
Weco Shipping A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 2023

CVR No. 36 95 90 96

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

Christian Thuesen
Chairman of the
general meeting



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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 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

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

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

Hørsholm, 22 March 2024

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 2023 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Weco Shipping A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's report

Hellerup, 22 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Martin Birch
State Authorised Public Accountant
mne42825

Company information

The Company	Weco Shipping A/S Rungsted Strandvej 113 DK-2960 Rungsted Kyst CVR No: 36 95 90 96 Financial period: 1 January - 31 December Municipality of reg. office: Rungsted Kyst
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

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Weco Shipping A/S	Hjemsted	
Dannebrog Rederi A/S, (DKK 69,000k)	Hørsholm, Denmark	100
NOR 1957 A/S, (DKK 6,333k)	Hørsholm, Denmark	100
NL 1957 A/S (DKK 1,000k)	Hørsholm, Denmark	100
Nordana Line (USA) Inc. (USD 1k)	Houston, USA	100
Weco Projects ApS, (DKK 50k)	Hørsholm, Denmark	100
Weco Bulk A/S, (DKK 2,000k)	Hørsholm, Denmark	57
Weco Bulk Asia Pte. Ltd (SGD 1k)	Singapore	100
Weco Tankers A/S (DKK 2,274k)	Hørsholm, Denmark	51
Weco Italia s.r.l. (EUR 10k)	Genova, Italy	100
Weco Malou ApS (DKK 40k)*	Hørsholm, Denmark	33/50

*33% owned directly and 34% indirect through Weco Tankers

Financial Highlights

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

	Group				
	2023	2022	2021	2020	2019
	TUSD	TUSD	TUSD	TUSD	TUSD
Key figures					
Profit/loss					
Revenue	535,110	674,279	387,535	186,439	186,664
Profit/loss of primary operations	68,000	139,362	65,703	-11,100	2,553
Profit/loss of financial income and expenses	8,116	14,428	6,783	-1,563	-2,598
Net profit/loss for the year	76,090	152,426	72,489	-12,603	469
Balance sheet					
Balance sheet total	300,721	335,738	238,077	156,592	165,521
Investment in property, plant and equipment	2,085	9	2,192	989	0
Equity	233,974	262,620	148,398	79,036	89,152
Cash flows					
Cash flows from:					
- operating activities	65,730	119,683	50,112	-13,283	0
- investing activities	-5,948	45,303	-1,292	2,923	0
- financing activities	-78,920	-87,457	-8,614	1,612	0
Change in cash and cash equivalents for the year	-19,138	77,529	40,206	-8,748	0
Number of employees	56	55	47	48	45
Ratios					
Gross margin	15.2%	24.5%	22.2%	4.8%	8.4%
Profit margin	12.7%	20.7%	17.0%	-6.0%	1.4%
Return on assets	22.6%	41.5%	27.6%	-7.1%	1.5%
Solvency ratio	77.8%	78.2%	62.3%	50.5%	53.9%
Return on equity	30.6%	74.2%	63.7%	-15.0%	0.5%

The Cashflow for the comparative year 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 2023 shows a profit of TUSD 76,090, and at 31 December 2023 the balance sheet of the Group shows a positive equity of TUSD 233,974.

Weco Shipping delivered another strong result, with positive contributions 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 pleased with the strong results in Weco Shipping, which exceeded guidance given in the 2022 annual report. Weco Tankers delivered a record result in a product tanker market, which remained strong throughout the year. Weco Bulk recorded a strong result, in a dry bulk market where the freight rates were significantly softer than 2022, yet vessel owner's expectations kept Time Charter rates relatively high. Weco utilized a strong RoRo Time Charter market, helped by a booming car carrier market and very tight RoRo vessel capacity, to sell our last RoRo vessel Wedellsborg. The RoRo vessel was sold at a price higher than book value, recording a profit.

Special risks - operating risks and financial 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 has only limited foreign exchange risk.

Interest rate risks

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

Targets and expectations for the year ahead

Management expects strong results from Weco Tankers in 2024, in a product tanker market which have also started 2024 strong, albeit lower than the record result of 2023. In Weco Bulk, management expects some return to 'normalcy' in the dry bulk markets, compared to the boom years of 2021 and 2022, and Weco Bulk expects to deliver a profit on its operation, as it also managed before the boom years. From own dry bulk and product tanker vessels, management also expects a positive contribution. Collectively for Weco Shipping, management expects a result in the range of USD 25-40 million in 2024.

Research and development

The Group is not involved in research and development activities.

Management's review

External environment

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

Intellectual capital resources

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

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

Management's review

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

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

Business model

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

The main activity within the Company is shipping and includes 15 owned and long-term chartered Bulk and Tanker vessels, as well as operating about 40 short term-chartered vessels from external vessel owners 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 and joint venture partners.

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 2023, we have included contractual terms about low-sulfur bunker regulation compliance in all new contracts, and we will continue this in the future.

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

Human rights

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

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

Management's review

Anti-corruption

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

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.

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. Highly competent employees are, because of the relationship business, one of the most important resources for our success and results, hence a risk in not attracting the right employees. We seek to mitigate the risk by focusing on development and the welfare of our current employees and by being present in the business.

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

Policies on CSR

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

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

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

Target for the Board of WECO Shipping A/S

In 2019 Weco Shipping A/S set a target to have 33% women on the Board of Directors by 2026. Being a company managed directly by the owners and given the development of the business, it has not been possible for 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 2023.

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

Top Managements equals Board of Directors and other management levels equals the executive board.

Management's review

2023

Top management

Total number of members	6
Underrepresented gender %	0%
Target figure %	33%
Year for meeting target	2026

Other management levels

Total number of members	1
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Policy for increasing the number of women on other management levels

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

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

Weco 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	
		2023	2022	2023	2022
		TUSD	TUSD	TUSD	TUSD
Revenue	1	535,110	674,279	0	0
Other operating income	2	308	14,927	1,237	349
Direct expenses		-451,703	-519,730	-3	0
Other external expenses		-2,226	-4,018	-344	-54
Gross profit		81,489	165,458	890	295
Staff expenses	3	-17,112	-21,681	-3,160	-149
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	2,4	3,623	-4,414	40	-105
Profit/loss before financial income and expenses		68,000	139,363	-2,230	41
Income from investments in subsidiaries	5	0	0	38,187	95,701
Income from investments in associates	6	2,150	10,422	3,466	567
Financial income	7	6,948	4,840	2,753	2,019
Financial expenses	8	-982	-835	-1,064	-284
Profit/loss before tax		76,116	153,790	41,112	98,044
Tax on profit/loss for the year	9	-26	-1,364	1,562	0
Net profit/loss for the year	10	76,090	152,426	42,674	98,044

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2023	2022	2023	2022
		TUSD	TUSD	TUSD	TUSD
Other fixtures and fittings, tools and equipment		2,058	465	1,963	378
Vessels		37,450	32,739	0	0
Property, plant and equipment	11	39,508	33,204	1,963	378
Investments in subsidiaries	12	0	0	103,785	147,733
Investments in associates	13	46,778	43,365	20,664	2,044
Fixed asset investments		46,778	43,365	124,449	149,777
Fixed assets		86,286	76,569	126,412	150,155
Bunkers		12,988	16,975	0	0
Inventories		12,988	16,975	0	0
Trade receivables		41,647	26,122	55	122
Receivables from group enterprises		0	28,806	14,856	45,855
Receivables from associates		43	16	0	0
Other receivables	15,20	9,574	10,859	0	0
Deferred tax asset	16	2	2	2	0
Corporation tax		59	0	0	0
Prepayments	17	31,589	42,650	0	0
Receivables		82,914	108,455	14,913	45,977
Current asset investments	18, 14	11,784	7,852	11,784	7,852
Cash at bank and in hand		106,749	125,887	10,122	2,813
Current assets		214,435	259,169	36,819	56,642
Assets		300,721	335,738	163,231	206,797

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2023	2022	2023	2022
		TUSD	TUSD	TUSD	TUSD
Share capital		5,718	5,718	5,718	5,718
Reserve for net revaluation under the equity method		0	0	4,725	16,251
Reserve for hedging transactions		-30	-332	0	0
Retained earnings		155,924	189,862	151,169	173,279
Equity attributable to shareholders of the Parent Company		161,612	195,248	161,612	195,248
Minority interests		72,362	67,372	0	0
Equity		233,974	262,620	161,612	195,248
Lease obligations		11,801	15,168	0	0
Long-term debt	19	11,801	15,168	0	0
Lease obligations	19	3,913	3,777	0	0
Trade payables		18,784	25,274	225	0
Payables to group enterprises		608	0	406	11,528
Payables to associates		561	936	0	0
Corporation tax		14	58	0	0
Other payables	20	9,409	10,614	988	21
Deferred income	21	21,657	17,291	0	0
Short-term debt		54,946	57,950	1,619	11,549
Debt		66,747	73,118	1,619	11,549
Liabilities and equity		300,721	335,738	163,231	206,797
Contingent assets, liabilities and other financial obligations	22				
Related parties	23				
Fee to auditors appointed at the general meeting	24				
Accounting Policies	25				

Statement of changes in equity

Group

	Share capital	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TUSD	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	5,718	-332	189,862	195,248	67,372	262,620
Exchange adjustments	0	0	-389	-389	0	-389
Extraordinary dividend paid	0	0	-76,191	-76,191	-28,510	-104,701
Fair value adjustment of hedging instruments, end of year	0	302	0	302	144	446
Dividend from associates	0	0	0	0	0	0
Other equity movements	0	0	-32	-32	-60	-92
Net profit/loss for the year	0	0	42,674	42,674	33,416	76,090
Equity at 31 December	5,718	-30	155,924	161,612	72,362	233,974

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	5,718	16,251	173,279	195,248
Net effect from merger and acquisition under the uniting of interests method	0	19,388	-19,388	0
Adjusted equity at 1 January	5,718	35,639	153,891	195,248
Exchange adjustments	0	389	-389	0
Extraordinary dividend paid	0	0	-76,191	-76,191
Dividend from group enterprises	0	-66,249	66,249	0
Fair value adjustment of hedging instruments, end of year	0	-30	0	-30
Dividend from associates	0	-6,972	6,972	0
Other equity movements	0	295	-384	-89
Net profit/loss for the year	0	41,653	1,021	42,674
Equity at 31 December	5,718	4,725	151,169	161,612

Cash flow statement 1 January - 31 December

	Note	Group	
		2023	2022
		TUSD	TUSD
Result of the year		76,090	152,426
Adjustments		-13,726	-22,905
Change in working capital		-2,521	-12,952
Cash flow from operations before financial items		59,843	116,569
Financial income		5,036	3,947
Financial expenses		980	-833
Cash flows from ordinary activities		65,859	119,683
Corporation tax paid		-129	0
Cash flows from operating activities		65,730	119,683
Purchase of property, plant and equipment		-2,085	-9
Fixed asset investments made etc		-14,485	-13,000
Sale of property, plant and equipment		378	51,689
Sale of fixed asset investments made etc		6,250	1,202
Current asset investments made		-2,978	0
Purchase of financial instruments		0	-8,066
Dividends received from associates		6,972	13,487
Cash flows from investing activities		-5,948	45,303
Reduction of lease obligations		-3,231	-28,131
Repayment of payables to group enterprises		29,414	-17,640
Repayment of payables to associates		-402	-5,115
Cash capital increase		0	6
Dividend paid		-104,701	-36,566
Other adjustments		0	-11
Cash flows from financing activities		-78,920	-87,457
Change in cash and cash equivalents		-19,138	77,529
Cash and cash equivalents at 1 January		125,887	48,358
Cash and cash equivalents at 31 December		106,749	125,887
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		106,749	125,887
Cash and cash equivalents at 31 December		106,749	125,887

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
1. Revenue				
Geographical segments				
Globally	535,110	674,279	0	0
	535,110	674,279	0	0
Business segments				
Tank	316,178	262,500	0	0
Bulk	211,322	379,467	0	0
Project	0	25,688	0	0
RoRo	7,610	6,624	0	0
	535,110	674,279	0	0

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
2. Special items				
Profit on sale of vessels, Other operating income	0	14,365	0	0
Reversals of impairment of fixed assets	-5,745	0	0	0
Loss on sale of group enterprises, income from investments in subsidiaries	0	0	0	-10,605
	-5,745	14,365	0	-10,605

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
3. Staff Expenses				
Wages and salaries	16,746	20,753	2,794	149
Pensions	257	594	257	0
Other social security expenses	0	43	0	0
Other staff expenses	109	291	109	0
	17,112	21,681	3,160	149
Including remuneration to the Executive Board and Board of Directors	1,313	3,008	1,313	3,008
Average number of employees	56	55	13	16
	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	0	22	0	0
Depreciation of property, plant and equipment	2,327	4,392	165	105
Impairment of tangible assets	-5,745	0	0	0
Gain and loss on disposal	-205	0	-205	0
	-3,623	4,414	-40	105

Notes to the Financial Statements

	Parent company	
	2023	2022
	TUSD	TUSD
5. Income from investments in subsidiaries		
Results from investments in group enterprises	38,187	106,881
Depreciation, Good-/badwill	0	-575
Profit / loss from sale of group enterprises	0	-10,605
	38,187	95,701

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
6. Income from investments in associates				
Results from associates	2,442	10,422	3,393	567
Amortisation of goodwill	73	0	73	0
Gain/loss on sale of associates	-365	0	0	0
	2,150	10,422	3,466	567

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
7. Financial income				
Interest received from group enterprises	558	840	913	1,542
Other financial income	4,936	1,162	1,323	109
Exchange gains	1,454	2,838	517	368
	6,948	4,840	2,753	2,019

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
8. Financial expenses				
Interest paid to group enterprises	0	0	1,064	171
Other financial expenses	981	834	0	113
Exchange loss	1	1	0	0
	982	835	1,064	284

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
9. Income tax expense				
Current tax for the year	23	1,304	-1,562	0
Deferred tax for the year	0	-1	0	0
Adjustment of tax concerning previous years	3	61	0	0
	26	1,364	-1,562	0

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
10. Profit allocation				
Extraordinary dividend paid	76,191	15,000	76,191	15,000
Reserve for net revaluation under the equity method	0	0	41,653	16,583
Minority interests' share of net profit/loss of subsidiaries	33,416	54,382	0	0
Retained earnings	-33,517	83,044	-75,170	66,461
	76,090	152,426	42,674	98,044

Notes to the Financial Statements

11. Property, plant and equipment

	Group		Parent company
	Other fixtures and fittings, tools and equipment	Vessels	Other fixtures and fittings, tools and equipment
	TUSD	TUSD	TUSD
Cost at 1. January	2,167	60,692	1,052
Exchange adjustment	0	2,186	0
Net effect from merger and acquisition	0	0	98
Additions for the year	2,085	0	2,028
Disposals for the year	-1,075	0	-1,052
Cost at 31. December	<u>3,177</u>	<u>62,878</u>	<u>2,126</u>
Impairment losses and depreciation at 1. January	1,702	27,953	674
Exchange adjustment	0	1,007	0
Net effect from merger and acquisition	0	0	60
Depreciation for the year	114	2,213	101
Reversal of impairment and depreciation of sold assets	-697	0	-672
Reversal for the year of previous years impairment losses	0	-5,745	0
Impairment losses and depreciation at 31. December	<u>1,119</u>	<u>25,428</u>	<u>163</u>
Carrying amount at 31. December	<u>2,058</u>	<u>37,450</u>	<u>1,963</u>
Amortised over	<u>3-10 years</u>	<u>2-25 years</u>	<u>3-10 years</u>

Notes to the Financial Statements

	Parent company	
	2023	2022
	TUSD	TUSD
12. Investments in subsidiaries		
Cost at 1 January	130,678	150,078
Net effect from merger and acquisition	-28,243	0
Additions for the year	1,500	0
Disposals for the year	0	-19,400
Cost at 31 December	<u>103,935</u>	<u>130,678</u>
Value adjustments at 1 January	15,961	-80,096
Disposals for the year	0	8,796
Net effect from merger and acquisition	11,267	0
Exchange adjustment	389	-950
Net profit/loss for the year	38,187	106,881
Dividend to the Parent Company	-66,249	-35,334
Fair value adjustment of hedging instruments for the year	302	-375
Amortisation of goodwill	0	-575
Other adjustments	-7	17,614
Value adjustments at 31 December	<u>-150</u>	<u>15,961</u>
Equity investments with negative net asset value amortised over receivables	<u>0</u>	<u>1,094</u>
Carrying amount at 31 December	<u>103,785</u>	<u>147,733</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	Ownership
Dannebrog Rederi A/S	Hørsholm, Denmark	DKK 69,000k	100%
NOR 1957 A/S	Hørsholm, Denmark	DKK 6,333k	100%
Weco Projects ApS	Hørsholm, Denmark	DKK 50k	100%
Weco Bulk A/S	Hørsholm, Denmark	DKK 2,000k	57%
Weco Italia s.r.l.	Genova, Italy	EUR 10k	100%
Weco Tankers A/S	Hørsholm, Denmark	DKK 2,274k	51%

Notes to the Financial Statements

<u>Name</u>	<u>Place of registered office</u>	<u>Share capital</u>	<u>Ownership</u>
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All foreign subsidiaries are recognised and measured as separate entities.

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
13. Investments in associates				
Cost at 1 January	35,901	22,901	1,755	1,750
Net effect from merger and acquisition	0	0	14,007	0
Additions for the year	14,485	13,000	0	4
Disposals for the year	-1,511	0	0	0
Cost at 31 December	<u>48,875</u>	<u>35,901</u>	<u>15,762</u>	<u>1,754</u>
Value adjustments at 1 January	7,464	10,529	287	213
Net effect from merger and acquisition	0	0	8,121	0
Net profit/loss for the year	2,442	10,422	3,393	567
Dividends received	-6,972	-13,487	-6,972	-490
Amortisation of goodwill	73	0	73	0
Reversals for the year of revaluations in previous years	-5,104	0	0	0
Value adjustments at 31 December	<u>-2,097</u>	<u>7,464</u>	<u>4,902</u>	<u>290</u>
Carrying amount at 31 December	<u>46,778</u>	<u>43,365</u>	<u>20,664</u>	<u>2,044</u>
Positive differences arising on initial measurement of associates at net asset value	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>	<u>1,277</u>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Copenhagen Commercial Platform ApS	Hørsholm, Denmark	DKK 78k	25%
Golden Weco Dry Bulk	Liberia	USD 0k	50%
Grace Harmony Singapore Pte. Ltd.	Singapore	USD 26,000k	50%
Weco Marina Bay	Singapore	USD 14,200k	50%
Tribeca Maritime Partners LLC	Singapore	USD 7,385k	%

All foreign associates are recognised and measured as separate entities.

Notes to the Financial Statements

14. Other investments at fair value

	Value adjustment, income statement	Fair value at 31. December
	TUSD	TUSD
Group		
Current asset investments	954	11,784
Parent company		
Current asset investments	954	11,784

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.

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
15. Other receivables				
Other receivables	9,574	10,859	0	0
	9,574	10,859	0	0

Other receivables USD 0 (2022: 8,693k) relate to loans to two minority shareholders in Weco Bulk A/S. The loans was issued in accordance with the Danish Private Companies Act's §210. The interest rate on the loans was 5%, and the loans was settled in 2023 as part of the distributions of dividends.

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
16. Deferred tax asset				
Deferred tax asset at 1 January	2	1	0	0
Amounts recognised in the income statement for the year	0	1	0	0
Amounts recognised in equity for the year	0	0	2	0
Deferred tax asset at 31 December	2	2	2	0

Notes to the Financial Statements

17. Prepayments

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

Group		Parent company	
2023	2022	2023	2022
TUSD	TUSD	TUSD	TUSD

18. Securities

Shares

11,784	7,852	11,784	7,852
11,784	7,852	11,784	7,852

Group		Parent company	
2023	2022	2023	2022
TUSD	TUSD	TUSD	TUSD

19. 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	0	0	0
Between 1 and 5 years	11,801	15,168	0	0
Long-term part	11,801	15,168	0	0
Within 1 year	3,913	3,777	0	0
	15,714	18,945	0	0

Notes to the Financial Statements

Group		Parent company	
2023	2022	2023	2022
TUSD	TUSD	TUSD	TUSD

20. Derivative financial instruments

Derivative financial instruments contracts in the form of forward exchange contracts 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

Assets	11	0	0	0
Liabilities	78	627	0	0

	Value adjustment, equity	Fair value at 31. December
	TUSD	TUSD
Oil contracts (Hedging applied)	67	-67
	0	0

21. Deferred income

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

22. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The Group has entered into operating lease agreements with a total future lease payment of tUSD 590 (2022: tUSD 549)

The Group has entered into operating rental agreements with a total future rental payment of tUSD 393 (2022: tUSD 380)

Contingent liabilities

The Group's contractual obligations relating to short-term chartering of vessels total tUSD 239,672 (2022: tUSD 281,580).

Notes to the Financial Statements

22. Contingent assets, liabilities and other financial obligations

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.

23. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
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

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

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TUSD	TUSD	TUSD	TUSD
24. Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	105	107	33	25
Other assurance engagements	6	0	3	0
Tax advisory services	72	62	13	8
Non-audit services	25	14	13	11
	208	183	62	44

Notes to the Financial Statements

25. Accounting policies

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

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TUSD.

Consolidated and Parent Company Financial Statements for 2023 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2023: DKK 674,47 (2022: DKK 697,22).

Recognition and measurement

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.

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the book value method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The book value method is applied at the date of acquisition, and comparative figures have not been restated.

Minority interests

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

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

Notes to the Financial Statements

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.

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.

Direct expenses

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

Notes to the Financial Statements

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.

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 fixed assets

Goodwill

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 10 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.

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:

Notes to the Financial Statements

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

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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 intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

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

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.

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

Notes to the Financial Statements

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

Deferred tax assets and liabilities

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

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

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

Current tax receivables and liabilities

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

Financial liabilities

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 .

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

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$