Alvina Shipping A/S
Dampfærgevej 30
DK-2100 Copenhagen

CVR no. 44 63 12 61

Annual report 8 February – 31 December 2024

The Annual General Meeting adopted the annual report on 23 June 2025

Chairman of the General Meeting

_____

Name: Ulrika Therése Hellberg

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Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of Alvina Shipping A/S for the financial year 8 February - 31 December 2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Company's financial position on 31 December 2024 and of the results of the Company's operations for the financial year 8 February – 31 December 2024.

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

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

Copenhagen, 23 June 2025

Executive Board

Håkan Arne Johansson CEO	Kim Heiberg COO

Supervisory Board

Ulrika Therése Hellberg Chairman	Håkan Arne Johansson	Jan Anders Boman

Independent auditor's report

To the shareholders of Alvina Shipping A/S

Opinion

We have audited the financial statements of Alvina Shipping A/S for the financial year 8 February – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity, and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 8 February – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Frederiksberg, 23 June 2025

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Morten Weinreich Larsen	Rolan Atl Caballero Pena Espedal
State Authorised Public Accountant	State Authorised Public Accountant
mne42791	mne47789

Company details

Company

Alvina Shipping A/S
Dampfærgevej 30
DK-2100 Copenhagen

Central Business Registration No (CVR): 44 63 12 61
Registered in: Copenhagen
Financial year: 08.02.2024 - 31.12.2024

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Website: www.gonordiccruiseline.dk
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Supervisory Board

Ulrika Therése Hellberg, Chairman of the Board
Håkan Arne Johansson
Jan Anders Boman

Executive Board

Håkan Arne Johansson, CEO
Kim Heiberg, COO

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
DK-2000 Frederiksberg

Management Commentary

	2024 DKK'000
Financial highlights Key figures	
Revenue	117.680
Operating profit/loss	-45.477
Net financials	-3.823
Profit/loss for the year	-49.331
Total assets	575.512
Investments in property, plant and equipment	358.747
Equity	-48.931
Average numbers of employees	796
Ratios	
Profit margin (%)	-41,9
Return on equity (%)	-203,3
Equity ratio (%)	-8,5

Ratios	Calculation formula
Profit margin (%)	Profit/loss for the year x 100 / Revenue
Return on equity (%)	Profit/loss for the year x 100 / Average equity
Equity ratio (%)	Equity x 100 / Total assets

Primary activities

The Company's primary activity is to operate ferries on the route Copenhagen-Oslo.

On October 31, 2024, Alvina Shipping A/S acquired the ferries and operations activities of the ferry route between Copenhagen and Oslo. The primary activity on the route with the ships Nordic Crown and Nordic Pearl is transporting guests between Copenhagen and Oslo. In addition, the guest can experience various restaurants, bars, shopping, and other entertainment onboard.

Development in finances

The financial year 2024 shows a loss of DKK -49.331 thousand. As of 31 December 2024, total assets is DKK 575.512 thousand with an equity of DKK -48.931 thousand.

On October 31, 2024, Alvina Shipping A/S acquired the ferries and operations activities of the ferry route between Copenhagen and Oslo for an amount of DKK 385 million in a cash settlement, which was financed via a loan from Rederiaktiebolaget Gotland. The excess value from the carrying amount of the net assets acquired, amounting to DKK 122 million has been recognized as goodwill. The goodwill reflects the anticipated future earnings, synergies, and a strengthened market position within the Nordic travel and leisure sector. The goodwill primarily relates to increases in expected contributions from ticket revenue and significant secondary spending in onboard shops and restaurants.

Annual Result and Appropriation of Profit

The 2024 result shows a loss DKK -49 million, which is by the management considered as unsatisfying, although expected due to new the operational expenses associated with the takeover on October 31, 2024. The operation is subject to significant seasonality. The reported results do reflect these seasonal fluctuations and are not indicative of the route’s full-year earnings potential.

The Supervisory Board proposes that the net loss be transferred to retained earnings. No dividend will be distributed for the financial year 2024.

Capital and Financing

Alvina Shipping A/S incurred a net loss of DKK -49 million in the financial year, primarily due to start-up-related expenses. As of the balance sheet date, the equity is negative by DKK -49 million. The Company has lost more than 50% of its share capital, cf. Section 119 of the Danish Companies Act. Management expects that the capital will be reestablished via group contribution or debt conversion. Rederiaktiebolaget Gotland has issued a letter of support, ensuring support Alvina Shipping A/S financially by paying other creditors claims as they fall due until the annual general meeting where the 2025 annual report is approved as well as having subordinated their loan to other creditors claims. Based on this letter of support, the financial statements have been prepared on a going concern basis.

Outlook

Traffic volumes of passengers in 2025 are expected to be slightly above annualized into normal activity level, with more passengers. While modest growth is expected across all segments, volumes are expected to grow more significantly in 2025 due to the planned upgrades of both ferries in Q1 2025.

The company expects continued challenges from inflation, higher interest rates, and a weak SEK and NOK but will maintain strict cost control and focus on continuous efficiency improvements. Management expects annualized revenue DKK 900-950 million, with profitability improving and a net result in the range of DKK 0–20 million.

Risks (Market and financial)

The most material financial risks are currency, oil and credit risks, which only occur in relation to the operating activities.

To mitigate the potential impact of the financial risks, the Company has taken an active approach to risk management with a view to identifying and reviewing risk areas and determining how to manage these risks.

Intellectual capital resources

The Company continuously improves operational efficiency to maintain a strong competitive position against established competitors. In addition, qualified employees and management is critical to our success in the long term.

Research- and development activities

The Company has no research- and development activities.

Branches

Alvina Shipping NUF, Org no 934 173 112 is a branch of the Company.

Corporate Social Responsibility Statement

Compliance with Section 99a of the Danish Financial Statements Act

On October 31 2024, the Company acquired the vessels Nordic Crown and Nordic Pearl along with over 800 employees in order to operate ferries on the route Copenhagen to Oslo. The Company has due to the timing of the acquisition does not have any formal policies in place at 31 December 2024 regarding environmental matters, human rights, social and employee matters as well as anti-corruption. The Company will during 2025 perform their risk assessment and develop formalized policies for each of the aforementioned matters.

The Company has and will continue to work with the matters outlined in the following sections.

Environmental matters

Our shipping operations focus on minimizing environmental impact. We actively work to reduce CO_2 emissions through daily fuel consumption monitoring and optimization. Sustainable practices are integrated into our long-term strategy.

We also emphasize waste management, particularly reducing food waste and ensuring proper sorting both onboard and in our offices. We also work actively with waste management, especially reducing food waste and ensuring correct waste-sorting practices in everyday operations both aboard our vessels and in our offices.

Social and employee matters

We prioritize employees well-being and safety through regular pulse surveys, safety procedures, and ongoing training. Diversity and inclusion are core values, reflected in fair working conditions, anti-discrimination efforts, and community engagement.

Combating corruption and bribery

We enforce a zero-tolerance policy against corruption and bribery. Our internal controls ensure that employees and partners adhere to high ethical standards.

Statement on Data Ethics Policy

Alvina Shipping A/S recognizes the importance of responsible data handling in an increasingly digital world. In line with Section 99d of the Financial Statements Act, we have implemented ethical data practices to prevent misuse and cyber threats.

Data Governance

Since acquiring operations on October 31 2024, we have established principles that guide access control, data usage, technology selection, and third-party compliance (e.g., contracts, DPAs, SLAs). These ensure ethical data handling across the value chain.

People & Training

Data ethics is a shared responsibility across all departments. We provide tools, policies, and ongoing training to ensure employees handle data properly and stay informed as technologies evolve.

Roles & Oversight

Our IT departments at both Alvina Shipping and parent company Gotlandsbolaget regularly update data policies. Reviews occur annually or when new technologies are adopted. Policies take effect upon leadership approval and apply company-wide.

Income statement for 8 February – 31 December

	Notes	2024 DKK '00(
Revenue	1	117.680
Costs of raw materials and consumables		-28.558
Other external expenses		-33.210
Other operating costs		-39.104
Gross profit / loss		16.808
Staff costs	2	-57.349
Depreciation and amortisation		-4.936
Operating profit/loss		-45.477
Financial income	3	10
Financial expenses	4	-3.833
Profit / loss before tax		-49.300
Tax on profit for the year	5	-3
Profit / loss for the year	6	-49.331

Balance sheet on December 31st

Assets	Notes	31-12-2024 DKK '00(
Goodwill		120.897
Intangible assets	7	120.897
Vessels		295.088
Other fixtures and fittings, tools and equipment		6.810
Assets under construction and prepayments		53.271
Tangible assets	8	355.169
Non-current assets		476.066
Finished goods		31.946
Inventories		31.946
Trade receivables		9.583
Receivable from affiliated companies		2.529
Other receivables		7.383
Prepayments	9	16.684
Receivables		36.179
Cash		31.321
Current assets		99.446
Assets		575.512

Balance sheet on December 31st

Liabilities	Notes	31-12-2024 DKK '00(
Contributed capital		400
Retained earnings		-49.331
Equity		-48.931
Trade payables		49.092
Payable to affiliated companies		480.927
Other payables	10	24.776
Company tax		31
Deferred income	11	69.617
Current liabilities other than provisions		624.443
Liabilities other than provisions		624.443
Equity and liabilities		575.512

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Statement of changes in equity

DKK '000	Share capital	Retained earnings	Total
Equity at 8 February 2024	400	0	400
Profit / loss for the year	0	-49.331	-49.331
Equity at 31 December 2024	400	-49.331	-48.931

The share capital consists of 400.000 shares of DKK 1 nominal.

The Company has lost more than 50% of its share capital, cf. Section 119 of the Danish Companies Act. Management expects that the capital will be reestablished via group contribution or debt conversion.

Notes

		2024 DKK '000
1	Revenue	
	Ferry transport	34.275
	Food & Beverage	48.283
	Shop	28.084
	Other shipping revenue	7.038
	Total	117.680

Revenue from ferry transport is generated as part of the crossing from Denmark to Norway.

2	Staff costs	
	Salaries and wages	47.010
	Pension costs	3.628
	Other social security expenses	2.996
	Other personnel expenses	3.715
	Total staff costs	57.349
	Average number of employees	796

The average number of employees has been determined based on November and December as the entity was dormant until then.

Remuneration to Board of Directors and Executive Board	
Salary	676
Pension	78
Total remuneration to Board of Directors and Executive Board	754

We have applied the exemption in the Danish Financial Statement Act in section 98 b number 3.1.

Notes

	2024 DKK '000
3 Financial income	
Interest from affiliated companies	10
Total financial income	10
4 Financial expenses	
Interest to affiliated companies	-3.570
Foreign exchange losses	-257
Other interest expenses	-6
Total financial expenses	-3.833
5 Tax on profit/loss for the year	
Current tax	-31
Total tax on profit for the year	-31

The Company has prepared the annual report under the assumptions of commiting to tonnage tax scheme. In connection with the Company's first tax return the election of tonnage tax will be binding until 2034.

6 Proposed distribution of profit / loss	
Retained earnings	-49.331
Profit / loss for the year	-49.331

Notes

7 Intangible assets	2024 DKK '000 Goodwill
Cost at 8 February	0
Additions from business combinations	122.255
Cost at 31 December	122.255
Amortization at 8 February	0
Amortization for the year	-1.358
Depreciation and amortization at 31 December	-1.358
Carrying amount at 31 December	120.897

There are no impairment indicators related to the goodwill as the activity acquired is in line with the long-term business plan and the activity was acquired during low season.

8 Tangible assets	Vessels	Plant and machinery	Assets under construction and prepayments	Total
Cost at 8 February	0	0	0	0
Additions	0	0	53.271	53.271
Additions from business combinations	298.404	7.072	0	305.476
Cost at 31 December	298.404	7.072	53.271	358.747
Depreciation at 8 February	0	0	0	0
Depreciation for the year	-3.316	-262	0	-3.578
Disposals	0	0	0	0
Depreciation at 31 December	-3.316	-262	0	-3.578
Carrying amount at 31 December	295.088	6.810	53.271	355.169

Notes

	2024 DKK '00(

9 Prepayments

Prepayments consist of prepaid costs regarding future operations etc.

10 Other payables

Holiday pay obligations	5.221
Wages and salaries etc.	19.301
Other costs payable	174
Total	24.696

Other payables (continued)

Other payables falls due as following:

Current portion of non-current payables within 1 year	24.69(
Non-current payables between 1 and 5 years	0
Non-current payables over 5 years	0
Total non-current payables	24.696

11 Deferred income

Deferred income consists of prepaid tickets.

12 Contingent liabilities

Alvina Shipping A/S has committed to a comprehensive renovation of its two vessels, Nordic Pearl and Nordic Crown. The renovation takes place during 2025 and includes modernization of onboard facilities. The total cost of the renovation is estimated at up to DKK 200 million, of which DKK 53 million is included as assets under constructions and prepayments. The work and will be covered by existing loan facility with the parent company.

Alvina Shipping A/S holds lease liabilities that amounts to DKK 16,3 million.

13 Assets charged and collateral

No assets are charged or collateralized.

14 Transactions with related parties

The Company has entered into these transactions with related parties:

2024 DKK'000	Parent Company	Affiliated companies
Purchase of services	-	4.425
Interest expenses	3.570	-
Receivables	-	2.518
Payables	469.617	11.310

Transactions towards management is disclosed in note 2)

15 Group relations

The largest and the smallest parent Company preparing a consolidated Financial Statements are:

Largest group
Rederi AB Gotland
Gotlandsbolaget-arsredovisning-2025-250512.pdf

16 Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report.

17 Letter of support

The company also has negative equity amounting to DKK 49 million. The parent company has initiated a plan to restore the Alvina Shipping A/S's equity, which is expected to be completed during 2025.

Despite the negative equity, management assesses that the company's liquidity position is sufficient to meet its obligations in the coming financial year. This assessment is based on the following factors:

- A support letter from Rederiaktiebolaget Gotland securing continued support to Alvina Shipping A/S financially by paying other creditors claims as they fall due until the annual general meeting where the 2025 annual report is approved.

Management continuously monitors the company's financial development and has implemented further measures to improve liquidity.

Based on this, management considers the company's liquidity position and financial standing to be sufficiently supported, and there are thus no indications of material uncertainty regarding the company's ability to continue as a going concern.

18 Summary of significant accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing for reporting class C enterprises (large).

The Financial Statement have been presented in TDKK.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the Financial Statements and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

The company has chosen IAS 18 Revenue as guidance for revenue recognition.

When entering into sales contracts that consist of several separate sales transactions, the contract amount is allocated to the individual sales transactions using the relative fair value method. The separate sales transactions are recognized as net revenue when the criteria for the sale of goods and services are met.

Net revenue is measured at the fair value of the agreed consideration excluding VAT and charges collected on behalf of third parties. All types of discounts granted are recognized in net revenue.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw material and consumables related to the shops and restaurants on board the vessels.

Operating expenses

Operating expenses comprises bunker fuel consumption, port expenses, and commissions and expenses of unplanned shipyard and expenses of current maintenance of safety level on the vessels. Expenses are recognised as incurred. Furthermore, expenses for changes to the hulls of the vessels or for accommodation construction which did not increase the value in use are included.

Dry docking costs are recognised in the carrying amount of vessels when incurred and depreciated over the period until the next dry docking.

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for it-costs, marketing costs, premises and various corporate costs, etc. This item also includes write-downs of receivables recognized in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Company staff.

Depreciation, amortisation and impairment losses

Intangible assets and property, plant and equipment are amortized or depreciated straight-line on the basis of the individual estimate of their useful lives.

Financial income

Financial income comprises interest income, currency gains etc.

Financial expenses

Financial expenses comprise interest expenses, bank charges, currency losses etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company has prepared the annual report under the assumptions of commiting to tonnage tax scheme. In connection with the Company's first tax return the election of tonnage tax will be binding until 2034.

Balance sheet

Goodwill

Goodwill arises from business combinations and represents the excess of the cost of an acquired activity over the fair value of its identifiable net assets at the acquisition date. Goodwill is recognized as an intangible asset and is amortized straight-line over its expected useful life which has been determined to 15 years.

Property, plant and equipment

Vessels, harbour installations as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straightline depreciation is made on the basis of the following estimated useful lives of the assets:

Vessels	15 years
Other fixtures and fittings, tools and equipment	3-5 years

The carrying amounts of fixed assets are reviewed regularly, at least once a year, to determine any indication of impairment. If such indication exists, the recoverable amount of the asset is determined.

Fixed assets are written down to the lower of recoverable amount and carrying amount. Recoverable amount is the higher of value in use (present value of the future net payments) and selling price (broker assessment in respect of vessels) less expected selling costs.

Gains and losses from the sales of property, plants and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains and losses are recognised in the income statement under other operating income/other operating expenses.

Costs related to planned periodical repairs and maintenance work (docking costs) are capitalized and depreciated straight-line over the period until the next anticipated docking, typically two-five years.

Inventories

Inventories are measured at cost based on the FIFO method. Where the net realizable value is lower than the FIFO cost price, inventories are written down to this lower value. The cost of inventory consists of the acquisition price plus delivery costs.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad debts.

Receivables / Payables from affiliated companies

Receivables or payable from affiliated companies comprises intercompany trade balances, deposits and debt to parent Company.

Trade payables and Other payables

Trade payables and other payables are recognized when the company has a legal or constructive obligation because of past events, and it is probable that settlement will require an outflow of the company's financial resources. Liabilities are initially measured at fair value and subsequently at amortized cost.

Trade payables comprise of debt to suppliers for the purchase of goods and services. Other payables include accrued taxes and duties, holiday pay obligations, accruals, and other operational liabilities not related to specific purchases.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortized cost, which usually corresponds to the nominal amount.

Cash

Cash comprises cash in hand and bank deposits.

Deferred income

Deferred income comprises received income for recognition in subsequent years.

Cash flow statement

The Company has according to the Danish Financial Statements Act §86(4) omitted to produce a cash flow statement.

Audit fee

The Company has according to the Danish Financial Statements Act section 96 (3) omitted separate disclosure of audit fee.

Business combinations

Newly acquired business are recognised on the acquisition date. The acquisition date is the date when the Company obtains control.

The purchase method is applied to acquisitions of new businesses. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right.

Positive differences (goodwill) between the consideration for the new business and the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the acquisition date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the

acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.