
Weco Shipping A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 1 January - 31 December 2022

CVR No 36 95 90 96

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/3 2023

Christian Thuesen
Chairman of the General
Meeting



pwc

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Weco Shipping A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

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

Rungsted Kyst, 30 March 2023

Executive Board

Rasmus Lund-Jacobsen

Board of Directors

Johan Wedell-Wedellsborg
Chairman

Oluf Myhrmann

Rasmus Lund-Jacobsen

Jakob Vissing

Johnny Schmølker

Lars Vedfelt

Independent Auditor's Report

To the Shareholder of Weco Shipping A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Weco Shipping A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Hellerup, 30 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Martin Birch
State Authorised Public Accountant
mne42825

Company Information

The Company

Weco Shipping A/S
Rungsted Strandvej 113
DK-2960 Rungsted Kyst

Telephone: + 45 45 17 77 77

CVR No: 36 95 90 96

Financial period: 1 January - 31 December

Municipality of reg. office: Hørsholm

Board of Directors

Johan Wedell-Wedellsborg, Chairman
Oluf Myhrmann
Rasmus Lund-Jacobsen
Jakob Vissing
Johnny Schmølker
Lars Vedfelt

Executive Board

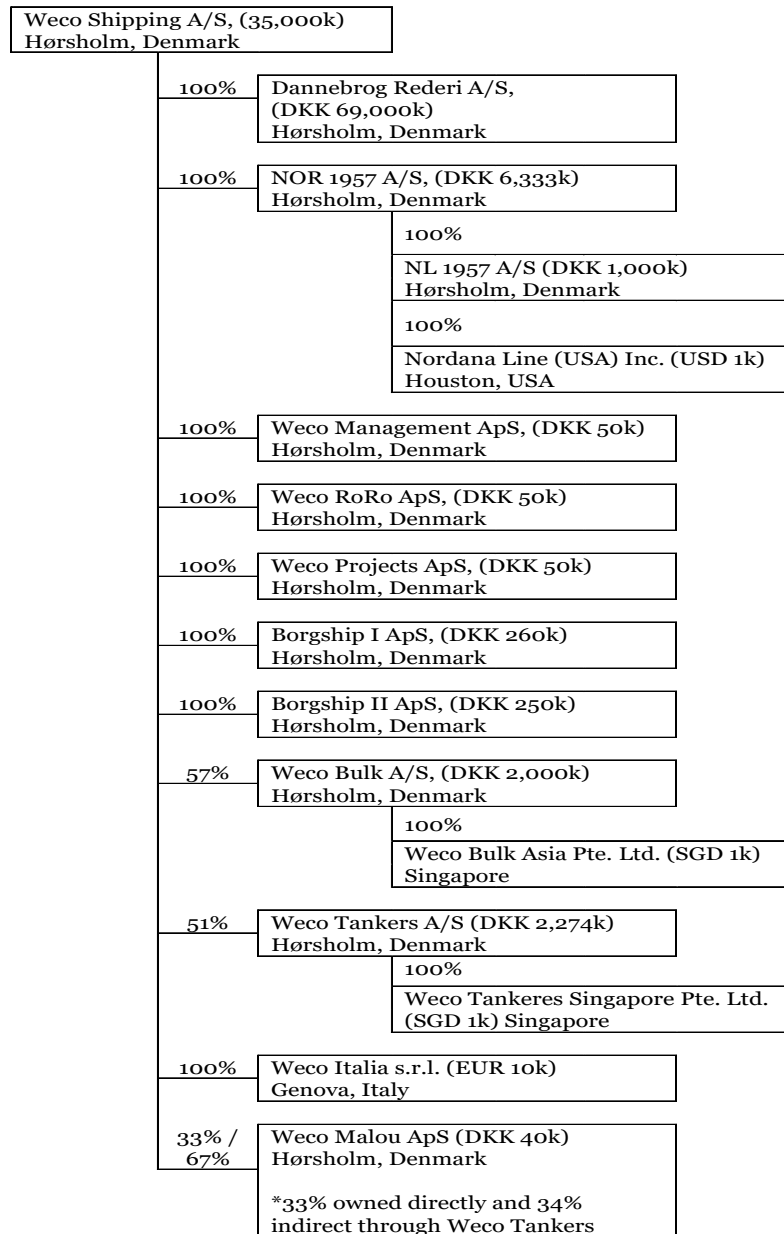
Rasmus Lund-Jacobsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart

Consolidated Companies



Financial Highlights

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

	Group				
	2022	2021	2020	2019	2018
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	674.279	387.535	186.439	186.664	162.100
Operating profit/loss	124.435	65.246	-12.053	-57	-7.329
Profit/loss before financial income and expenses	139.362	65.704	-11.100	2.553	-4.860
Net financials	14.428	6.783	-1.563	-2.598	3.688
Net profit/loss for the year	152.426	72.490	-12.603	469	-1.131
Balance sheet					
Balance sheet total	335.738	238.075	156.592	165.521	153.291
Equity	262.620	148.399	79.036	89.152	89.787
Cash flows					
Cash flows from:					
- operating activities	119.683	50.112	-13.283	-	-
- investing activities	45.303	-1.292	2.923	-	-
including investment in property, plant and equipment	-9	-2.192	-989	-	-
- financing activities	-87.457	-8.614	1.612	-	-
Change in cash and cash equivalents for the year	77.529	40.206	-8.748	-	-
Number of employees	55	47	48	45	47

Financial Highlights

	Group				
	2022	2021	2020	2019	2018
	TUSD	TUSD	TUSD	TUSD	TUSD
Ratios					
Gross margin	24,5%	22,2%	4,8%	8,4%	3,1%
Profit margin	20,7%	17,0%	-6,0%	1,4%	-3,0%
Return on assets	41,5%	27,6%	-7,1%	1,5%	-3,2%
Solvency ratio	78,2%	62,3%	50,5%	53,9%	58,6%
Return on equity	74,2%	63,7%	-15,0%	0,5%	-1,2%

The Cashflow for the comparative years 2018 - 2019 is not disclosed in the financial highlights report, as the company with reference to section 86(4) of the Danish Financial Statements Act did not prepare a cash flow statement, as it was included in the cash flow statement for the consolidated financial statements of Weco A/S.

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

Management's Review

Key activities

The primary activity of the Group is shipping operations.

Development in the year

The income statement of the Group for 2022 shows a profit of TUSD 152,426, and at 31 December 2022 the balance sheet of the Group shows equity of TUSD 262,620.

Weco Shipping delivered our best ever result of TUSD 152,426, with record results recorded in both Weco Bulk, and Weco Tankers, as well as on own vessels.

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

Management is very pleased with the strong results, which exceeded guidance given in the 2021 annual report. Weco Bulk delivered another record result and capitalized on delivery of more long term-chartered vessels at competitive TC rates, as well as the dedicated freight focus from our four offices globally. Weco Tankers recorded a record result in a product tanker market which strengthened considerably during the year. Given the very high demand for tonnage carrying containers, Weco sold our fleet of four MPP vessels at the height of the container and multipurpose markets, at levels substantially higher than book value.

Operating risks and financial risks

Market risks

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

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

Foreign exchange risks

Most of the income from shipping activities is in USD, with a small amount of income in EUR. With most operational expenses being in USD and administrative expenses being in USD and DKK, the company have only limited foreign exchange risk.

Management's Review

Interest rate risks

The interest rate risk on floating-rate loans is limited to approximately half of the loans on the fleet, as the other vessels are financed with fixed interest rate loans.

Targets and expectations for the year ahead

Management expects strong results from Weco Tankers in 2023, in a product tanker market which have started the year strong. In Weco Bulk, management does not expect the same tail-wind from the Handy-, Supra- and Ultramax dry bulk markets we have seen in recent years. From own vessels, management expect a lower result after the sale of the MPP fleet, which contributed significantly both from TC earnings and vessel sales in 2022. Management expects a result in the range of USD 30-50 million in 2023.

Research and development

The Group is not involved in research and development activities.

External environment

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

Intellectual capital resources

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

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

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

Management's Review

Statement in compliance with section 99 (a) of the Danish Financial Statements Act

The mission statement of Weco Shipping is “We are dedicated to innovative and individual shipping solutions”.

The main activities within the Company contains shipping and includes 8 owned and long-term chartered Bulk, Tank, Project and RoRo vessels, as well as Weco Bulk and Weco Tanker operating about 53 short-term chartered vessels from external suppliers as their business model. This operation is carried out from offices in Denmark, USA, Brazil and Singapore with 55 staff in total.

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

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

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

Assessment of risks

Climate change and the environment

It is the ambition to continuously improve energy efficiency with all vessels. Consequently, The Group is always inquiring about energy efficiency when engaging a supplier including contractual terms ensuring the supplier vessel is compliant with low-sulfur bunker regulation. In 2022, we have included contractual terms about low-sulfur bunker regulation compliance in all new contracts, and we will continue this in the future.

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

Management's Review

Human rights

The Group respects and recognizes human rights, the rights of the child and all International Labor Organization (ILO) charters. With its current business model we don't employ crew on the vessels. When selecting a supplier, it is contractually ensured that the responsibility of work and employment conditions belong to the supplier and that the ITF are granted access to check and review compliance in accordance with international agreements. In 2022, we have included contractual terms about responsibility of work and employment contracts in all new contracts, and we will continue this in the future.

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

Anti-corruption

Weco Shipping has a zero tolerance towards corruption and bribery practices. Contracts with both customers and suppliers follow the standards provided by BIMCO. Port costs forwarded by chartered vessels that are to be paid by Weco Shipping undergo quality assurance and approval from an external service provider, which know all official rates in ports. Further, all costs related to voyages are approved directly by management applying a four eye principle, so the risks related to corruption and bribery are considered very low. In 2022, we have followed the anti-corruption procedures described above and we will continue to do so in the future.

Employees

Weco Shipping believe that personal development is key to the success and well-being of the company's employees and thereby the success of the Company itself. To attract and maintain qualified employees is critical to the Company's growth.

Policies on CSR

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

Policy regarding employees

It is the policy to enable Weco Shipping to attract, retain and evolve the best possible employees, meaning employees that are highly qualified and motivated to successfully manage present and future assignments.

Activities and results

In 2022, annual meetings have been held with all employees where the performance of the individual was assessed and evaluated and where targets for 2022 were decided in agreement with the employee. In 2023, we will continue with annual meetings to assess and evaluate the performance of the individual employees.

Management's Review

Weco Shipping has ensured paid health insurance for all employees and has in 2022 continued its offer for employees to be able to work from home, in the light of Covid 19 and to provide grounds for a healthy work life balance.

Statement in compliance with section 99 (b) of the Danish Financial Statements Act

Target for the Board of WECO Shipping A/S

In 2019 Weco Shipping A/S set a target to have 40% women on the Board of Directors by 2024. Being a company managed directly by the owners and given the development of the business, it has not been possible for Weco Shipping A/S to either add or occupy one of the five positions of the Board with a woman. In general, there are not many female candidates available, and further the general assembly and the owners have not seen the need to make adjustments to the current board leading to that there are still only men on the Board at the end of 2022.

Policy for increasing the number of women on other management levels

Due to recent development, Weco Shipping A/S has within the reporting year grown the number of employees to above 50. As a consequence, we have for the reporting year 2022 installed a policy to increase the underrepresented gender in other management as per requirements from §139 of the Danish Companies Act. Due to the recent installment of the policy, we have not yet developed any specific action plans to support the implementation of the policy. In 2022, we have obtained a satisfying result taking into consideration the short time frame for our efforts in this regard. Going forward, we plan to continue our efforts to develop action plans to achieve a balanced gender representation in other management levels.

Statement on data ethics in accordance with section 99 d of the Danish Financial Statements Act

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

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

Uncertainty relating to recognition and measurement

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

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2022	2021	2022	2021
		TUSD	TUSD	TUSD	TUSD
Revenue	1	674.279	387.535	0	0
Other operating income		14.927	458	349	0
Vessel operating costs		-519.730	-299.141	0	0
Other external expenses		-4.019	-2.654	-54	-23
Gross profit/loss		165.457	86.198	295	-23
Staff expenses	2	-21.681	-14.972	-149	-162
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-4.414	-5.522	-105	-105
Profit/loss before financial income and expenses	4	139.362	65.704	41	-290
Income from investments in subsidiaries	5	0	0	95.701	41.196
Income from investments in associates	6	10.422	10.453	567	213
Financial income	7	4.840	277	2.019	1.232
Financial expenses	8	-834	-3.947	-284	-182
Profit/loss before tax		153.790	72.487	98.044	42.169
Tax on profit/loss for the year	9	-1.364	3	0	0
Net profit/loss for the year		152.426	72.490	98.044	42.169

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022 TUSD	2021 TUSD	2022 TUSD	2021 TUSD
Goodwill		0	22	0	0
Intangible assets	10	0	22	0	0
Other fixtures and fittings, tools and equipment		465	568	378	483
Vessels		32.739	76.497	0	0
Property, plant and equipment	11	33.204	77.065	378	483
Investments in subsidiaries	12	0	0	147.733	76.550
Investments in associates	13	43.365	33.430	2.044	1.963
Other investments	14,18	0	309	0	0
Fixed asset investments		43.365	33.739	149.777	78.513
Fixed assets		76.569	110.826	150.155	78.996
Inventories		16.975	9.741	0	0
Trade receivables		26.122	16.208	122	0
Receivables from group enterprises		28.806	11.167	45.855	51.617
Receivables from associates		16	5	0	0
Other receivables	15,22	10.859	9.055	0	0
Deferred tax asset	20	2	1	0	0
Prepayments	16	42.650	32.714	0	0
Receivables		108.455	69.150	45.977	51.617
Current asset investments	17	7.852	0	7.852	0
Cash at bank and in hand		125.887	48.358	2.813	1.823
Currents assets		259.169	127.249	56.642	53.440
Assets		335.738	238.075	206.797	132.436

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 TUSD	2021 TUSD	2022 TUSD	2021 TUSD
Share capital		5.718	5.718	5.718	5.718
Reserve for net revaluation under the equity method		0	0	16.251	0
Reserve for hedging transactions		-332	43	0	43
Retained earnings		189.862	107.768	173.279	107.768
Equity attributable to shareholders of the Parent Company		195.248	113.529	195.248	113.529
Minority interests		67.372	34.870	0	0
Equity		262.620	148.399	195.248	113.529
Lease obligations		15.168	41.109	0	0
Payables to associates		0	6.051	0	0
Long-term debt	21	15.168	47.160	0	0
Lease obligations	21	3.777	5.967	0	0
Trade payables		25.274	10.832	0	0
Payables to group enterprises		0	0	11.528	18.871
Payables to associates	21	936	0	0	0
Corporation tax		58	0	0	0
Other payables	22	10.614	9.487	21	36
Deferred income	23	17.291	16.230	0	0
Short-term debt		57.950	42.516	11.549	18.907
Debt		73.118	89.676	11.549	18.907
Liabilities and equity		335.738	238.075	206.797	132.436
Distribution of profit	19				
Contingent assets, liabilities and other financial obligations	24				
Related parties	25				
Fee to auditors appointed at the general meeting	26				
Accounting Policies	27				

Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	5.718	0	43	107.768	113.529	34.870	148.399
Cash capital increase	0	0	0	0	0	6	6
Extraordinary dividend paid	0	0	0	-15.000	-15.000	-21.566	-36.566
Exchange adjustments relating to foreign entities	0	0	0	-950	-950	0	-950
Fair value adjustment of hedging instruments, end of year	0	0	-375	0	-375	-320	-695
Net profit/loss for the year	0	0	0	98.044	98.044	54.382	152.426
Equity at 31 December	5.718	0	-332	189.862	195.248	67.372	262.620

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	5.718	0	43	107.768	113.529	0	113.529
Extraordinary dividend paid	0	0	0	-15.000	-15.000	0	-15.000
Exchange adjustments relating to foreign entities	0	0	0	-950	-950	0	-950
Fair value adjustment of hedging instruments, beginning of year	0	43	-43	0	0	0	0
Fair value adjustment of hedging instruments, end of year	0	-375	0	0	-375	0	-375
Net profit/loss for the year	0	16.583	0	81.461	98.044	0	98.044
Equity at 31 December	5.718	16.251	0	173.279	195.248	0	195.248

Cash Flow Statement 1 January - 31 December

Note	Group	
	2022 TUSD	2021 TUSD
Net profit/loss for the year	152.426	72.490
Adjustments	-22.905	1.270
Change in working capital	-12.952	-19.978
Cash flows from operating activities before financial income and expenses	116.569	53.782
Financial income	3.947	278
Financial expenses	-833	-3.948
Cash flows from operating activities	119.683	50.112
Investment in associates	-13.000	-1.750
Purchase of property, plant and equipment	-9	-2.192
Sale of associates	0	160
Sale of property, plant and equipment	51.689	0
Sale of fixed asset investments etc	1.202	0
Purchase of securities	-8.066	0
Dividends received from associates	13.487	2.490
Cash flows from investing activities	45.303	-1.292
Reduction of lease obligations	-28.131	-8.272
Changes in receivables to group enterprises	-17.640	-4.452
Repayment of payables to associates	-5.115	-70
Raising of loans from associates	0	6.051
Changes in receivables to associates	-11	0
Minority interests	6	64
Dividend paid	-36.566	-1.935
Cash flows from financing activities	-87.457	-8.614

Pengestrømsopgørelse 1. januar - 31. december

	<u>Note</u>	<u>2022</u> TUSD	<u>2021</u> TUSD
Change in cash and cash equivalents		77.529	40.206
Cash and cash equivalents at 1 January		<u>48.358</u>	<u>8.152</u>
Cash and cash equivalents at 31 December		<u>125.887</u>	<u>48.358</u>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		125.887	48.358
Current asset investments		<u>0</u>	<u>0</u>
Cash and cash equivalents at 31 December		<u>125.887</u>	<u>48.358</u>

Notes to the Financial Statements

	Group		Parent Company	
	2022 TUSD	2021 TUSD	2022 TUSD	2021 TUSD
1 Revenue				
Geographical segments				
Globally	674.279	387.535	0	0
	674.279	387.535	0	0
Business segments				
Tank	262.500	104.815	0	0
Bulk	379.467	262.136	0	0
Project	25.688	14.805	0	0
RoRo	6.624	5.779	0	0
	674.279	387.535	0	0
2 Staff expenses				
Wages and salaries	20.753	14.086	149	162
Pensions	594	556	0	0
Other social security expenses	43	36	0	0
Other staff expenses	291	294	0	0
	21.681	14.972	149	162
Including remuneration to the Executive Board and Board of Directors	3.008	1.274	3.008	1.274
Average number of employees	55	47	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TUSD	TUSD	TUSD	TUSD
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	22	44	0	0
Depreciation of property, plant and equipment	4.392	4.874	105	105
Reversal of Impairment of vessels	0	-4.100	0	0
Impairment of vessels	0	4.704	0	0
	4.414	5.522	105	105
4 Special items				
Impairment of vessels	0	4.704	0	0
Reversal of Impairment of vessels	0	-4.100	0	0
Reversal of impairment of Associates, recognized as results from associates	0	-2.142	0	0
Reversal of impairment of Subsidiaries, recognized as depreciation, Good-/Badwill in subsidiaries	0	0	0	-4.100
Profit on sale of vessels, Other operating income	14.365	0	0	0
Loss on sale of group enterprises, income from investments in subsidiaries	0	0	-10.605	0
	14.365	-1.538	-10.605	-4.100

Notes to the Financial Statements

	Parent Company			
	<u>2022</u>		<u>2021</u>	
	TUSD		TUSD	
5 Income from investments in subsidiaries				
Results from investments in group enterprises	106.881		37.569	
Depreciation, Good-/badwill	-575		3.627	
Profit / loss from sale of group enterprises	-10.605		0	
	95.701		41.196	
	Group		Parent Company	
	<u>2022</u>		<u>2021</u>	
	TUSD		TUSD	
6 Income from investments in associates				
Results from associates	10.422	10.525	567	213
Loss from sale of associates	0	-72	0	0
	10.422	10.453	567	213
7 Financial income				
Interest received from group enterprises	840	114	1.542	1.157
Other financial income	1.162	163	109	71
Exchange gains	2.838	0	368	4
	4.840	277	2.019	1.232
8 Financial expenses				
Interest paid to group enterprises	0	0	171	125
Other financial expenses	834	2.846	113	57
Exchange adjustments, expenses	0	1.101	0	0
	834	3.947	284	182

Notes to the Financial Statements

	Group		Parent Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	TUSD	TUSD	TUSD	TUSD
9 Tax on profit/loss for the year				
Current tax for the year	1.304	1	0	0
Deferred tax for the year	-1	-4	0	0
Adjustment of tax concerning previous years	61	0	0	0
	<u>1.364</u>	<u>-3</u>	<u>0</u>	<u>0</u>

10 Intangible assets

Group

	<u>Goodwill</u> TUSD
Cost at 1 January	<u>130</u>
Cost at 31 December	<u>130</u>
Impairment losses and amortisation at 1 January	108
Amortisation for the year	<u>22</u>
Impairment losses and amortisation at 31 December	<u>130</u>
Carrying amount at 31 December	<u>0</u>
Amortised over	<u>3 years</u>

Notes to the Financial Statements

11 Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment	Vessels	Total
	TUSD	TUSD	TUSD
Cost at 1 January	2.127	140.871	142.998
Exchange adjustment	-5	-4.139	-4.144
Additions for the year	45	0	45
Disposals for the year	0	-76.040	-76.040
Cost at 31 December	<u>2.167</u>	<u>60.692</u>	<u>62.859</u>
Impairment losses and depreciation at 1 January	1.559	64.374	65.933
Exchange adjustment	-3	-1.951	-1.954
Depreciation for the year	146	4.246	4.392
Reversal of impairment and depreciation of sold assets	0	-38.716	-38.716
Impairment losses and depreciation at 31 December	<u>1.702</u>	<u>27.953</u>	<u>29.655</u>
Carrying amount at 31 December	<u>465</u>	<u>32.739</u>	<u>33.204</u>
Depreciated over	<u>3-10 years</u>	<u>2-25 years</u>	
Including assets under finance leases amounting to	<u>0</u>	<u>32.739</u>	<u>32.739</u>

Notes to the Financial Statements

11 Property, plant and equipment (continued)

Parent Company

	Other fixtures and fittings, tools and equipment
	<u>TUSD</u>
Cost at 1 January	<u>1.052</u>
Cost at 31 December	<u>1.052</u>
Impairment losses and depreciation at 1 January	569
Depreciation for the year	<u>105</u>
Impairment losses and depreciation at 31 December	<u>674</u>
Carrying amount at 31 December	<u>378</u>
Depreciated over	<u>3-10 years</u>

Notes to the Financial Statements

	Parent Company	
	2022	2021
	TUSD	TUSD
12 Investments in subsidiaries		
Cost at 1 January	150.078	149.913
Additions for the year	0	165
Disposals for the year	-19.400	0
Cost at 31 December	<u>130.678</u>	<u>150.078</u>
Value adjustments at 1 January	-80.096	-115.729
Disposals for the year	8.796	0
Exchange adjustment	-950	-1.011
Net profit/loss for the year	106.881	37.570
Dividend to the Parent Company	-35.334	-4.465
Amortisation of goodwill/badwill	-575	3.626
Change in hedging	-375	0
Other adjustments	17.614	-87
Value adjustments at 31 December	<u>15.961</u>	<u>-80.096</u>
Equity investments with negative net asset value amortised over receivables	<u>1.094</u>	<u>6.568</u>
Carrying amount at 31 December	<u>147.733</u>	<u>76.550</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>22.724</u>	<u>22.724</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Dannebrog Rederi A/S	Hørsholm, Denmark	DKK 69,000k	100%
NOR 1957 A/S	Hørsholm, Denmark	DKK 6,333k	100%
Weco Management ApS	Hørsholm, Denmark	DKK 50k	100%
Weco Projects ApS	Hørsholm, Denmark	DKK 50k	100%
Weco RoRo ApS	Hørsholm, Denmark	DKK 50k	100%
Weco Bulk A/S	Hørsholm, Denmark	DKK 2,000k	57%
Borgship I ApS	Hørsholm, Denmark	DKK 260k	100%
Weco Italia s.r.l.	Genova, Italy	EUR 10k	100%
Weco Tankers A/S	Hørsholm, Denmark	DKK 2,274k	54%
Borgship II ApS	Hørsholm, Denmark	DKK 250k	100%

Notes to the Financial Statements

All foreign subsidiaries are recognised and measured as separate entities.

	Group		Parent Company	
	2022 TUSD	2021 TUSD	2022 TUSD	2021 TUSD
13 Investments in associates				
Cost at 1 January	22.901	31.646	1.750	0
Additions for the year	13.000	1.750	4	1.750
Disposals for the year	0	-10.495	0	0
Cost at 31 December	<u>35.901</u>	<u>22.901</u>	<u>1.754</u>	<u>1.750</u>
Value adjustments at 1 January	10.529	-7.841	213	0
Net profit/loss for the year	10.422	10.525	567	213
Dividends received	-13.487	-2.490	-490	0
Reversals for the year of revaluations in previous years	0	10.335	0	0
Value adjustments at 31 December	<u>7.464</u>	<u>10.529</u>	<u>290</u>	<u>213</u>
Carrying amount at 31 December	<u>43.365</u>	<u>33.430</u>	<u>2.044</u>	<u>1.963</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	1.277	1.277	1.277	1.277

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Stenwec I P/S	Hørsholm, Denmark	DKK 500k	50%
Komplementarselskabet Stenwec ApS	Hørsholm, Denmark	DKK 50k	50%
Copenhagen Commercial Platform ApS	Hørsholm, Denmark	DKK 78k	25%
Weco Malou ApS	Hørsholm, Denmark	DKK 40k	33%
Golden Weco Dry Bulk	Liberia	USD 0k	50%
Grace Harmony Singapore Pte. Ltd.	Singapore	USD 26,000k	50%
Thaiden Maritime Ltd.	Thailand	USD 7,139K	49%

All foreign associates are recognised and measured as separate entities.

Notes to the Financial Statements

14 Other fixed asset investments

	Group
	Other investments
	TUSD
Cost at 1 January	957
Disposals for the year	-957
Cost at 31 December	<u>0</u>
Revaluations for the year	245
Reversal of revaluations on sold assets	-245
Revaluations at 31 December	<u>0</u>
Impairment losses at 1 January	648
Reversal for the year of previous years' impairment losses	-648
Carrying amount at 31 December	<u>0</u>

15 Other receivables

Other receivables USD 8,693k relate to loans to two minority shareholders in Weco Bulk A/S. The loans are issued in accordance with the Danish Private Companies Act's §210. The interest rate on the loans is 5%, and the loans are expected to be settled in 2023 as part of the distributions of dividends.

16 Prepayments

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

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TUSD	TUSD	TUSD	TUSD
17 Current asset investments				
Shares	7.852	0	7.852	0
	7.852	0	7.852	0

18 Investments at fair value

	Value adjust- ment, income statement	Fair value at 31 December
	TUSD	TUSD
Group		
Current asset investments	214	7.852
Parent Company		
Current asset investments	214	7.852

The Group's investments in Current Asset investments consist of listed shares and investments in private equity funds.

For Private Equity funds, the fair value is determined on basis of information provided by the individual Private Equity funds for an example received quarterly reports where the valuation models DCF and multiples are used. A decrease or an increase in the used assumptions will have a direct effect on the fair value.

19 Distribution of profit

Extraordinary dividend paid	15.000	0	15.000	0
Reserve for net revaluation under the equity method	0	0	16.583	0
Minority interests' share of net profit/loss of subsidiaries	54.382	30.321	0	0
Retained earnings	83.044	42.169	66.461	42.169
	152.426	72.490	98.044	42.169

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TUSD	TUSD	TUSD	TUSD
20 Deferred tax asset				
Deferred tax asset at 1 January	1	-3	0	0
Amounts recognised in the income statement for the year	1	4	0	0
Deferred tax asset at 31 December	2	1	0	0

21 Long-term debt

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

The debt falls due for payment as specified below:

Lease obligations

After 5 years	0	12.314	0	0
Between 1 and 5 years	15.168	28.795	0	0
Long-term part	15.168	41.109	0	0
Within 1 year	3.777	5.967	0	0
	18.945	47.076	0	0

Payables to associates

Between 1 and 5 years	0	6.051	0	0
Long-term part	0	6.051	0	0
Other short-term debt to associates	936	0	0	0
	936	6.051	0	0

Notes to the Financial Statements

22 Derivative financial instruments

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

Hedge Accounting Applied:

-Oil contracts with a duration of 0-12 months.

	Group		Parent Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	TUSD	TUSD	TUSD	TUSD
Assets	0	69	0	0
Liabilities	627	0	0	0

Group

	<u>Value adjust- ment, income statement</u>	<u>Value adjust- ment, equity</u>	<u>Fair value at 31 December</u>
	TUSD	TUSD	TUSD
Oil contracts (Hedging applied)	0	627	-627

Notes to the Financial Statements

23 Deferred income

Deferred income consists of payments received in respect of income in subsequent years and accruals regarding costs for open voyages.

24 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

The Group has entered into operating lease agreements with a total future lease payment of tUSD 591 (2020: tUSD 349)

The Group has entered into operating rental agreements with a total future rental payment of tUSD 380 (2021: tUSD 394)

Contingent liabilities

The Group's contractual obligations relating to short-term chartering of vessels total tUSD 281,580 (2021: tUSD 275,297).

Other contingent liabilities

The Parent Company has given notice of support on going concern to some of the subsidiaries.

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

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Weco A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

25 Related parties

Basis

Controlling interest

Weco A/S Sole shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

Name	Place of registered office
Weco A/S	Hørsholm, Denmark

26 Fee to auditors appointed at the general meeting

	Group		Parent Company	
	2022 TUSD	2021 TUSD	2022 TUSD	2021 TUSD
Audit fee to PricewaterhouseCoopers	107	95	25	20
Tax advisory services	62	43	8	7
Non-audit services	14	24	11	22
	183	162	44	49

Notes to the Financial Statements

27 Accounting Policies

The Annual Report of Weco Shipping A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Consolidated and Parent Company Financial Statements for 2022 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2022 : DKK 697,22 (2021: DKK 656,12).

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Weco Shipping A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

27 Accounting Policies (continued)

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

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

Leases

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Notes to the Financial Statements

27 Accounting Policies (continued)

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Hedge accounting

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

Segment information on revenue

Information on business segments and geographical segments based on the Group's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Vessel operating costs

Vessel operating costs comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

27 Accounting Policies (continued)

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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

The Group is comprised by the tonnage tax regime.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 3 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Notes to the Financial Statements

27 Accounting Policies (continued)

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

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

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

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

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at USD 0, and any receivables from these companies are written down to the extent that the receivable is irrecoverable. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Other investments, recognised as fixed asset investments, consist of shares that are measured at their fair value at the balance sheet date.

Notes to the Financial Statements

27 Accounting Policies (continued)

Inventories

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

Receivables

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

Prepayments

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

Current asset investments

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

Equity

Dividend

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

27 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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

Deferred income

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

27 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year}}{\text{Average equity}}$