NorSea Denmark A/S

Kanalen 1, 6700 Esbjerg

Annual report 2023

Approved at the Company's annual general meeting

on 29/4 2024

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Kenneth Hansen

CVR no. 49 67 77 15

Contents

Company information

Company	NorSea Denmark A/S Kanalen 1 DK-6700 Esbjerg
	Telephone: + 45 7911 1900 Website: www.norseagroup.dk E-mail: dk@norseagroup.com
	CVR no.: 49 67 77 15 Registered office: Esbjerg
Board of Directors	Lars Haug (Chairman) Øyvind Bjørnevik Kenneth Hansen
Executive Board / CEO	Jesper Høj-Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret revisionspartnerselskab Esbjerg Brygge 28 DK-6700 Esbjerg

Financial highlights

	2023 DKK mill.	2022 DKK mill.	2021 DKK mill.	2020* DKK mill.	2019 DKK mill.
Income statement:					
Revenue	631,9	464,5	308,7	241,4	231,5
Profit before financial income and expenses	15,4	8,7	-16,4	-15,6	1,9
Financial income and expenses, net	-0,3	-0,3	-0,1	-0,4	-1,4
Profit for the year	11,8	12,3	-16,5	-15,1	0,5
Cash generated from operations before changes in working capital	19,5	16,8	-8,7	-6,8	8,8
Balance sheet:					
Total assets	182,8	128,6	113,9	115,8	228,1
Investment in property, plant and equipment	11,9	10,0	4,6	23,2	50,1
Equity	47,4	35,6	23,3	19,8	89,9
Employees:					
Average number of employees	415	308	218	217	206
Key figures:					
Return on invested capital (ROIC)	11,6	7,9	-13,4	-8,3	0,9
Assets/Equity	3,9	3,6	4,9	5,8	2,6
Return on equity (ROE)	28,4	41,6	-76,4	27,8	0,5
EBITDA margin	3,7	3,4	-2,8	-2,6	5,6

*The company's property activities have been with accounting effect demerged per 1 January 2020. Financial highlights are not adjusted.

The financial ratios have been calculated as follows:

Return on invested capital (ROIC) $= \dfrac{\text{Profit before financial income and expenses/profit for year x 100}}{\text{Average invested capital}}$

Assets/Equity $= \dfrac{\text{Total assets}}{\text{Equity}}$

Return on equity (ROE) $= \dfrac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average Equity}}$

EBITDA margin $= \dfrac{\text{Earnings before interest, taxes, depreciation, and amortization x 100}}{\text{Total sales}}$

Management's review

Operating activities

The primary operations of NorSea Denmark A/S involve serving as a comprehensive one-stop-shop service provider catering to the needs of the Offshore Energy Industry. We specialize in delivering innovative and sustainable solutions across supply chain and logistics services, including port services, ship agency, customs advisory/declarations, trucking, forwarding, warehousing, supply chain activities, offshore maintenance, maritime construction, and maintenance projects, as well as on- and offshore-manning and technician services. Additionally, we offer infrastructure solutions such as office and meeting facilities, and lease of buildings and yards. Our key operational hub is located in Esbjerg, from where we extend our services to global customers both within Denmark and internationally.

Our business operations are structured into the following key areas:

- Energy Solutions
- Port services
- Logistics
- Facility

Development in activities and financial matters

Our results in 2023 continue the positive growth of recent years. With an increase of more than 100 employees in 2023, we have succeeded in mobilizing for new projects while maintaining NorSea's values in everyday life. Our employees have delivered a fantastic effort, meeting customers at eye level, while creating solutions for the future.

We have achieved a 36% growth in revenue, driven by increased activity in all segments. This growth includes current customers in several elements of the value chain, and at the same time, we have welcomed 109 new customers in 2023.
One of the largest growth areas in 2023 is Wind & Defence. The increasing tension we see in Europe and the need to mobilize across borders, as well as the increasing need for green transition, have led to a 95% increase in activity in this segment.

In current market conditions, we consider the pre-tax result as satisfying at 12 million DKK and as forecasted. However, from a historical perspective, our earnings-to-turnover ratio is not satisfying and needs improvement, especially considering market volatility with energy crisis, historically high inflation, all of which require increased focus on risk management and profitability.

We expect activity in Oil & Gas to decline in 2024 due to the finishing of commissioning of the new Tyra platform. At the same time, we are increasing investments to maintain market positions. However, we are looking into a growing Renewables market, which is why we expect an overall result in 2024 of between 10-13 million DKK before tax.

Corporate social responsibility
Corporate Social Responsibility (CSR) is a pivotal focus area at NorSea, underscoring our commitment to driving and fostering a sustainable value chain within the Offshore Energy Supply sector. We prioritize Environmental, Social, and Governance (ESG) considerations, viewing them as integral components of our sustainability initiatives. ESG encompasses environmental stewardship, social impact, and effective governance practices. Upholding a steadfast dedication to ESG principles guides our actions and informs our decision-making processes across the organization.

We use a materiality analysis to identify the parts of our business that we believe have the most impact on the environment and in the communities where we operate. In the analysis, we have identified 14 material topics and 4 strategic themes that we focus on in further work.
The four strategic themes are:

- Decarbonization and green growth
- Health, safety, and environment
- Diversity, inclusion, and equality
- Compliance, adherence, and value chain

The themes are closely linked to our long-term strategy and in line with our intentions to actively contribute to the UN Sustainable Development Goals. We have linked several measurement parameters to these themes, which are reported quarterly to the board of NorSea Group and to our owners in Wilh. Wilhelmsen Holding ASA.

Statement on corporate social responsibility pursuant to Section 99a of the Danish Financial Statements Act
In accordance with Section 99a, paragraph 7 of the Danish Financial Statements Act, reference is made to the statement on corporate social responsibility in the ESG report of WILH. WILHELMSEN HOLDING ASA, reg. no. 995 277 905, which can be found below:

Latest report is available at https://www.wilhelmsen.com/globalassets/investor-relations/annual-report/wwh_esg_report_2023.pdf

Statement on gender composition of management pursuant to Section 99b of the Danish Financial Statements Act
Norsea Denmark A/S has set a target of a minimum of 33 % female members on the board, elected at the annual general meeting by 2028. The current gender composition among the board members elected at the general meeting are three males. Going forward, the board will, as far as possible, nominate suitable female candidates for the board at future general meetings in order to achieve the goal.

Diversity at Norsea Denmark A/S management levels

The company has also developed a policy to increase the proportion of the underrepresented gender across the top two management levels in the company. The policy is an addition to the personnel policy and includes a range of initiatives taking place across the organization.
In 2023, Norsea Denmark A/S conducted a baseline measurement of management levels across the company. This measurement will be used in the future to evaluate the initiatives implemented to promote gender equality among managers.
The management of the group has initiated initiatives to ensure equal opportunities for men and women and work towards a better balance between men and women at all levels of the company, and women are encouraged to run for election at the general meeting. This is done, among other things, by encouraging diversity in team composition and ensuring equal opportunities and access to career development.

Gender composition overview

	Goal in %	Expected completion year	2023
Total number of members on the Board of Directors			3
Proportion of the underrepresented gender on the Board of Directors	33%	2028	0%
Total number of members in the other management levels			12
Proportion of the underrepresented gender in the other management levels	33%	2028	8%

Statement on data ethics policy pursuant to Section 99d of the Danish Financial Statements Act:

In accordance with Section 99 d, paragraph 3 of the Danish Financial Statements Act, reference is made to the statement on policy and data ethics in the ESG report of WILH. WILHELMSEN HOLDING ASA, reg. no. 995 277 905, which can be found below:

Latest report is available at https://www.wilhelmsen.com/globalassets/investor-relations/annual-report/wwh_esg_report_2023.pdf

Particular risks
General risks
Our main business is closely tied to the Offshore Energy Industry thus our activity level is sensitive to changes in the political environment around the security of energy being from renewable and from the traditional hydrocarbons sources.
Current political developments with war in Europe increases the need for provision of Energy from Denmark together with approval of using the Danish offshore underground as CO2 storage decrease our business risk in our hydrocarbon related business areas.

Financial risks
Currency risks
Activities abroad imply that profit/loss, cash flows and equity are affected by the foreign exchange and interest rate development relating to a number of currencies. Our primary trade currency is DKK and only 4% of the revenue for 2023 was in foreign currency, covering EUR, GBP, NOK and USD.

Credit risks
These risks primarily relate to customers. Customers are credit rated on a regular basis and mortgage liabilities are based on a floating rate of interest.

Events after the balance sheet date
Management is of the opinion that from the balance sheet date until today, no events have occurred which could alter the assessment of the annual report substantially.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of NorSea Denmark A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend the annual report to be approved at the annual general meeting.

Esbjerg, 29 April 2024

CEO

Jesper Høj-Hansen

Board of Directors

Lars Haug Chairman	Øyvind Bjørnevik	Kenneth Hansen

Independent Auditor's Report

To the Shareholders of Norsea Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company on 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Norsea Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 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 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 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 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 judgment and maintain professional skepticism 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 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 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 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.

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.

Esbjerg, 29 April 2024
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jannick Kjersgaard
State Authorised Public Accountant
mne29440

Income statement 1 January – 31 December

DKK´000	Note	2023	2022
Revenue	2	**631.945**	**464.544**
Other operating income		5.508	1.645
Operating costs		-276.354	-214.246
Gross profit		**361.099**	**251.940**
Staff costs	3	-337.977	-236.186
Depreciation		-7.757	-7.064
Profit before financial income and expenses		**15.365**	**8.690**
Financial income	4	329	108
Financial expenses	5	-2.646	-405
Profit before tax		**13.048**	**8.393**
Tax on profit for the year	6	-1.243	3.875
Profit for the year	15	**11.806**	**12.268**

Balance sheet on 31 December

DKK'000	Note	2023	2022
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	7	1.511	2.442
		1.511	2.442
Property, plant and equipment	8		
Land and buildings		2.574	2.528
Plant and machinery		21.926	17.531
Other fixtures and equipment		2.391	1.060
Property, plant and equipment under construction		119	2.121
		27.010	23.240
Total non-current assets		**28.521**	**25.682**
Current assets			
Inventories			
Finished goods		14	217
		14	217
Receivables			
Trade receivables		143.531	92.084
Work in progress		93	33
Receivables from group companies		4.008	2.786
Deferred tax asset	9	4.166	5.615
Other receivables		480	574
Prepayments	10	1.874	1.507
		154.152	102.599
Cash at bank in hand		154	135
Total current assets		**154.320**	**102.951**
TOTAL ASSETS		**182.840**	**128.633**

Balance sheet on 31 December

DKK'000	Note	2023	2022
EQUITY AND LIABILITIES			
Equity			
Share capital		15.000	15.000
Retained earnings		32.414	20.608
Total equity		**47.414**	**35.608**
Non-current liabilities other than provisions			
Finance lease obligations	11	13.206	8.676
Other payables	11	7.573	7.839
		20.779	**16.515**
Current liabilities			
Current portion of non-current liabilities other than provisions	11	5.045	3.753
Trade payables		26.453	35.467
Payables to group companies		40.058	9.778
Other payables		38.595	23.979
Accruals	12	4.496	3.533
Total current liabilities		**114.647**	**76.510**
Total liabilities other than provisions		**135.426**	**93.025**
TOTAL EQUITY AND LIABILITIES		**182.840**	**128.633**

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Cash flow statement

DKK'000	2023	2022
Profit before tax	13.048	8.393
Amortisation and depreciation	6.242	7.064
Corporation tax paid	206	1.325
Cash generated from operations before changes in working capital	**19.497**	**16.782**
Changes in inventories	203	224
Changes in receivables	-53.002	-9.798
Changes in trade payables and other payables	-527	-5.723
Changes in provisions	0	-4.330
Cashflow from operating activities	**-33.829**	**-2.845**
Investments in property, plant and equipment	-3.167	-9.970
Disposal of tangible assets	2.839	381
Cashflow from investing activities	**-328**	**-9.589**
Proceeds from group companies	37.371	9.614
Proceeds from other long-loans	-3.195	2.880
Cashflow from financing activities	**34.176**	**12.494**
Cashflow from operating, investing, and financing activities	**19**	**60**
Cash and cash equivalents at beginning of year	135	75
Cash and cash equivalents at year-end	**154**	**135**
Breakdown of cash and cash equivalents		
Cash	154	135
Cash and cash equivalents at year-end	**154**	**135**

Equity statement

	Share Capital	Retained earnings	Total
Equity			
Equity on 1 January 2022	**15.000**	**20.608**	**35.608**
Result for the year – note 16	0	11.806	11.806
Equity on 31 December 2023	**15.000**	**32.414**	**47.414**

The share capital consists of 15.000.000 shares with nominal values of DKK 1. No changes in the share capital during the last 5 years

Notes

1 Accounting policies

The financial statements of NorSea Denmark A/S for 2023 have been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of such assets can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of such liabilities can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned. Moreover, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changes in accounting estimates of amounts that were previously recognised in the income statement.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Joint operations

Joint operations consist of joint operations which are run as an integrated part of the participating companies. When participating in joint operations the pro rata method is used. According to the pro rata method, the Company's share of income and costs as well as assets and liabilities in the joint operation is recognized according to the ownership share.

Income statement

Segment information on revenue
Information on geographical segments is based on the company's risks and returns and its internal financial reporting system.

Revenue
Income from sale of goods is recognised when the risk and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Work in progress concerning customised production is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (the percentage of completion method).

Other external costs

Other external costs comprise costs of sale, distribution, administration as well as purchases of services for resale.

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

Other operating income comprises items secondary to the activities of the Company, including gains on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity..

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Goodwill is measured at cost less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over 5-6 years for strategic acquisitions with a long-term earnings profile.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	3 - 20 years
Plant and machinery	3 - 10 years
Fixtures and fittings, tools and equipment	3 - 5 years

The basis of depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Leases

Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

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

All other leases are treated as operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingencies, etc.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net income from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where net realisable value is lower than cost, inventories are written down to this lower value.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired. If there is an objective indication that an individual receivable has been impaired, a write-down is made.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Work in progress

Work in progress is measured at the selling price of the work performed less any payments received on account of the customer and expected losses.

The selling price is measured by reference to the stage of completion at the balance sheet date and total expected income from the contract. The stage of completion is determined on the basis of an estimate of the work, usually calculated as the ratio between the costs incurred and total estimated costs of the order or hours worked and the total estimated hours worked for that order.

Net assets are determined as the sum of orders where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of orders where progress billings exceed the selling price.

Prepayments from customers are recognised as liabilities.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Prepayments

Prepayments comprise prepaid expenses concerning operating costs, subscriptions and memberships.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual obligation on finance leases.

Other liabilities are measured at net realisable value.

Accruals

Accruals comprise prepaid revenue concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Cash flow statement

The cash flow statement, which is presented according to the indirect method, shows cash flows from operating, investing and financing activities for the year and the cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises, activities and investments as well as the acquisition, development, optimisation and disposal, etc. of intangible assets and property, plant and equipment, including the acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, acquisition of treasury shares and payment of dividends to shareholders.

Cash and cash equivalents comprise securities, cash less short-term bank loans.

Notes

DKK'000

	2023	2022
2 - Revenue / Segment reporting (activities)		
Energy Solution	283.393	181.150
Port Service	242.452	173.951
Logistics	84.154	87.204
Facility	21.946	22.239
	631.945	**464.544**
Segment reporting:		
Domestic	553.753	386.861
Export	78.192	77.683
	631.945	**464.544**

	2023	2022
3 - Staff costs		
Wages and salaries	296.295	206.604
Pensions	38.709	27.265
Other social security costs	2.973	2.317
	337.977	**236.186**
Average number of employees	**415**	**308**
Renumeration for Board of Directors and Management	**3.050**	**3.379**

The Board of Directors and management remuneration and incentive programmes are not segmented in accordance with Section 98 b, paragraph 3 of the Danish Financial Statements Act."

	2023	2022
4 - Financial income		
Other interest	96	0
Foreign exchange gains	233	108
	329	**108**

	2023	2022
5 - Financial expenses		
Interest to group companies	1.412	28
Other interest	1.234	377
	2.646	**405**

	2023	2022
6 - Tax on profit for the year		
Adjustment of deferred tax	-1.449	2.418
Adjustment of tax for prior years	206	1.457
Tax for the year	0	0
	-1.243	**3.875**

The adjustment of tax for prior years in 2022 relates to joint taxation adjustments on the tax returns for 2018-2020.The adjustment in 2023 relates to 2022.

Notes

DKK'000

	2023
7 - Goodwill	
Cost on 1 January 2023	5.000
Additions	0
Cost on 31 December 2023	5.000
Amortisation on 1 January 2023	2.559
Amortisation	930
Amortisation on 31 December 2023	3.489
Carrying amount on 31 December 2023	**1.511**

8 - Property, plant and equipment	Land and Buildings	Plant and machinery	Other fix-tures and equipment	PP&E under con-struction	Total
Cost on 1 January 2023	8.180	61.033	6.977	2.121	78.311
Transfer	0	822	835	-1.657	0
Additions	650	9.840	1.312	119	11.921
Disposals	0	-8.592	-733	-464	-9.789
Cost on 31 December 2023	8.830	63.103	8.391	119	80.443
Depreciation 1 January 2023	5.652	43.502	5.917	0	55.071
Depreciation	604	5.369	816	0	6.790
Depreciation on assets sold	0	-7.694	-733	0	-8.427
Impairment losses and					
Depreciation on 31 December 2023	6.256	41.177	6.000	0	53.433
Carrying amount on 31 December 2023	**2.574**	**21.926**	**2.391**	**119**	**27.010**
Property, plant and equipment include finance leases with a carrying amount totalling	0	18.058	0	0	18.058

Notes

DKK'000

9- Deferred tax asset	**2023**	**2022**
Deferred tax on 1 January 2023	5.615	3.197
Amounts recognised in the income statement for the year	-1.449	2.418
	4.166	**5.615**

The deferred tax asset comprises primarily from tax loss carry-forwards and differences between the carrying amounts and tax values of property, plant and equipment. Based on operating budgets, Management expects the recognized tax asset to be utilized within the next three to four years.

10 – Prepayments		
Deposit	768	662
Prepaid operating costs, subscriptions, and memberships	1.106	846
	1.874	**1.508**

11 – Noncurrent liabilities other than provisions

Finance Lease obligations		
Due for payment 0-<1 year	4.485	3.543
Due for payment 1-5 years	13.206	8.676
Due for payment > 5 years	0	0
	17.691	**12.219**
Other payables obligations		
Due for payment 0-<1 year	560	210
Due for payment 1-5 years	989	1.335
Due for payment > 5 years	6.584	6.505
	8.133	**8.050**

12 – Accruals	**2023**	**2022**
Prepayments for revenue related to subsequent years	4.496	3.533
	4.496	**3.533**

Notes

DKK'000

13 - Contingent liabilities and guarantees

Collateral security
The Company has provided a company charge of TDKK 40.000 to credit institution secured upon trade receivables of TDKK 148.017, plant and machinery of TDKK 24.317 and inventories of TDKK 14. The company charge is furthermore secured for the parent company accounts with credit institution.

Contingent liabilities
Rent and operating lease obligations amount to TDKK 107.526 of which TDKK 19.235 is due in 2024.

Guarantee obligations
The Company has issued an unlimited cross guarantee to Norsea Denmark Property A/S' balances with bankers. The balance on 31 December 2023 is TDKK 0.

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 by the Group amounts to TDKK 0. 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.

A performance guarantee of TEUR 3.000 has been provided to a third party regarding joint operations via the company's bank. The performance guarantee expires on 1 January 2028.

14 - Related party disclosures

Controlling interest	Place of registered office	Basis
Tallyman AS	Strandveien 20, 1366 Lysaker, Norway	Ultimate owner
Wilh. Wilhelmsen Holding ASA	Strandveien 20, 1366 Lysaker, Norway	Parent company
Wilhelmsen New Energy AS	Strandveien 20, 1366 Lysaker, Norway	Parent company
Norsea Group AS	Risavika Havnering 14, 4056 Tananger, Norway	Parent company
Norsea Impact AS	Risavika Havnering 14, 4056 Tananger, Norway	Parent company

Other related parties	Place of registered office
Norsea Denmark Property A/S	Kanalen 1, 6700 Esbjerg, Denmark

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Wilh. Wilhelmsen Holding ASA (largest group)	Strandveien 20, 1366 Lysaker, Norway
Norsea Group AS (smallest group)	Risavika Havnering 14, 4056 Tananger, Norway

The Group Annual Report of Wilh. Wilhelmsen Holding ASA (largest group) may be obtained at the following address:
Strandveien 20, 1366 Lysaker, Norway

The Group Annual Report of Norsea Group AS (smallest group) may be obtained at the following address:
Risavika Havnering 14, 4056 Tananger, Norway

Transactions
In accordance with the Danish Financial Statements Act, section 98c, subsection 7 we choose to only disclose transactions with related parties that were not made under normal market conditions.

All transactions with related parties were made under normal market conditions.

Notes

DKK'000

15 – Appropriation of profit/loss	**2023**	**2022**
Retained earnings	11.806	12.268
	11.806	**12.268**

16 – Fee for the auditor elected by the general meeting	**2023**	**2022**
Audit fee	172	197
Tax advisory services	9	0
Non-audit services	5	32
	186	**229**

17 - Subsequent events

No events of significant importance to the company's financial position have occurred after the balance sheet date.