ApS, Nørresundby	100 %
- Swedmar Shipping Services AB, Göteborg, Sweden	90 %
- Albatankers Sweden AB, Göteborg, Sweden	50 %
Alba Bulk ApS, Nørresundby	100 %
OWAT ApS, Nørresundby	100 %
- Rederiet O.W. Baltic A/S, Nørresundby	100 %
- Amirtol S.A., Montevideo, Uruguay	100 %

Deferred tax assets 10

Provision for deferred tax comprise deferred tax on temporary differences between recognized profits and taxable income due to tax positions taken in foreign subsidiaries.

	Group		Parent Company	
	2023 USD	2022 USD	2023 USD	2022 USD
Deferred tax, beginning of year	121,964	0	0	0
Deferred tax of the year, income statement	-10,261	-11,693	0	0
Deferred tax, consolidation	0	133,657	0	0
Deferred tax assets 30 September 2023	**111,703**	**121,964**	**0**	**0**

The Group's deferred tax asset is recognized in the balance sheet at USD ('000) 112. The tax asset relates to temporary differences between the carrying amount and tax value of the ship O.W. Baltic. The tax asset is recognized on the basis of an expected sale of the ship within a time frame of up to 5 years, in which case the tax asset is expected to be fully utilized.

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Derivative financial instruments 11

The Group has entered an interest rate swap to secure loans with a variable interest rate. The hedge has a fair market value of USD ('000) 376 at 30 September 2023 which has been recognized in other assets and directly to equity.

The interest rate swap has secured a fixed interest at 1.19% for approximately 46% of the Group's loan with variable interest. The interest rate swap expires January 2025.

The fair market value has been calculated on the basis of predicted future interest payments, discounted on the basis of an interest curve for the underlying USD SOFR rate. The fair market value includes an adjustment for own credit risk based on a high credit risk assessment.

The group has entered a foreign exchange collar to secure transactions in foreign currency. The hedge has a fair market value of USD ('000) -69 at 30 September 2023 which has been recognised in other debt and directly to equity.

The hedging instuments impact the Equity as follows:

	Group	
	Interest rate swap	Foreign exchange collar
Fair value at 30 September 2023 (assets)............................	375,790	0
Fair value at 30 September 2023 (liabilities)........................	0	69,011
Value adjustment in the year recognised in Equity................	-63,764	-69,011

Prepayments and accrued income 12

Prepayments include prepaid expenses, including insurance etc. relating to the following financial year.

	2023 USD	**2022** USD	
Share Capital			13
Allocation of share capital:			
Shares, 4,523,232 units in the denomination of 1 DKK. (total share capital DKK 4,523,232 at exchange rate 6.7662)...........	668,502	738,169	
	668,502	**738,169**	

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Note

Provision for deferred tax 14

Provision for deferred tax comprise deferred tax on temporary differences between recognized profits and taxable income due to tax positions taken in foreign subsidiaries.

	Group		Parent Company	
	2023 USD	**2022** USD	**2023** USD	**2022** USD
Deferred tax, beginning of year......	87,406	111,287	0	0
Deferred tax of the year, equity.....	2,367	-23,881	0	0
Provision for deferred tax 30 September 2023......................	**89,773**	**87,406**	**0**	**0**

Long-term liabilities 15

	Group			
	30/9 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**30/9 2022 total liabilities**
Bank loan...	32,578,848	5,319,310	1,180,000	19,538,974
Financial leasing.................................	668,159	146,567	0	0
Corporation tax..................................	343,781	0	0	381,421
	33,590,788	**5,465,877**	**1,180,000**	**19,920,395**

	Parent Company			
	30/9 2023 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**30/9 2022 total liabilities**
Bank loan...	0	0	0	1,923
Corporation tax..................................	118,405	0	0	73,617
	118,405	**0**	**0**	**75,540**

Accruals and deferred income 16

Accruals and deferred include payments received regarding income in subsequent years.

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Contingencies etc. 17

The company is jointly and severally liable for affiliates' facilities with NIBC Bank N.V.

The company is jointly and severally liable for Alba Tankers Aalborg ApS' facilities with Nykredit Bank A/S.

The company is jointly liable for 45% of Rederiet Nordic ApS´ facility with Svenska Skeppshypotekskassan. At 30 September 2023 the loan balance is USD('000) 3,500.

The company is jointly liable for 100% of Rederiet Biscay ApS´ facility with Svenska Skeppshypotekskassan. At 30 September 2023 the loan balance is USD('000) 6,185.

Contractual obligations

The group has entered leases with annual rent of USD ('000) 149 and commitments for the termination periods of USD('000) 373.

The group has entered leasing contracts with annual lease payments of USD('000) 85 with a remaining leasing period of up to 20 months at 30 September 2023, and a remaining leasing commitment of USD('000) 106.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to USD ('000) 119 at the balance sheet date.

Charges and securities 18

As collateral for facilities with NIBC Bank N.V. the group has issued 4 indemnity letters of each nom 27 million USD with 1st priority security in 4 vessels with a total book value of USD 45.7 million.

As collateral for a facility with Svenska Skeppshypotekskassan the group has issued an indemnity letter of 6.44 million USD with 1st priority security in 1 vessel with a total book value of USD('000) 9,068 and an indemnity letter of USD('000) 8,131 with 1st priority security in 1 vessel with a total book value of USD('000) 9,795.

As collateral for facilities with Nykredit Bank A/S the group has issued 3 indemnity letters of each nom 6 million DKK with 1st priority security in 3 vessels with a book value of USD 10.2 million.

In addition, the group has granted a 1st priority assignment of all insurances in relation to 9 vessels with af book value of USD 74.7 million and a 1st priority security in bank accounts with a balance of USD('000) 1,457 at 30 September 2022, which are free and available until event of default has occurred.

As security for facilities with NIBC Bank N.V. the group has pledged shares in Rederiet Pacific I ApS, Rederiet Kattegat ApS, Rederiet Scandic ApS and Rederiet Baltic ApS.

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Related parties 19

The parent company's and the Group's related parties include:

Controlling interest

None of the company's shareholders have a controlling interest.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Alba Shipping & Trading A/S for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act for large-size enterprises in reporting class C.

The figures in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company's activities are settled in this currency. The exchange rate of USD against DKK is 7.0390 at 30 September 2023 and 7.6287 at 30 September 2022.

The Annual Report is prepared with the following accounting principles.

Consolidated Financial Statements
The consolidated financial statements include the parent company Alba Shipping & Trading A/S and its subsidiaries in which Alba Shipping & Trading A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

Minority interests
The accounting items of the subsidiaries are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue
Net revenue comprise chartering and freight income generated by the Group's Vessel´s and is recognized in the income statement as delivery of the service according to contracts takes place. Net revenue is recognized exclusive of VAT, duties and less commisions related to the sale.

Net revenue from technical management, inspections etc. in connection with ship operating activities is recognized in the income statement over the lifetime of the contracts or as the work is performed.

Revenue is combined with costs in accordance with the Danish Financial Statements Act.

Other operating income
Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption, conflict compensations and wage refunds are included. Compensations are recognised when the income is deemed to be realisable.

Direct costs
Direct costs comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables to operate the Vessel´s, bunker fuel, port fees etc.

Other external expenses
Other external expenses include cost of sales, administration etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. The crew is paid according to the DIS scheme, except for one Vessel, where the crew is paid according to the DAS scheme.

Result of equity investments in group enterprises and associates
The proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the parent company.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial leasing interest, realised and unrealised gains and losses arising from investments in financial assets, realised and unrealised gains and losses arising from debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax
The tax for the year, which consists of the current tax for the year, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The Group's current tax on shipping activities is calculated in accordance with the provisions of the tonnage tax legislation.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets
Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Ships are measured at cost with addition of any revaluations and less accumulated depreciation and impairment losses.

The depreciation basis is cost plus any revaluations and less the estimated residual value after completion of the useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings..	40 years	20 %
Ships...	11-25 years	8-30 %
Other plant, fixtures and equipment...	3-8 years	0-30 %

Capitalised ship inspection costs are depreciated separately over 2.5 years.

Profits or losses on sale of tangible fixed assets are calculated as the difference between sales price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or other operating expenses.

Lease contracts
Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability and the interest portion of the lease payment is recognised in the income statement over the term of the contract.

Fixed assets investments
Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises’ carrying equity value, calculated in accordance with the Parent Company’s accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

ACCOUNTING POLICIES

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets
The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the value is written down to the lower value.

The cost of raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments and accrued income, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

The amortised cost of current liabilities corresponds usually to nominal value.

Accruals and deferred income, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments
The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

Refering to section 86 Act. 4 of the Danish Financial Statements Act, the parent company has chosen not to compile cash flow statement. A cash flow statement has been compiled for the Group.

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash in hand.