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Fortuna Seaside Invest A/S

Strandvejen 56, 2900 Hellerup

Company reg. no. 37 99 19 02

Annual report

1 July 2023 - 30 June 2024

The annual report was submitted and approved by the general meeting on the 29 October 2024.

Lars Trygved
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance USD 146.940 means the amount of USD 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Fortuna Seaside Invest A/S for the financial year 1 July 2023 - 30 June 2024.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Hellerup, 29 October 2024

Executive board

Lars Trygved

Ulrik Lund Rasmussen

Board of directors

Lars Trygved

Ulrik Lund Rasmussen

Peter Bruno Rasmussen

Henrik Ambjørn Petersen

Sofia Margaretha Weitemeyer Trygved

Independent auditor's report

To the Shareholders of Fortuna Seaside Invest A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Fortuna Seaside Invest A/S for the financial year 1 July 2023 to 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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 Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

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

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

Independent auditor's report

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s and the 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 consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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, we conclude that 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 Management's Review.

Copenhagen, 29 October 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

Martin Bomholtz
State Authorised Public Accountant
mne34117

Company information

The company	Fortuna Seaside Invest A/S Strandvejen 56 2900 Hellerup	
	Company reg. no.	37 99 19 02
	Established:	8 September 2016
	Domicile:	Copenhagen
	Financial year:	1 July - 30 June
Board of directors	Lars Trygved Ulrik Lund Rasmussen Peter Bruno Rasmussen Henrik Ambjørn Petersen Sofia Margaretha Weitemeyer Trygved	
Executive board	Lars Trygved Ulrik Lund Rasmussen	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiary	Fortuna Seaside Bulk Carriers A/S, Hellerup	

Consolidated financial highlights

USD in thousands.	2023/24	2022/23	2021/22	2020/21	2020
Income statement:					
Gross profit	2.023	2.358	8.494	6.037	920
Profit from operating activities	-393	188	6.686	4.554	-266
Net financials	892	24	-211	448	-38
Net profit or loss for the year	360	275	5.058	4.794	-312
Statement of financial position:					
Balance sheet total	9.087	9.633	10.470	9.161	5.201
Equity	7.982	7.621	7.346	2.288	-2.506
Cash flows:					
Operating activities	-815	1.129	5.977	5.703	-1.862
Investing activities	-12	-3	-10	35	-11
Financing activities	0	0	-4.007	-2.070	-123
Total cash flows	-828	1.126	1.961	3.668	-1.996
Employees:					
Average number of full-time employees	12	12	10	9	14
Key figures in %:					
Liquidity ratio	818,4	476,7	333,6	132,7	114,4
Solvency ratio	87,8	79,1	25,0	-48,2	-35,1

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The financial highlights for 2020 solely comprise the period six month.

Management´s review

Description of key activities of the company

Like previous years, the activities of the group and of Fortuna Seaside Invest A/S are shipping activities.

Development in activities and financial matters

Income from ordinary activities for the parent company after tax totals USD 360.500 against USD 275.126 last year. Management considers the net profit for the year satisfactory.

The gross profit for the group for the year totals USD 2.068.070 against USD 2.568.714 last year. Income from ordinary activities after tax totals USD 360.499 against USD 275.126 last year. Considering the difficulties faced by dry cargo shipping for the year 2023/2024 with freight rates considerably lower than the previous years, Management considers the net profit for the year to be satisfactory.

Financial risks

Market risks

The group´s revenues are exclusively generated from the seaborne transportation of dry bulk commodities and freight rates obtained by the vessels time chartered by the Company are a risk factor. By timechartering vessels only on short term charters and by securing cargo bookings and cargo contracts for the vessels the company has on charter, the company reduces its exposure to fluctuations in the dry cargo freight market. The company also uses Freight Forward Agreements (FFA's) as a hedging tool.

Foreign currency risks

The majority of the group´s transactions are denominated in USD.
The group´s exchange rate risk is thus limited and primarily related to administrative expenses related to the group´s head office in Denmark.

Credit risks

The group is dependent on its counterparties fulfilling their payment obligations. To check the financial strength of a counterparty, the group makes frequent use of providers of independent due diligence, credit reporting and risk management consultancy services to the shipping industry.

Liquidity risks

The group takes all necessary steps to ensure that the group at all times will have sufficient liquidity to fulfill its commitments.

Environmental issues

The group acknowledge the shipping business in general has an obligation to limit its negative environmental impact. The group has as their objective to reduce pollution by maximizing efficiency considering various measures to reduce the overall fuel consumption as well as using more environmentally fuel. It supports the IMO and EU initiatives to further reduce pollution.

Management´s review

Expected developments

For 2024/2025, we will continue to capitalize on market volatility whilst operating with balanced trading commitments. The result will depend on market levels, which we assess on a frequent and regular basis. Based on current assessment of the market, we should be able to achieve a positive result before tax of between 1 and 3 million USD.

Events occurring after the end of the financial year

No events have taken place after June 30th, 2024, that would effect the financial status of the company or the group.

Income statement 1 July - 30 June

All amounts in USD.

Note		Group 2023/24	Group 2022/23	Parent 2023/24	Parent 2022/23
	Gross profit	**2.068.070**	**2.568.714**	**0**	**0**
	Distribution costs	-78.072	-77.883	0	0
	Administration expenses	-2.386.773	-2.302.745	-16.061	-12.957
	Operating profit	**-392.851**	**200.182**	**-16.061**	**-12.957**
	Income from investments in group enterprises	0	0	201.559	416.847
	Other financial income	804.478	272.394	123.542	73.977
	Writedown relating to financial assets	0	-8.193	0	-8.193
	Other financial expenses	87.471	-240.636	96.477	-234.008
	Financing, net	891.949	23.565	421.578	248.623
	Pre-tax net profit or loss	**499.098**	**223.747**	**405.517**	**235.666**
	Tax on net profit for the year	-138.599	51.379	-45.017	39.460
2	**Net profit for the year**	**360.499**	**275.126**	**360.500**	**275.126**
	Break-down of the consolidated profit:				
	Shareholders in Fortuna Seaside Invest A/S	360.499	275.126		
		360.499	**275.126**		

Balance sheet at 30 June

All amounts in USD.

Note	Assets	Group 2024	Group 2023	Parent 2024	Parent 2023
	Non-current assets				
3	Investments in group enterprises	0	0	5.218.406	5.416.847
5	Deposits	44.055	43.394	0	0
	Total investments	44.055	43.394	5.218.406	5.416.847
	Total non-current assets	**44.055**	**43.394**	**5.218.406**	**5.416.847**
	Current assets				
6	Raw materials and consumables	150.708	481.298	0	0
	Total inventories	150.708	481.298	0	0
	Trade debtors	706.752	88.337	0	0
	Voyages in progress	53.542	62.552	0	0
7	Deferred tax assets	1.679	64.763	0	53.282
	Tax receivables from group enterprises	0	0	82.280	43.098
	Other receivables	10.250	12.236	0	0
8	Prepayments	64.501	8.927	0	0
	Total receivables	836.724	236.815	82.280	96.380
	Other financial investments	11.837	0	0	0
	Total investments	11.837	0	0	0
	Cash and cash equivalents	8.043.244	8.871.022	2.764.135	2.171.930
	Total current assets	**9.042.513**	**9.589.135**	**2.846.415**	**2.268.310**
	Total assets	**9.086.568**	**9.632.529**	**8.064.821**	**7.685.157**

Balance sheet at 30 June

All amounts in USD.

Note	Equity and liabilities	Group 2024	Group 2023	Parent 2024	Parent 2023
	Equity				
9	Contributed capital	75.476	75.476	75.476	75.476
10	Reserve for net revaluation according to the equity method	0	0	218.406	416.847
11	Retained earnings	7.906.161	7.545.661	7.687.755	7.128.814
	Equity before non-controlling interest.	7.981.637	7.621.137	7.981.637	7.621.137
	Total equity	**7.981.637**	**7.621.137**	**7.981.637**	**7.621.137**
	Liabilities other than provisions				
	Voyages in progress	130.765	823.117	0	0
	Trade payables	854.003	1.049.871	9.330	7.294
	Income tax payable	73.854	62.933	73.854	56.726
	Other debts	46.309	75.471	0	0
	Total short term liabilities other than provisions	1.104.931	2.011.392	83.184	64.020
	Total liabilities other than provisions	**1.104.931**	**2.011.392**	**83.184**	**64.020**
	Total equity and liabilities	**9.086.568**	**9.632.529**	**8.064.821**	**7.685.157**

1 Employee information

12 Contingencies

Statement of cash flows 1 July - 30 June

All amounts in USD.

Note		Group 2023/24	2022/23
	Net profit or loss for the year	360.499	275.126
13	Adjustments	-658.074	-74.943
14	Change in working capital	-1.249.784	1.784.143
	Cash flows from operating activities before net financials	-1.547.359	1.984.326
	Interest received, etc.	804.179	272.393
	Interest paid, etc.	-9.006	-6.636
	Cash flows from ordinary activities	-752.186	2.250.083
	Income tax paid	-63.094	-1.121.551
	Cash flows from operating activities	**-815.280**	**1.128.532**
	Purchase of financial instruments	-11.837	0
	Deposits	-661	-2.702
	Cash flows from investment activities	**-12.498**	**-2.702**
	Change in cash and cash equivalents	**-827.778**	**1.125.830**
	Cash and cash equivalents at 1 July 2023	8.871.022	7.745.192
	Cash and cash equivalents at 30 June 2024	**8.043.244**	**8.871.022**

Cash and cash equivalents		
Cash and cash equivalents	8.043.244	8.871.022
Cash and cash equivalents at 30 June 2024	**8.043.244**	**8.871.022**

Notes

All amounts in USD.

		Group 2023/24	Group 2022/23
1.	**Employee information**		
	Salaries and wages	1.685.190	1.632.274
	Pension costs	146.801	142.138
	Other costs for social security	70.160	55.577
	Other staff costs	63.615	37.007
		1.965.766	**1.866.996**
	Executive board and board of directors	566.667	566.942
	Average number of employees	12	12

		Parent 2023/24	Parent 2022/23
2.	**Proposed distribution of net profit**		
	Reserves for net revaluation according to the equity method	201.559	416.847
	Transferred to retained earnings	158.941	0
	Allocated from retained earnings	0	-141.721
	Total allocations and transfers	**360.500**	**275.126**

Notes

All amounts in USD.

		Parent 30/6 2024	30/6 2023
3.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 July 2023	5.000.000	5.000.000
	Cost 30 June 2024	**5.000.000**	**5.000.000**
	Revaluations, opening balance 1 July 2023	416.847	5.176.704
	Results of the year	201.559	416.847
	Dividend	-400.000	-5.176.704
	Revaluation 30 June 2024	**218.406**	**416.847**
	Carrying amount, 30 June 2024	**5.218.406**	**5.416.847**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity USD**	**Results for the year USD**	**Carrying amount, Fortuna Seaside Invest A/S USD**
Fortuna Seaside Bulk Carriers A/S, Hellerup	100 %	5.218.406	201.559	5.218.406
		5.218.406	**201.559**	**5.218.406**

Notes

All amounts in USD.

		Group		Parent	
		30/6 2024	30/6 2023	30/6 2024	30/6 2023
4.	**Other financial investments**				
	Cost 1 July 2023	8.193	8.193	8.193	8.193
	Disposals during the year	-8.193	0	-8.193	0
	Cost 30 June 2024	**0**	**8.193**	**0**	**8.193**
	Writedown 1 July 2023	-8.193	0	-8.193	0
	Writedown for the year	0	-8.193	0	-8.193
	Writedown, securities disposed of	8.193	0	8.193	0
	Writedown 30 June 2024	**0**	**-8.193**	**0**	**-8.193**
	Carrying amount, 30 June 2024	**0**	**0**	**0**	**0**

		Group	
		30/6 2024	30/6 2023
5.	**Deposits**		
	Cost 1 July 2023	43.394	40.692
	Additions during the year	661	2.702
	Cost 30 June 2024	**44.055**	**43.394**
	Carrying amount, 30 June 2024	**44.055**	**43.394**

Notes

All amounts in USD.

		Group 30/6 2024	Group 30/6 2023
6.	**Raw materials and consumables**		
	Raw materials and consumables	150.708	481.298
		150.708	**481.298**

Inventory of raw materials and consumables (bunker oil) is measured at cost on basis of the FIFO method. As 30/6 2024 the net realisable value of the inventory bunker oil is 19 t.USD lower than the cost amount. As per 30/6 2023 the realisable value was 11 t.USD lower than the cost amount.

		Group 30/6 2024	Group 30/6 2023	Parent 30/6 2024	Parent 30/6 2023
7.	**Deferred tax assets**				
	Deferred tax assets 1 July 2023	64.763	0	53.282	0
	Deferred tax of the results for the year	-63.084	64.763	-53.282	53.282
		1.679	**64.763**	**0**	**53.282**
	The following items are subject to deferred tax:				
	Property, plant, and equipment	1.679	2.239	0	0
	Investments	0	1.802	0	1.802
	Current assets	0	60.722	0	51.480
		1.679	**64.763**	**0**	**53.282**

		Group 30/6 2024	Group 30/6 2023
8.	**Prepayments**		
	Prepaid insurance	0	5.910
	Suscriptions etc.	4.093	3.017
	Prepaid IT licenses etc.	60.408	0
		64.501	**8.927**

Notes

All amounts in USD.

	Group		Parent	
	30/6 2024	30/6 2023	30/6 2024	30/6 2023
9. Contributed capital				
Contributed capital 1 July 2023	75.476	75.476	75.476	75.476
	75.476	**75.476**	**75.476**	**75.476**

The share capital consists of 500 shares a 1,000 kr. And multiples thereof. The capital is not divided into classes. There have been no movements in the share capital of the year.

	Parent	
	30/6 2024	30/6 2023
10. Reserve for net revaluation according to the equity method		
Reserves for net revaluation 1 July 2023	416.847	5.176.704
Share of results	201.559	416.847
Distributed dividend	-400.000	-5.176.704
	218.406	**416.847**

	Group		Parent	
	30/6 2024	30/6 2023	30/6 2024	30/6 2023
11. Retained earnings				
Retained earnings 1 July 2023	7.545.661	7.270.535	7.128.814	2.093.831
Profit or loss for the year brought forward	360.500	275.126	158.941	-141.721
Distributed dividends from group enterprises	0	0	400.000	5.176.704
	7.906.161	**7.545.661**	**7.687.755**	**7.128.814**

12. Contingencies

Contingent liabilities

The Group's annual rent obligation amounts to USD 116,125.

The Group has entered into long-term lease agreements with foreign tonnage. The total liability amounts 30 June 2024 USD to 799,500 relating to the financial year 2024/2025.

Notes

All amounts in USD.

12. Contingencies (continued)

Contingent liabilities (continued)

The company in the group have pledged bank balances of USD 14,363 as security other bank balances.

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

	Group	
	2023/24	2022/23
13. Adjustments		
Impairment of loans	0	234.000
Writedown fixed assets	0	8.193
Other financial income	-804.178	-272.393
Other financial expenses	9.006	6.636
Tax on net profit for the year	74.014	-29.976
Deferred tax	63.084	-21.403
	-658.074	**-74.943**

	Group	
	2023/24	2022/23
14. Change in working capital		
Change in inventories	330.590	1.189.188
Change in receivables	-662.995	614.709
Change in trade payables and other payables	-917.379	-19.754
	-1.249.784	**1.784.143**

Accounting policies

The annual report for Fortuna Seaside Invest A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The annual report is presented in American dollars (USD). A USD exchange rate on the balance sheet items of 6.9664 (2023 6.8539).

The accounting policies are unchanged from the previous year, and the annual report is presented in American dollars (USD).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

The consolidated financial statements

The consolidated income statements comprise the parent company Fortuna Seaside Invest A/S and those group enterprises of which Fortuna Seaside Invest A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests

Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Gross profit

Gross profit comprises revenue, production costs, and other operating income.

Accounting policies

Revenue compromises income from voyages and is recognised exclusive of VAT and duties. Revenue is recognised as the work is completed, calculated on the basis of stage of completion (production criterion) at the balance sheet date. Recognition occurs when the following conditions are met:
- the amount of revenue can be measured reliably
- it is probable that the economic benefits associated with the transaction will flow to the entity
- the stage of completion of the transaction at the end of the reporting period can be measured reliably: and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Stage of completion is determined on the basis of the completed travel time compared to the expected travel time.

Production costs comprise the vessels operation expenses, incurred to generate revenue for the year. The expenses include charter hire for chartered vessels (operating leases), bunker oil consumption, staff costs, other voyage costs such as commissions and harbour charges, repair and maintenance costs, insurance costs and other operation expenses. Like revenue, vessels operation expenses are recognised on the basis of stage of completion.

Furthermore, provisions for losses on contracts are recognised in case of onerous contracts.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year and for sales campaigns carried out during the year. Also, costs concerning sales staff, advertising and exhibitions costs, and amortisations.

Administration expenses

Administration expenses comprise expenses incurred during the year concerning management and administration, including expenses concerning administrative staff, the executive board, office premises, stationery and office supplies, and depreciations.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

In relation to material assets and liabilities recognised in group enterprises but are not represented in the parent, the following accounting policies have been applied.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Accounting policies

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Deposits
Deposits are measured at amortised cost and represent lease deposits, etc.

Impairment loss relating to non-current assets
The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories
Inventories comprise bunker oil kept on board vessels. Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Receivables
Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accounting policies

Voyages in progress

Voyages in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from voyages in progress. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of voyages in progress.

The voyages in progress is recognised in the statement of financial position under accounts receivables or liabilities. Net assets consist of the sum of voyages in progress, where the selling price of the work performed exceeds invoicing on account. Net liabilities consist of the sum of voyages in progress, where invoicing on account exceeds the selling price.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Financial instruments and equity investments

Financial instruments and equity investments recognised under current assets consist of listed shares and bonds which are measured at fair value on the reporting date. Unlisted equity investments are measured at cost. write-down takes place to the recoverable amount if this value is lower than the carrying amount.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Income tax and deferred tax

As administration company, Fortuna Seaside Invest A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Accounting policies

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

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

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Lars Trygved
Bestyrelsesmedlem
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Lars Trygved
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