

Weco Tankers A/S

Rungsted Strandvej 113, DK-2960 Rungsted Kyst

Annual Report for 2025

CVR No. 41 33 59 71

The Annual Report was presented and adopted at the
Annual General Meeting of the company on
26/03/2026

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 Tankers A/S for the financial year 1 January - 31 December 2025.

The Annual Report is 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 at 31 December 2025 of the Company and of the results of the Company operations for 2025.

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

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

Rungsted Kyst, 26 March 2026

Executive Board

Johnny Schmølker
CEO

Board of Directors

Johan Ernst Wedell-Wedellsborg
Chairman

Lars Kalstad Vedfelt

Claes Leschly Bang

David Møller Simonsen

Johnny Schmølker

Rasmus Lund-Jacobsen

Independent Auditor's report

To the shareholders of Weco Tankers A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025 and of the results of the Company's operations for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Weco Tankers A/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 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.

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 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

Independent Auditor's report

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

Hellerup, 26 March 2026

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Malene Hvidt Haslund

State Authorised Public Accountant

mne49078

Company information

The Company	Weco Tankers A/S Rungsted Strandvej 113 DK-2960 Rungsted Kyst CVR No: 41 33 59 71 Financial period: 1 January - 31 December Municipality of reg. office: Hørsholm
Board of Directors	Johan Ernst Wedell-Wedellsborg, chairman Lars Kalstad Vedfelt Claes Leschly Bang David Møller Simonsen Johnny Schmølker Rasmus Lund-Jacobsen
Executive Board	Johnny Schmølker
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

(TUSD)	2025	2024	2023	2022	2021
Key figures					
Profit/loss					
Revenue	266,815	304,997	291,326	261,537	101,121
Gross profit	16,368	31,969	57,485	49,387	3,654
Profit/loss of primary operations	15,104	30,698	53,145	42,757	2,479
Profit/loss of financial income and expenses	3,489	3,109	3,610	203	-121
Net profit/loss for the year	17,799	32,930	56,140	42,796	2,278
Balance sheet					
Balance sheet total	125,415	132,441	152,746	77,479	19,128
Investment in property, plant and equipment	27,875	0	0	0	0
Equity	84,390	95,503	79,053	45,528	3,082
Number of employees	10	9	10	9	5
Ratios					
Gross margin	6.1%	10.5%	19.7%	18.9%	3.6%
Profit margin	5.7%	10.1%	18.2%	16.3%	2.5%
Return on assets	12.0%	23.2%	34.8%	55.2%	13.0%
Solvency ratio	67.3%	72.1%	51.8%	58.8%	16.1%
Return on equity	19.8%	37.7%	90.1%	176.1%	113.7%

For definitions of key ratios, see accounting policies.

During the year, Weco Tankers A/S has merged with Weco Malou ApS with Weco Tankers as the continuing company. The merger is accounted for using the group method, given that the continuing company had control over the discontinuing company prior to the merger. The comparative figures for the financial year 2024 has been restated in this respect.

Management's review

Key activities

The primary activity of Weco Tankers A/S is to transport vegetable oils, chemical and other oil products.

Development in the year

The income statement of the Company for 2025 shows a profit of TUSD 17,799, and at 31 December 2025 the balance sheet of the Company shows an equity of TUSD 84,390.

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

The product tanker markets experienced stronger freight rates, especially towards the end of the year, and Weco Tankers managed to capitalize on this, delivering a result above expectations – which management is pleased with. Included in the result for 2025 is the sale of Weco Malou.

Special risks - operating risks and financial risks

Use of financial instruments

Fluctuations in the price of bunkers affect the operating profit. Price agreements are entered into concerning future purchases of bunkers when the market conditions are estimated to lead to increasing bunkers prices. It is the Company's objective that the expected bunkers' consumption of all contracts is covered at the conclusion of the contract.

Market risks

Fluctuations affect freight rates as well as prices of e.g. tonnage and fuel. Management continuously assess the extent to which it is relevant to take measures against these market fluctuations.

Foreign exchange risks

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

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

With the ongoing geopolitical tensions in the Middle East, it becomes very difficult to assess expectations for the year. Freight rates have started the year strong, yet Management is conservatively expecting a result in the range of USD 5-10 million in 2026.

Research and development

The shipping company is not involved in research and development activities.

External environment

The Company 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.

Management's review

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 Company has defined goals, positions and strategies that systematically strengthen the value creation and form the basis of the Company's innovative skills, just as it is important to the future success of the Company 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 Company.

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

For our statutory statement on social responsibility in accordance with sections 99b of the Danish Financial Statements Act, we refer to the annual report from our ultimate parent company Weco A/S (CVR: 29622868).

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

For our statutory statement on data ethics in accordance with sections 99d of the Danish Financial Statements Act, we refer to the annual report from our ultimate parent company Weco A/S (CVR: 29622868).

Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

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

(TUSD)	Note	2025	2024
Revenue	1	266,815	304,997
Other operating income		7,435	0
Direct expenses		-247,887	-270,913
Other external expenses		-9,995	-2,115
Gross profit		16,368	31,969
Staff expenses	2	-1,264	-1,271
Profit/loss before financial income and expenses		15,104	30,698
Income from investments in subsidiaries	3	317	197
Income from investments in associates	4	695	0
Financial income	5	2,479	2,924
Financial expenses	6	-2	-12
Profit/loss before tax		18,593	33,807
Tax on profit/loss for the year	7	-794	-877
Net profit/loss for the year	8	17,799	32,930

Balance sheet 31 December

Assets

(TUSD)	Note	2025	2024
Vessels		0	0
Property, plant and equipment	9	0	0
Investments in subsidiaries	10	792	469
Investments in associates	11	19,791	14,043
Fixed asset investments		20,583	14,512
Fixed assets		20,583	14,512
Bunker		2,529	6,567
Inventories		2,529	6,567
Trade receivables		29,504	21,742
Receivables from group enterprises		7,434	0
Other receivables	13	6,162	3,905
Prepayments	12	13,789	15,061
Receivables		56,889	40,708
Cash at bank and in hand		45,414	70,654
Current assets		104,832	117,929
Assets		125,415	132,441

Balance sheet 31 December

Liabilities and equity

(TUSD)	Note	2025	2024
Share capital		365	365
Reserve for net revaluation under the equity method		0	446
Reserve for hedging transactions		79	113
Retained earnings		83,946	94,579
Equity		84,390	95,503
Trade payables		19,054	20,796
Payables to group enterprises		629	1,392
Payables to associates		2,708	4,003
Other payables	13	2,469	3,090
Deferred income	14	16,165	7,657
Short-term debt		41,025	36,938
Debt		41,025	36,938
Liabilities and equity		125,415	132,441
Contingent assets, liabilities and other financial obligations	15		
Related parties	16		
Accounting Policies	17		

Statement of changes in equity

(TUSD)	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Total
Equity at 1 January	365	446	113	94,579	95,503
Exchange adjustments	0	6	0	-6	0
Extraordinary dividend paid	0	0	0	-20,000	-20,000
Fair value adjustment of hedging instruments	0	0	-34	0	-34
Other equity movements	0	-452	0	-8,426	-8,878
Net profit/loss for the year	0	0	0	17,799	17,799
Equity at 31 December	365	0	79	83,946	84,390

Notes to the Financial Statements

1. Revenue

(TUSD)	2025	2024
Geographical segments		
Globally	266,815	304,997
	266,815	304,997
Business segments		
Product Tanker	266,815	304,997
	266,815	304,997

2. Staff expenses

(TUSD)	2025	2024
Wages and salaries	1,076	1,072
Pensions	161	158
Other social security expenses	12	10
Other staff expenses	15	31
	1,264	1,271
Average number of employees	10	9

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3. Income from investments in subsidiaries

(TUSD)	2025	2024
Share of profits / losses of subsidiaries	317	197
	317	197

4. Income from investments in associates

(TUSD)	2025	2024
Share of profits / losses of associates	695	0
	695	0

Notes to the Financial Statements

5. Financial income

(TUSD)	2025	2024
Interest from group enterprises	62	196
Other financial income	1,654	2,643
Exchange adjustments	763	85
	2,479	2,924

6. Financial expenses

(TUSD)	2025	2024
Other financial expenses	2	12
	2	12

7. Income tax expense

(TUSD)	2025	2024
Current tax for the year	794	877
	794	877

8. Profit allocation

(TUSD)	2025	2024
Extraordinary dividend paid	20,000	20,000
Reserve for net revaluation under the equity method	0	197
Retained earnings	-2,201	12,733
	17,799	32,930

9. Property, plant and equipment

(TUSD)	Vessels
Cost at 1 January	0
Additions for the year	27,875
Disposals for the year	-27,875
Cost at 31 December	0
Carrying amount at 31 December	0

Notes to the Financial Statements

10. Investments in subsidiaries

(TUSD)	2025	2024
Cost at 1 January	23	1
Additions for the year	0	22
Cost at 31 December	23	23
Value adjustments at 1 January	446	141
Exchange adjustment	6	108
Net profit/loss for the year	317	197
Value adjustments at 31 December	769	446
Carrying amount at 31 December	792	469

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Weco Tankers Singapore Pte. Ltd.	Singapore	USD 732	100%
Weco Tankers GmbH	Schweiz	CHF 20,000	100%

The foreign subsidiaries is recognised and measured as a separate entity.

11. Investments in associates

(TUSD)	2025	2024
Cost at 1 January	14,043	7,385
Additions for the year	19,553	6,658
Cost at 31 December	33,596	14,043
Net profit/loss for the year	695	0
Dividends received	-14,500	0
Value adjustments at 31 December	-13,805	0
Carrying amount at 31 December	19,791	14,043

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Ownership
Tribecca Maritime Partners LLC	Singapore	USD 7,385	33%

The foreign associate is recognised and measured as a separate entity.

Notes to the Financial Statements

12. Prepayments

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

13. Derivative financial instruments

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

Hege Accounting not Applied:

- No contracts

Hedge Accounting Applied:

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

(TUSD)	2025	2024
Assets	0	112
Liabilities	79	0
	Value adjustment, equity	Fair value at 31 December
Oil contracts (Hedging applied)	34	79

14. Deferred income

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

15. Contingent assets, liabilities and other financial obligations

(TUSD)	2025	2024
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	84,196	82,091
Between 1 and 5 years	41,536	96,644
	125,732	178,735

Notes to the Financial Statements

15. Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

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.

16. Related parties and disclosure of consolidated financial statements

	Basis
Controlling interest	
Weco A/S	Majority Owner
Weco Shipping A/S	Majority Owner
Other related parties	
Johan Wedell-Wedellsborg	Majority Owner
Transactions	
Management fee to Weco Shipping	1.017 tUSD
Services from Weco Tankers Singapore	2.322 tUSD
Services from Weco Tankers GmbH	579 tUSD
Services from Weco USA Inc.	639 tUSD
Interest income from Weco Tankers Singapore	62 tUSD
Guarentee Fee to Weco Shipping	462 tUSD
Receivables from Group	7.914 tUSD
Debt to group	1.509 tUSD

Consolidated Financial Statements

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

Name	Place of registered office
Weco A/S	Hørsholm
Weco Shipping A/S	Hørsholm

Notes to the Financial Statements

17. Accounting policies

The Annual Report of Weco Tankers A/S for 2025 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 Financial Statements for 2025 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2025, DKK 635,27 (2024: DKK 714,29)

With reference to section 96 (3) of the Danish Financial Statements Act fee to auditor appointed at the general meeting is disclosed in the Group Annual report for Weco Shipping A/S.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2025 of Weco Shipping A/S, the Company has not prepared consolidated financial statements.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Weco Shipping A/S, the Company has not prepared a cash flow statement.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when 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 initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Business combinations

The completed merger of Weco Malou A/S into Weco Tankers A/S is accounted for using the combination method. Under this method, the companies are considered to have been combined as if they had always been one company, and comparative figures for 2024 have been adjusted accordingly. Assets and liabilities in the terminating company are recognised in the balance sheet at book values (historical costs) on the merger date. Any excess value of net assets in relation to the receiving company's share of the capital in the terminating company is recognised directly in equity.

Leases

All 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

USD is used as the presentation currency. All other currencies are regarded as foreign currencies.

Notes to the Financial Statements

17. Accounting policies (continued)

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 transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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 the reserve for hedging transactions 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 is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income statement

Revenue

Revenue includes vessels freight income and time charter income. Revenue is recognised in the income statement for the financial year as earned.

Direct expenses

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

Other external expenses

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

Staff expenses

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

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.

Notes to the Financial Statements

17. Accounting policies (continued)

Tax on profit/loss for the year

The Company is comprised by the tonnage tax regime. No provision is made for deferred tax since no deferred tax is expected to arise under the tonnage tax regime.

The Company is jointly taxed with Weco A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Inventories

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Notes to the Financial Statements

17. Accounting policies (continued)

Prepayments

Prepayments comprise prepaid expenses concerning future financial years.

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 as well as open voyages.

Financial Highlights

Explanation of financial ratios

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