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ALBA SHIPPING & TRADING A/S
TAGHOLM 15, 9400 NØRRESUNDBY
ANNUAL REPORT
1 OCTOBER 2023 - 30 SEPTEMBER 2024

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 January 2025**

Eskil Bielefeldt

CVR NO. 36 94 56 72

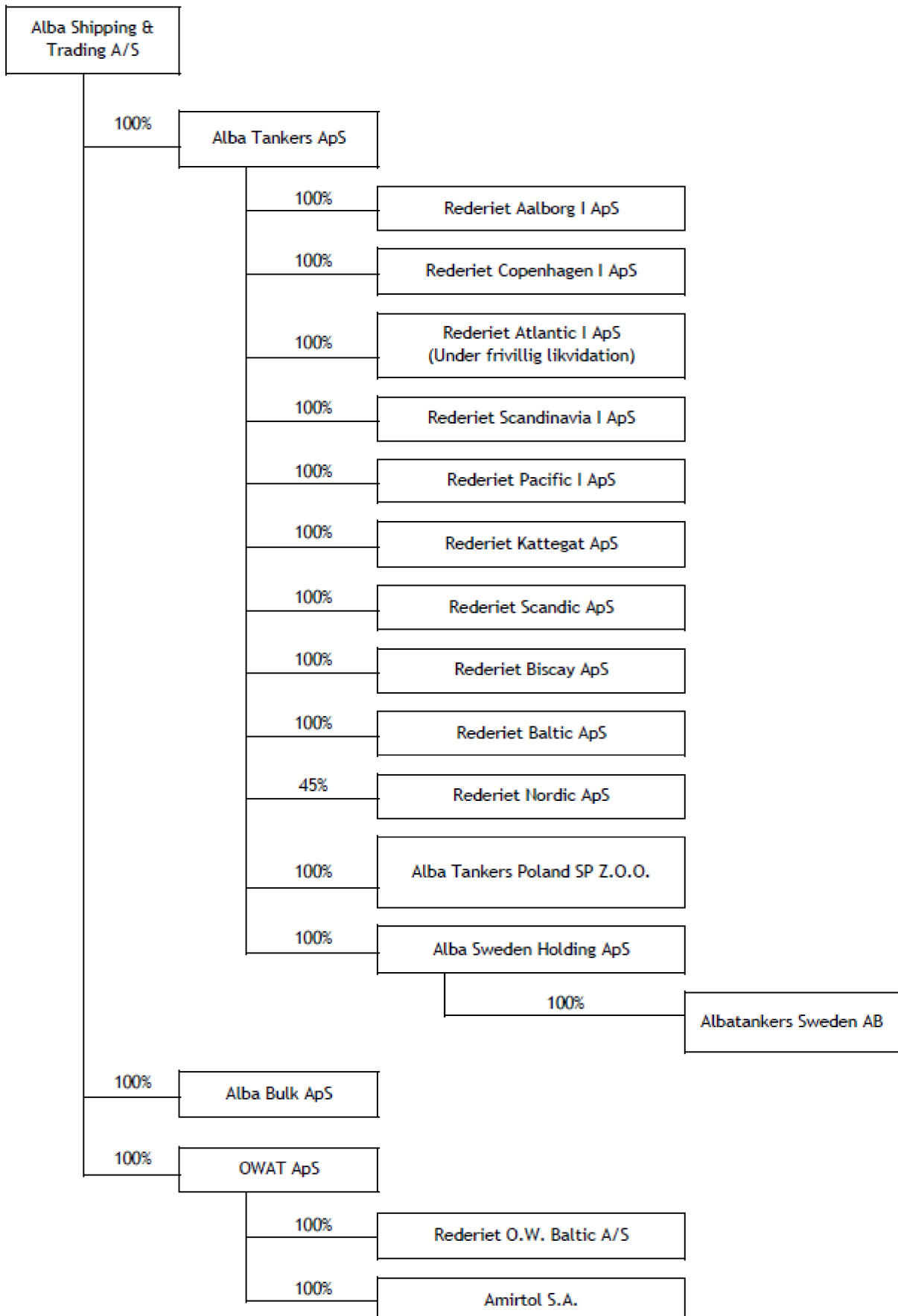
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COMPANY DETAILS

| | |
|---------------------------|---|
| Company | Alba Shipping & Trading A/S Tagholm 15 9400 Nørresundby CVR No.: 36 94 56 72 Established: 30 June 2015 Municipality: Aalborg Financial Year: 1 October 2023 - 30 September 2024 |
| Board of Directors | Eskil Bielefeldt, chairman Ervind Olesen Henrik Klindt Petersen Stig Anders Lindqvist |
| Executive Board | Jørgen Olesen Henrik Holst Pedersen |
| Auditor | BDO Statsautoriseret revisionsaktieselskab Fælledvej 1 5000 Odense C |
| Bank | Nykredit Erhverv Buen 9 6000 Kolding Hamburg Commercial Bank AG Gerhart-Hauptmann-Platz 50 20095 Hamburg |

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Alba Shipping & Trading A/S for the financial year 1 October 2023 - 30 September 2024.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 30 September 2024 and of the results of Group's and the Company's operations and cash flows for the financial year 1 October 2023 - 30 September 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Nørresundby, 16 January 2025

Executive Board

Jørgen Olesen

Henrik Holst Pedersen

Board of Directors

Eskil Bielefeldt
Chairman

Ervind Olesen

Henrik Klindt Petersen

Stig Anders Lindqvist

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Alba Shipping & Trading A/S

Opinion

We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of Alba Shipping & Trading A/S for the financial year 1 October 2023 - 30 September 2024, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 30 September 2024 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 October 2023 - 30 September 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 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 Annual Financial Statements of the Company" 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company

Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

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 Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

INDEPENDENT AUDITOR'S REPORT

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

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

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

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Odense, 16 January 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Mikkel Aalykke
State Authorised Public Accountant
MNE no. mne41307

FINANCIAL HIGHLIGHTS OF THE GROUP

| | 2023/24 USD '000 | 2022/23 USD '000 | 2021/22 USD '000 | 2020/21 USD '000 | 2019/20 USD '000 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Income statement | | | | | |
| Net revenue..... | 80,977 | 69,563 | 61,459 | 43,222 | 29,779 |
| Gross profit/loss..... | 51,423 | 42,546 | 34,263 | 23,188 | 17,929 |
| Operating profit/loss of main activities... | 24,471 | 21,115 | 15,010 | 4,003 | 4,715 |
| Financial income and expenses, net..... | -2,626 | -2,308 | -1,253 | -1,122 | -1,049 |
| Profit/loss for the year..... | 21,058 | 18,214 | 13,160 | 2,499 | 3,308 |
| Balance sheet | | | | | |
| Total assets..... | 95,226 | 96,489 | 69,705 | 57,443 | 49,550 |
| Equity..... | 57,197 | 44,675 | 36,190 | 23,672 | 21,776 |
| Invested capital..... | 57,154 | 44,636 | 36,151 | 23,653 | 21,777 |
| Cash flows | | | | | |
| Cash flows from operating activities..... | 30,172 | 25,491 | 15,899 | 6,767 | 10,318 |
| Cash flows from investing activities..... | -3,870 | -33,103 | -8,960 | -12,292 | -11,668 |
| Cash flows from financing activities..... | -19,943 | 4,876 | -976 | 3,659 | 3,121 |
| Total cash flows..... | 6,359 | -2,736 | 5,963 | -1,866 | 1,771 |
| Investment in tangible fixed assets..... | -5,741 | -33,150 | -12,428 | -12,289 | -11,668 |
| Key ratios | | | | | |
| Operating margin..... | 30.2 | 30.4 | 9.3 | 15.8 | 13.2 |
| Return on invested capital..... | 48.1 | 52.3 | 17.6 | 24.1 | 20.6 |
| Solvency ratio incl. minorities..... | 60.1 | 46.3 | 41.2 | 43.9 | 44.8 |
| Return on equity..... | 41.3 | 45.0 | 44.0 | 11.0 | 16.9 |

The ratios stated in the list of key figures and ratios have been calculated as follows:

| | |
|----------------------------------|--|
| Invested capital: | Intangible fixed assets (ex goodwill) + tangible assets + inventories + receivables + other working current assets - trade payables - other provisions - other long and short term working liabilities |
| Operating margin: | $\frac{\text{Operating profit/loss} \times 100}{\text{Net revenue}}$ |
| Return on invested capital: | $\frac{\text{Profit/loss on ordinary activities} \times 100}{\text{Average invested capital}}$ |
| Solvency ratio incl. minorities: | $\frac{\text{Equity, at year end} \times 100}{\text{Total assets, at year end}}$ |
| Return on equity: | $\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$ |

MANAGEMENT COMMENTARY

Principal activities

The Group's principal activities are to operate both owned and 3rd party oil and chemical tankers within the specialized tanker segment. These operations comprise both commercial and technical management of tanker vessels.

The parent company's principal activity is to own investments in underlying Group companies in which the Group's activities are placed.

Development in activities and financial position

The group owns 9 chemical tankers. In addition the group currently operates 10 chemical tankers on commercial management and 2 chemical tankers on technical management.

In April 2024 the group sold the vessel O.W. Baltic since the operations of the vessel was outside of the group's main strategy. The group realized a profit of approximately 2m USD on the sale.

With effect from 1 January 2024 the industry has been subject to the EU ETS regulations, which is a requirement to surrender Co2 quotas based on the vessels' Co2 emissions. As expected this has generally been acknowledged as a part of freight quotes and rates, and as such passed on in part or full to the customers.

With effect from 30 September 2024 the partnership with Besiktas was terminated following a mutual understanding of different strategies for the future, and the group acquired Besiktas' shares in Alba Tankers Sweden AB, so that Alba Tankers Sweden AB is now again a fully owned subsidiary in the group. Alba Tankers Sweden AB and the group will continue its focus in the specialized tanker segment so the end of the partnership with Besiktas will not impact the group's strategic focus.

The group's vessels are primarily employed in the spot market, and thus the group has seen the benefit of a good spot market during the year. The Group reports a profit for the year of USD ('000) 21,058.

Management considers the result for the year satisfactory.

Profit/loss for the year compared to future expectations

The result of the operations and the financial position of the group has been slightly above the expectations stated in prior year's annual report. The vessels are employed in a spot market which is highly volatile and to a certain extent unpredictable, and this is the main reason for the variance compared to prior year's expectation.

Significant events after the end of the financial year

No events have occurred after the end of the financial year with a significant impact to the group's financial position.

Special risks

The Group is exposed to a number of risks as an operator of oil and chemical tankers.

Operating risks

It is crucial for the Group's success that the vessels are efficiently employed and that unplanned off hire days are kept to a minimum. Furthermore, it is crucial to minimize the risk of accidents for both seafarers, cargo and equipment. Technical management performed at a high level, and continuous focus on safety and education are the main factors to mitigate these risks.

Market risks

The Group operates in the 3-20,000 DWT oil and chemical tankers market, primarily in Western Europe and North America. The primary operations are to provide infrastructure logistics to customers. Profits are impacted by fluctuations in freight rates, which are determined by supply and demand in the segment, but also by market fluctuations in bunker prices, which are determined by the world-wide supply and demand of oil and gas products.

MANAGEMENT COMMENTARY

Special risks (continued)

Foreign exchange risk

Operations in the oil and chemical tanker market are primarily denominated in USD, which is also the functional currency of the group. However, a significant part of transactions, such as purchases of spares, employee salaries and shore-based costs are denominated in local currencies such as DKK, EUR, SEK etc. The company is exposed to currency fluctuations towards USD. To reduce profit impact from currency fluctuations the group has a policy to hedge 50% of budgeted exchanges from USD to DKK and EUR. The group hedges the exchange risk by means of exchange rate collars.

When the group applies hedging instruments, the group is also exposed to fair market value adjustments of such instruments.

Interest rate risk

Investments in oil and chemical tankers are cash intensive and the Group has significant loan facilities which carry interest. Loans are primarily denominated in USD and carry interest based on USD SOFR. The Group is exposed to increasing interest rates and has an established policy to hedge 50% of this exposure by means of interest swaps or interest collars. The current hedging expires in January 2025 after which point in time the board will evaluate future hedging strategies.

As for other hedging instruments the group is exposed to fair market value adjustments of such instruments.

Credit risks

Credit risks arise from the activities of the company in the form of outstanding receivables as well as bank deposits of surplus cash.

Customers are assessed by the chartering team and group management prior to commitment in order to reduce credit risks.

Bank deposits are only made with top tier banks and financial institutions in North West Europe.

Liquidity risk

Access to cash is crucial within the sector and very important to execute the Group strategy. The Group continuously monitors cash flows and cash reserves in order to maintain the necessary free cash flow to operate the vessels.

Vessels are financed on long term agreements with Hamburg Commercial Bank AG and Svenska Skeppshypotekskassen. In addition the group has a revolving credit facility with Nykredit Bank A/S. The loan agreement with both Hamburg Commercial Bank AG and Nykredit Bank A/S have certain financial covenants which have all been met during 2023/24.

The Group budget for 2024/25 shows sufficient cash to meet all existing liabilities and loan covenants under the budget assumptions.

MANAGEMENT COMMENTARY

Future expectations

Management expects a result of the group and the parent company for 2024/25 in the range between 14m and 17m USD. The expectation is based on the current market conditions in Western Europe where supply of and demand for tonnage is expected to result in satisfactory freight rates. As the group operates in a volatile spot market, expectations may be significantly impacted by market fluctuations.

The industry will see the introduction of the Fuel EU Maritime legislation with effect from 1 January 2025, which is a requirement to reduce greenhouse gas intensity of the vessels at 2% p.a. until 2030, where it increases to 6% p.a. until a total reduction of 80% should be reached by 2050. The reduction requirement is measured against an industry generic baseline figure for 2020. The group is currently and continuously assessing possible options and possibilities to reduce the GHG intensity against the set targets under the scheme.

Sustainability reporting

Business model

The Group's business model is based on the following vision and mission:

The Group's vision:

“Be the preferred means of transport within our range of operation in the areas we serve.”

The Group's mission:

“Operate the vessels under our care with passion for safety, environment, quality and economy exceeding the expectations of our clients, employees and the society at large.”

The operations of the Group are performed under a culture of safety, with due considerations for the climate and the environment, and human rights, and are based on a zero-tolerance policy for all relevant areas.

The primary activities are within shipping and comprise both owned and 3rd party vessels under commercial and technical management. All activities related to owned vessels are operated by the Group, whereas 3rd party vessels may only be operated commercially or technically depending on the individual owner. Commercial management of the fleet is operated from Gothenburg, Sweden, and technical management is performed from the Group headquarter in Aalborg, Denmark. Activities in relation to crew are performed from the Group office in Swinoujscie, Poland.

The primary operations of the Group are to provide infrastructure logistics to customers in Western Europe and North America. Vessels are employed on both time charter contracts, Contracts of affreightment and in the spot market. Seafarers are primarily sourced from the EU, with the majority from Poland, but the group also employes an increasing number of Philippine seafarers. Suppliers are primarily sourced locally in the areas where the Group operates. The Group aims to build strong long term relationships with financing institutions securing a long term and stable financing structure.

The Group's shares are owned by a relatively small number of Scandinavian individuals, including the executive directors of the group.

Climate and Environment

Environmental risks

Being an owner and operator of oil and chemical tankers, the Group is exposed to a number of environmental risks and impacts, of which the most significant are: potential spills of both cargo and fuel, oils etc. for consumption, fuel emissions, tank cleaning residuals, ballast water treatment, garbage handling, ship building and scrapping etc.

MANAGEMENT COMMENTARY

Sustainability reporting (continued)

Environmental policies

It is the Group policy to do the outmost to reduce environmental pollution and to avoid environmental hazards. This is expressed through detailed policies and working instructions on board vessels covering areas such as safety, environment, staff training, and energy efficiency, which together form the policies covering the environmental impact and mitigation of environmental risks.

On an operational level the policy is adhered to by training and education of employees as well as the working culture of the Group, where employees take responsibility to operate the vessels with the least possible impact to the climate and environment, including commitment to operate the vessels in a safely manner and commitment to seek new and less polluting solutions when performing repairs and upgrades to the vessels.

The group is in compliance with all regulatory requirements to prevent environmental pollution, e.g. installation of ballast water treatment plants on all vessels, use of compliant antifouling systems to protect marine biodiversity, establishment of inventory of hazardous materials to prevent unidentified and incorrect handling of materials, and use of compliant fuel to meet SECA regulations etc.

As yet the group has only acquired second hand vessels and only disposed of three vessels, but due considerations are given for each single acquisition in respect of potentials for more environmental friendly solutions as part of the upgrades and repairs performed prior to the vessel entering the market.

The Group has initiated a process to consider new-buildings over the coming years, and even though there is no expressed policy regarding this, due considerations will be given to solutions that will help reduce pollution and fuel emissions, both through ship design and technical solutions. Due to the rapid development in this area a key element in future ship design is to be ready for potential changes in future emission restrictions, fuel and power.

Environmental measures and future expectations

As yet the group's targets for environmental impacts are compliance with legislation. As part of compliance, the Group continuously measures and logs fuel consumption, efficiency and emissions which will also be the basis for future targets for consumption and efficiency. The group also measures and logs spills.

The Group has logged the following data for owned vessels:

| | 2023/24 | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|--|---------|---------|---------|---------|---------|
| EEOI ¹ | 45.20 | 48.34 | 47.66 | 47.63 | 54.48 |
| CO2 emission (TN) | 62,605 | 57,203 | 51,588 | 46,100 | 31,057 |
| SOx emission (MT) | 73.95 | 67.99 | 40.40 | 25.35 | 28.26 |
| NOx emission (MT) | 982.18 | 887.18 | 843.89 | 797.81 | 498.80 |
| Bunkers consumption (MT) | 19,674 | 17,961 | 16,129 | 14,379 | 9,719 |
| Total distance sailed (NM) | 330,728 | 305,331 | 281,782 | 238,520 | 167,739 |
| Deadweight all told (MT) at 30 September | 75,768 | 79,575 | 68,315 | 59,359 | 47,829 |
| Number of vessels at 30 September | 9 | 10 | 9 | 8 | 7 |
| Spills | 0 | 0 | 0 | 0 | 0 |

¹EEOI = Energy Efficiency Operational Indicator

Environmental measures are based on daily measurement and reporting of the consumption onboard. The consumption data is uploaded to a data management system called eMission. For our vessels with a GT more than 5000 ton, consumption data is also sent to DNV for verification and subsequently uploaded to Thetis.

Measures are based on actual consumption figures, from which the amounts of emissions have been derived by fuel type, and data regarding cargo and distances travelled.

MANAGEMENT COMMENTARY

Sustainability reporting (continued)

The group will continue to measure and log relevant data which will be used to monitor development, and which may form basis for future actions to reduce fuel consumption, spills etc. with the benefit of both the environment and group performance.

There are no set targets as such, since fuel consumption and emissions are dependent on the type of business conducted, i. e. distance sailed as a function of cargo, bunkers operations, heating of cargo etc. EEOI to some extent reflects this but is not a fully transparent measure.

Social responsibility, staff and human rights

Social responsibility, staff and human right risks

The risks associated with social responsibility, staff and human rights mainly comprise risk of failure to comply with employee working rights, employee safety and the use of child labor at suppliers.

Social responsibility, staff and human right policies

The Group has adopted a number of detailed policies to ensure social responsibility, staff and human rights, including safety policy, training policy, and competence and awareness training. In addition, the culture of the Group is to treat each employee with decency and respect, regardless of gender, political or religious conviction.

Safety at sea is a number one priority for the seafarers and the Group takes all necessary actions to prevent casualties or fatalities on board.

As part of the safety policies, the group has also implemented a drug and alcohol policy, with a zero-tolerance policy for embarked seafarers.

Recruitment and employment is governed by local labor legislation and all seafarers are employed on terms equal to conventions agreed by the relevant Danish Maritime associations. All employees receive proper training, instruction and education to perform the dedicated tasks. Records of working and rest hours are maintained for all seafarers to ensure compliance with legislation. Employees are recruited based on qualifications, regardless of gender, nationality, religion or political conviction.

It is an aim to retain employees for as long as possible, and to maintain a high retention rate among officers on board the vessels.

The Group distances itself from the use of child labor, whether this is within the Group or at suppliers, customers or subcontractors. This is mitigated through the use of local suppliers where the Group has experience and knowledge of the supplier. The Group will resent from using suppliers whom take advantage of child labor.

Social responsibility and human rights measures and future expectations

The group has not experienced any instances of violating behavior during 2023/24.

The group has not experienced any instances of violation of the drug and alcohol policy during 2023/24.

The group has not experienced any incidents of using child labor during 2023/24, whether within the group or at suppliers, customers or subcontractors.

MANAGEMENT COMMENTARY

Sustainability reporting (continued)

Social responsibility and human rights measures and future expectations (continued)

The Group has logged the following data regarding employees:

| | 2023/24 | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|-------------------------------|---------|---------|---------|---------|---------|
| <i>Seafares:</i> | | | | | |
| Lost time injury | 0 | 0 | 0 | 0 | 0 |
| Retention rate - officers | 92% | 88% | 89% | 97% | 99% |
| Retention rate - crew members | 92% | 80% | 75% | 96% | 93% |
| Male seafarers at 30/9 | 228 | 257 | 227 | 205 | 169 |
| Female seafarers at 30/9 | 2 | 2 | 4 | 1 | 0 |
| EU seafarers at 30/9 | 178 | 182 | 183 | 193 | 163 |
| Non-EU seafarers at 30/9 | 52 | 77 | 48 | 13 | 6 |
| <i>Shore staff:</i> | | | | | |
| Male shore staff at 30/9 | 17 | 18 | 14 | 12 | 12 |
| Female shore staff at 30/9 | 14 | 10 | 9 | 6 | 6 |
| EU shore staff at 30/9 | 31 | 28 | 23 | 18 | 18 |
| Non-EU shore staff at 30/9 | 0 | 0 | 0 | 0 | 0 |

Retention rate is the proportion of staff continuing employment with the group, disregarding unavoidable and beneficial terminations. The retention rate is calculated as follows:

$$\text{Retention rate} = \frac{100 - (\text{total number of terminations} - (\text{unavoidable terminations} + \text{beneficial terminations}))}{\text{average number of employees}} \times 100$$

The group will continue to monitor the relevant data, and act in accordance with our policies. The group has challenges in retaining a high retention rate due to the current labour market situation but the group is taking actions to maximise the retention rate as far as possible. With addition of new vessels the group has increased the number of employees significantly over the preceding years, and there is a significant task to ensure high retention rates also among new employees.

Anti-corruption, bribery, compliance and Governance

Anti-corruption, bribery, compliance and Governance risks

Risk of non-compliance is associated with risk of corruption, bribery or whitewash but is also linked to non-compliance with legal or ethical responsibilities. Such risks may include but is not limited to overruling of internal controls related to contracts and purchasing.

Anti-corruption, bribery, compliance and Governance policies

The Group has a zero tolerance policy towards corruption, bribery and whitewash and strives to fully comply with all legal and ethical responsibilities.

At the operational level non-compliance is mitigated by a corporate culture with a high level of integrity, led by management and exercised throughout the organization; oversight by management, and implemented controls throughout the operations. In order to ensure legal compliance the group employees well educated staff and takes external advice where the Group does not have the relevant resources in-house.

The group has implemented a whistleblower option where crew and shore staff can report issues in relation to climate and environment, social and human rights, and compliance.

Anti-corruption, bribery, compliance and Governance measures and future expectations

The group has not experienced any incidents of non-compliance during 2023/24, and has not received any whistleblower notifications.

MANAGEMENT COMMENTARY

Sustainability reporting (continued)

The group will maintain the established oversight and control procedures for the future and maintain the level of integrity so that the group can also maintain a full compliance with policies in the future.

Policy for the underrepresented gender

Gender distribution within Management

| | 2023/24 | 2022/23 |
|--|----------------|----------------|
| Number of members of the supreme management body..... | 4 | 3 |
| Under-represented gender, share in % of the supreme management body..... | 0% | 0% |
| Number of people at other management levels..... | 5 | 4 |
| Under-represented gender, share in % at other management levels..... | 20% | 0% |

In the most recent financial year the Company employed less than 50 employees, for which reason the Company is not obligated to set target figures and prepare a policy for increasing the share of the under-represented gender at the other management levels of the Company.

Target figures for the supreme management body

| | 2023/24 | 2022/23 |
|---|----------------|----------------|
| Target figures in % for the supreme management body..... | 25% | 33% |
| Year, in which the target figures are expected to be met..... | 2028 | 2028 |

Status of meeting the target figures set for the supreme management body

Currently, the group's board of directors consists of 100% men.

The group has implemented a policy to increase representation of the underrepresented gender at the board of directors It is a goal to have 1 woman in the board of directors within a period of 4 years.

Board members are selected based on qualifications, regardless of gender, nationality, religion or political orientation. The board of directors was extended to 4 members in 2023/24. The selection was based on qualifications required at the board.

The group will act according to policy when substitutions shall take place in the future to ensure that necessary actions are taken with an aim to increase representation of the female gender.

MANAGEMENT COMMENTARY

Data ethics

The group does not have a single expressed data ethics policy, but has a number of policies and internal guidance concerning IT security, use of data, use of social media, and processing of personal data which together form the policies and ethical principles under which the group collects, stores and uses data.

The group collects and uses data in a number of areas. This is both related to operation of tanker vessels where technical and facts data relating to operation of the vessels are collected, stored and analysed, but also in relation to managing the business financially, including data in relation to employees, customers and vendors. Data are used to monitor performance and fulfil legal requirements both in terms of vessel operations and employment of staff.

The group uses a variety of systems and technologies for processing data. All decisions regarding collection and processing of data involves human oversight. The group does not use artificial intelligence for collection of data.

All processing of data are undertaken with due consideration of ethical issues, the general data protection act, and under a principle of transparency. The group does not process unnecessary data, data politics and guidance are easily accessible and understandable, and all individuals have the possibility to gain insight into which data are being processed.

Data politics and ethics are implemented in the group through awareness, guidance and training of employees. Management are responsible for issuing relevant guidance and policies.

The group also uses external vendors to process and store data. Vendors are selected on the basis of thorough evaluation of security and the ability to process data in accordance with relevant legislation and on the basis of high ethical standards that meet the group's requirements. Executive management is always involved in decisions to select new vendors.

INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

| | Note | Group | | Parent Company | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 2023/24 USD | 2022/23 USD | 2023/24 USD | 2022/23 USD |
| NET REVENUE | 1 | 80,976,636 | 69,562,765 | 0 | 0 |
| Own work, recognised under assets..... | | 0 | 170,338 | 0 | 0 |
| Other operating income..... | | 2,507,500 | 41,862 | 0 | 0 |
| Cost of sales..... | | -30,245,155 | -25,375,002 | 0 | 0 |
| Other external expenses..... | 2 | -1,815,780 | -1,853,515 | -33,455 | -87,410 |
| GROSS PROFIT/LOSS | | 51,423,201 | 42,546,448 | -33,455 | -87,410 |
| Staff costs..... | 3 | -17,093,911 | -14,824,447 | -73,449 | -73,437 |
| Depreciation, amortisation and impairment..... | | -9,847,194 | -6,607,015 | 0 | 0 |
| Other operating expenses..... | | -11,377 | 0 | 0 | 0 |
| OPERATING PROFIT | | 24,470,719 | 21,114,986 | -106,904 | -160,847 |
| Result of equity investments in group enterprises and associates..... | 4 | 16,334 | 0 | 18,263,481 | 16,042,529 |
| Other financial income..... | 5 | 651,018 | 677,495 | 106,569 | 94,192 |
| Other financial expenses..... | | -3,277,516 | -2,985,791 | -23 | -7,891 |
| PROFIT BEFORE TAX | | 21,860,555 | 18,806,690 | 18,263,123 | 15,967,983 |
| Tax on profit/loss for the year..... | 6 | -802,372 | -592,207 | 74 | 3,995 |
| PROFIT FOR THE YEAR | 7 | 21,058,183 | 18,214,483 | 18,263,197 | 15,971,978 |

BALANCE SHEET AT 30 SEPTEMBER

| ASSETS | Note | Group | | Parent Company | |
|---|----------|-------------------|-------------------|-------------------|-------------------|
| | | 2024 USD | 2023 USD | 2024 USD | 2023 USD |
| Land and buildings..... | | 186,802 | 191,254 | 0 | 0 |
| Other plant, fixtures and equipment..... | | 174,186 | 123,512 | 0 | 0 |
| Ships..... | | 71,664,381 | 76,814,992 | 0 | 0 |
| Tangible fixed assets..... | 8 | 72,025,369 | 77,129,758 | 0 | 0 |
| Equity investments in group enterprises..... | | 0 | 0 | 51,407,897 | 38,435,915 |
| Rent deposit and other receivables..... | | 42,350 | 39,518 | 0 | 0 |
| Fixed assets investments..... | 9 | 42,350 | 39,518 | 51,407,897 | 38,435,915 |
| FIXED ASSETS..... | | 72,067,719 | 77,169,276 | 51,407,897 | 38,435,915 |
| Raw materials and consumables... Inventories..... | | 800,700 | 858,758 | 0 | 0 |
| Trade receivables..... | | 6,376,534 | 7,559,459 | 0 | 0 |
| Receivables from group enterprises..... | | 0 | 0 | 962,568 | 1,283,019 |
| Deferred tax assets..... | 10 | 0 | 111,703 | 0 | 0 |
| Hedging instruments..... | 11 | 117,203 | 375,790 | 0 | 0 |
| Other receivables..... | | 968,564 | 1,097,114 | 404 | 0 |
| Joint tax contribution receivable.. | | 0 | 0 | 287,383 | 239,311 |
| Prepayments and accrued income.. | 12 | 774,888 | 1,554,834 | 3,090 | 9,379 |
| Receivables..... | | 8,237,189 | 10,698,900 | 1,253,445 | 1,531,709 |
| Cash and cash equivalents..... | | 14,120,674 | 7,762,500 | 2,193 | 7,460 |
| CURRENT ASSETS..... | | 23,158,563 | 19,320,158 | 1,255,638 | 1,539,169 |
| ASSETS..... | | 95,226,282 | 96,489,434 | 52,663,535 | 39,975,084 |

BALANCE SHEET AT 30 SEPTEMBER

| EQUITY AND LIABILITIES | Note | Group | | Parent Company | |
|--|-----------|-------------------|-------------------|-------------------|-------------------|
| | | 2024 USD | 2023 USD | 2024 USD | 2023 USD |
| Share Capital..... | 13 | 668,502 | 668,502 | 668,502 | 668,502 |
| Reserve for net revaluation according to equity value method. | | 0 | 0 | 38,046,653 | 29,993,126 |
| Fair value reserve, hedging..... | | 440,328 | 629,904 | 0 | 0 |
| Retained earnings..... | | 41,221,726 | 32,934,747 | 3,739,569 | 3,739,853 |
| Proposed dividend..... | | 10,000,000 | 5,400,000 | 10,000,000 | 5,400,000 |
| Minority shareholders..... | | 4,866,157 | 5,041,786 | 0 | 0 |
| EQUITY..... | | 57,196,713 | 44,674,939 | 52,454,724 | 39,801,481 |
| Provision for deferred tax..... | 14 | 74,043 | 89,773 | 0 | 0 |
| PROVISIONS..... | | 74,043 | 89,773 | 0 | 0 |
| Bank loan..... | | 21,297,589 | 27,259,538 | 0 | 0 |
| Financial leasing..... | | 553,219 | 521,592 | 0 | 0 |
| Corporation tax..... | | 303,707 | 343,781 | 136,752 | 118,405 |
| Long-term liabilities..... | 15 | 22,154,515 | 28,124,911 | 136,752 | 118,405 |
| Bank loan..... | | 5,321,985 | 5,319,310 | 0 | 0 |
| Bank debt..... | | 45,783 | 5,740,973 | 0 | 0 |
| Financial leasing..... | | 204,807 | 146,567 | 0 | 0 |
| Trade payables..... | | 4,656,399 | 6,307,017 | 0 | 0 |
| Hedging instruments..... | 11 | 0 | 69,011 | 0 | 0 |
| Other liabilities..... | | 5,062,998 | 4,930,413 | 72,059 | 55,198 |
| Accruals and deferred income..... | 16 | 509,039 | 1,086,520 | 0 | 0 |
| Current liabilities..... | | 15,801,011 | 23,599,811 | 72,059 | 55,198 |
| LIABILITIES..... | | 37,955,526 | 51,724,722 | 208,811 | 173,603 |
| EQUITY AND LIABILITIES..... | | 95,226,282 | 96,489,434 | 52,663,535 | 39,975,084 |
| | | | | | |
| Contingencies etc. | 17 | | | | |
| Charges and securities | 18 | | | | |
| Related parties | 19 | | | | |

EQUITY

| USD | Group | | | | | | Total |
|--|----------------|-----------------------------|-------------------|-------------------|-----------------------|-------------------|-------|
| | Share Capital | Fair value reserve, hedging | Retained earnings | Proposed dividend | Minority shareholders | | |
| Equity at 1 October 2023 | 668,502 | 629,904 | 32,934,747 | 5,400,000 | 5,041,786 | 44,674,939 | |
| Proposed distribution of profit, note 7..... | | | 8,307,360 | 10,000,000 | 2,750,823 | 21,058,183 | |
| Transactions with owners | | | | | | | |
| Dividend paid | | | | -5,400,000 | -1,331,151 | -6,731,151 | |
| Acquisition min. interests... | | | | | -1,540,297 | -1,540,297 | |
| Allocations | | | | | | | |
| Foreign exchange adjustments..... | | | -20,381 | | -60,289 | -80,670 | |
| Change fair value reserves | | | | | | | |
| Value adjustments in the year..... | | -189,576 | | | 5,285 | -184,291 | |
| Equity at 30 September 2024..... | 668,502 | 440,328 | 41,221,726 | 10,000,000 | 4,866,157 | 57,196,713 | |

EQUITY

| USD | Parent Company | | | | | Total |
|--|----------------|---|-----------------|-------------------|------------|-------|
| | Share Capital | Reserve for net revaluation according to equity value | Retained profit | Proposed dividend | | |
| Equity at 1 October 2023 | 668,502 | 29,993,126 | 3,739,853 | 5,400,000 | 39,801,481 | |
| Proposed distribution of profit, note 7... | | 18,263,481 | -10,000,284 | 10,000,000 | 18,263,197 | |
| Transactions with owners | | | | | | |
| Dividend paid | | | | -5,400,000 | -5,400,000 | |
| Other legal bindings | | | | | | |
| Value adjustments of equity | | 4,092 | | | 4,092 | |
| Other adjustments to equity value | | -214,046 | | | -214,046 | |
| Transfers | | | | | | |
| Received/declared dividend | | -10,000,000 | 10,000,000 | | 0 | |
| Equity at 30 September 2024 | 668,502 | 38,046,653 | 3,739,569 | 10,000,000 | 52,454,724 | |

CASH FLOW STATEMENT 1 OCTOBER - 30 SEPTEMBER

| | Group | |
|--|-----------------------|-----------------------|
| | 2023/24 USD | 2022/23 USD |
| Profit/loss for the year..... | 21,058,183 | 18,214,483 |
| Depreciation and amortisation, reversed..... | 9,847,194 | 6,607,015 |
| Reversed realization gains..... | -2,093,687 | 0 |
| Adjustment of other financial expenses..... | 72,283 | 54,776 |
| Tax on profit/loss, reversed..... | 802,372 | 592,207 |
| Corporation tax paid..... | -742,732 | -1,194,669 |
| Change in inventories..... | 58,058 | 56,125 |
| Change in receivables (ex tax)..... | 2,091,421 | -3,322,110 |
| Change in current liabilities (ex bank and tax)..... | -921,581 | 4,482,905 |
| CASH FLOWS FROM OPERATING ACTIVITY..... | 30,171,511 | 25,490,732 |
| Purchase of tangible fixed assets..... | -5,741,120 | -33,103,063 |
| Sale of tangible fixed assets..... | 1,873,479 | 0 |
| Purchase of financial assets..... | -2,832 | 0 |
| CASH FLOWS FROM INVESTING ACTIVITY..... | -3,870,473 | -33,103,063 |
| Proceeds from long-term borrowing..... | 0 | 18,447,047 |
| Repayments of loans..... | -5,941,692 | -4,793,794 |
| Capital reduction..... | 0 | -3,655,502 |
| Change in bank debt..... | -5,695,190 | 819,114 |
| Dividends paid in the financial year..... | -6,731,151 | -4,542,207 |
| Other cash flows from financing activities..... | -1,574,831 | -1,398,340 |
| CASH FLOWS FROM FINANCING ACTIVITY..... | -19,942,864 | 4,876,318 |
| CHANGE IN CASH AND CASH EQUIVALENTS..... | 6,358,174 | -2,736,013 |
| Cash and cash equivalents at 1. oktober..... | 7,762,500 | 10,498,513 |
| CASH AND CASH EQUIVALENTS AT 30. SEPTEMBER..... | 14,120,674 | 7,762,500 |
| Cash and cash equivalents at 30 September comprise: | | |
| Cash and cash equivalents..... | 14,120,674 | 7,762,500 |
| CASH AND CASH EQUIVALENTS..... | 14,120,674 | 7,762,500 |

NOTES

| | Group | | Parent Company | | Note |
|---|-------------------|-------------------|-------------------|-------------------|------|
| | 2023/24 USD | 2022/23 USD | 2023/24 USD | 2022/23 USD | |
| Result of equity investments in group enterprises and associates | | | | | 4 |
| Income from investments in subsidiaries..... | 16,334 | 0 | 18,263,481 | 16,042,529 | |
| | 16,334 | 0 | 18,263,481 | 16,042,529 | |
| Other financial income | | | | | 5 |
| Group enterprises..... | 0 | 0 | 73,742 | 83,019 | |
| Other interest income..... | 651,018 | 677,495 | 32,827 | 11,173 | |
| | 651,018 | 677,495 | 106,569 | 94,192 | |
| Tax on profit/loss for the year | | | | | 6 |
| Calculated tax on taxable income of the year..... | 717,115 | 581,946 | -74 | -3,995 | |
| Adjustment of tax in previous years..... | -14,457 | 0 | 0 | 0 | |
| Adjustment of deferred tax..... | 99,714 | 10,261 | 0 | 0 | |
| | 802,372 | 592,207 | -74 | -3,995 | |
| Proposed distribution of profit | | | | | 7 |
| Proposed dividend for the year..... | 10,000,000 | 5,400,000 | 10,000,000 | 5,400,000 | |
| Allocation to reserve for net revaluation according to equity value method..... | 0 | 0 | 18,263,481 | 16,042,529 | |
| Retained earnings..... | 8,307,360 | 10,300,816 | -10,000,284 | -5,470,551 | |
| Minority interests share of subsidiaries results..... | 2,750,823 | 2,513,667 | 0 | 0 | |
| | 21,058,183 | 18,214,483 | 18,263,197 | 15,971,978 | |

NOTES

| | Group | | | Note |
|---|---------------------------|--|--|-------------|
| | Land and buildings | Other plant, fixtures and equipment | Ships | |
| Tangible fixed assets | | | | 8 |
| USD | | | | |
| Cost at 1 October 2023..... | 222,812 | 406,987 | 96,076,931 | |
| Additions..... | 0 | 134,673 | 5,606,447 | |
| Disposals..... | 0 | -21,894 | -15,239,966 | |
| Cost at 30 September 2024..... | 222,812 | 519,766 | 86,443,412 | |
| Depreciation and impairment losses at 1 October 2023..... | 31,558 | 283,475 | 19,261,939 | |
| Reversal of depreciation of assets disposed of.. | 0 | -16,346 | -14,247,199 | |
| Depreciation for the year..... | 4,452 | 78,451 | 9,764,291 | |
| Depreciation and impairment losses at 30 September 2024..... | 36,010 | 345,580 | 14,779,031 | |
| Carrying amount at 30 September 2024..... | 186,802 | 174,186 | 71,664,381 | |
| Finance lease assets..... | | | 797,867 | |
| Fixed assets investments | | | | 9 |
| USD | | | Group | |
| | | | Fixed asset investments | |
| Cost at 1 October 2023..... | | | 39,518 | |
| Additions..... | | | 2,832 | |
| Cost at 30 September 2024..... | | | 42,350 | |
| Carrying amount at 30 September 2024..... | | | 42,350 | |
| | | | Parent Company | |
| | | | Equity investments in group enterprises | |
| USD | | | | |
| Cost at 1 October 2023..... | | | 3,364,654 | |
| Cost at 30 September 2024..... | | | 3,364,654 | |
| Revaluation at 1 October 2023..... | | | 35,071,262 | |
| Exchange adjustment..... | | | 4,092 | |
| Dividend..... | | | -5,081,546 | |
| Profit/loss for the year..... | | | 18,263,481 | |
| Equity movements..... | | | -214,046 | |
| Revaluation at 30 September 2024..... | | | 48,043,243 | |
| Carrying amount at 30 September 2024..... | | | 51,407,897 | |

NOTES

Fixed asset investments (continued)
Investments in subsidiaries

Note

9

| Name and registered office | Ownership |
|--|-----------|
| Alba Tankers Aalborg ApS, Nørresundby | 100 % |
| - Rederiet Aalborg I ApS, Nørresundby..... | 100 % |
| - Rederiet Copenhagen I ApS, Nørresundby..... | 100 % |
| - Rederiet Atlantic I ApS (Under frivillig likvidation), Nørresundby | 100 % |
| - Rederiet Scandinavia I ApS, Nørresundby | 100 % |
| - Rederiet Pacific I ApS, Nørresundby..... | 100 % |
| - Rederiet Kattegat ApS, Nørresundby..... | 100 % |
| - Rederiet Scandic ApS, Nørresundby | 100 % |
| - Rederiet Biscay ApS, Nørresundby..... | 100 % |
| - Rederiet Baltic ApS, Nørresundby..... | 100 % |
| - Rederiet Nordic ApS, Nørresundby..... | 45 % |
| - Alba Tankers Poland SP Z.O.O., Swinoujscie, Poland..... | 100 % |
| - Alba Sweden Holding ApS, Nørresundby..... | 100 % |
| - Albatankers Sweden AB, Göteborg, Sweden..... | 100 % |
| Alba Bulk ApS, Nørresundby..... | 100 % |
| OWAT ApS, Nørresundby..... | 100 % |
| - Rederiet O.W. Baltic A/S, Nørresundby..... | 100 % |
| - Amirtol S.A., Montevideo, Uruguay..... | 100 % |

Deferred tax assets

10

Provision for deferred tax comprise deferred tax on temporary differences between recognized profits and taxable income due to tax positions taken in foreign subsidiaries.

| | Group | | Parent Company | |
|---|-------------|----------------|----------------|-------------|
| | 2024 USD | 2023 USD | 2024 USD | 2023 USD |
| Deferred tax assets, beginning of year..... | 111,703 | 121,964 | 0 | 0 |
| Deferred tax of the year, income statement..... | -111,703 | -10,261 | 0 | 0 |
| Deferred tax assets 30 September 2024..... | 0 | 111,703 | 0 | 0 |

NOTES

Note

Derivative financial instruments

11

The Group has entered an interest rate swap to secure loans with a variable interest rate. The hedge has a fair market value of USD ('000) 103 at 30 September 2024 which has been recognized in other assets and directly to equity.

The interest rate swap has secured a fixed interest at 1.19% for approximately 46% of the Group's loan with variable interest. The interest rate swap expires January 2025.

The fair market value has been calculated on the basis of predicted future interest payments, discounted on the basis of an interest curve for the underlying USD SOFR rate. The fair market value includes an adjustment for own credit risk based on a high credit risk assessment.

The group has entered a foreign exchange collar to secure transactions in foreign currency. The hedge has a fair market value of USD ('000) 14 at 30 September 2024 which has been recognised in other assets and directly to equity.

The hedging instruments impact the Equity as follows:

| | Group | |
|--|--------------------|-------------------------|
| | Interest rate swap | Foreign exchange collar |
| Fair value at 30 September 2023 (assets)..... | 103,238 | 13,966 |
| Value adjustment in the year recognised in Equity..... | -272,554 | 82,978 |

Prepayments and accrued income

12

Prepayments include prepaid expenses, including insurance etc. relating to the following financial year.

| | 2024 USD | 2023 USD |
|--|----------------|----------------|
| Share Capital | | |
| Allocation of share capital: | | |
| Shares, 5 units in the denomination of 1 DKK. (total share capital DKK 4,523,232 at exchange rate 6.7662)..... | 668,502 | 738,169 |
| | 668,502 | 738,169 |

13

NOTES

Note

Provision for deferred tax

14

Provision for deferred tax comprise deferred tax on temporary differences between recognized profits and taxable income due to tax positions taken in foreign subsidiaries.

| | <u>Group</u> | | <u>Parent Company</u> | |
|--|---------------|---------------|-----------------------|-------------|
| | 2024 USD | 2023 USD | 2024 USD | 2023 USD |
| Deferred tax, beginning of year..... | 89,773 | 87,406 | 0 | 0 |
| Deferred tax of the year, income statement..... | -11,989 | 0 | 0 | 0 |
| Deferred tax of the year, equity..... | -3,741 | 2,367 | 0 | 0 |
| Provision for deferred tax 30 September 2024..... | 74,043 | 89,773 | 0 | 0 |

Long-term liabilities

15

| | <u>Group</u> | | | |
|------------------------|--------------------------------|------------------------|--------------------------------------|--------------------------------|
| | 30/9 2024 total liabilities | Repayment next year | Debt outstanding after 5 years | 30/9 2023 total liabilities |
| USD | | | | |
| Bank loan..... | 26,619,574 | 5,321,985 | 0 | 32,578,848 |
| Financial leasing..... | 758,026 | 204,807 | 0 | 668,159 |
| Corporation tax..... | 303,707 | 0 | 0 | 343,781 |
| | 27,681,307 | 5,526,792 | 0 | 33,590,788 |
| | <u>Parent Company</u> | | | |
| | 30/9 2024 total liabilities | Repayment next year | Debt outstanding after 5 years | 30/9 2023 total liabilities |
| USD | | | | |
| Corporation tax..... | 136,752 | 0 | 0 | 118,405 |
| | 136,752 | 0 | 0 | 118,405 |

Accruals and deferred income

16

Accruals and deferred include payments received regarding income in subsequent years.

NOTES**Note****Contingencies etc.****17**

The company is jointly and severally liable for affiliates' facilities with Hamburg Commercial Bank AG

The company is jointly and severally liable for Alba Tankers Aalborg ApS' facilities with Nykredit Bank A/S.

The company is jointly liable for 45% of Rederiet Nordic ApS' facility with Svenska Skeppshypotekskassan. At 30 September 2024 the loan balance is USD('000) 2,100.

The company is jointly liable for 100% of Rederiet Biscay ApS' facility with Svenska Skeppshypotekskassan. At 30 September 2024 the loan balance is USD('000) 5,005.

Contractual obligations

The group has entered leases with annual rent of USD ('000) 167 and commitments for the termination periods of USD('000) 256.

The group has entered leasing contracts with annual lease payments of USD('000) 109 with a remaining leasing period of up to 34 months at 30 September 2024, and a remaining leasing commitment of USD('000) 165.

Joint liabilities

The Danish companies of the group is jointly and severally liable for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income amounts to USD ('000) 137 at the balance sheet date.

Charges and securities**18**

As collateral for facilities with Hamburg Commercial Bank AG the group has issued 4 indemnity letters of each nom 27 million USD with 1st priority security in 4 vessels with a total book value of USD 41.6 million.

As collateral for a facility with Svenska Skeppshypotekskassan the group has issued an indemnity letter of 6.44 million USD with 1st priority security in 1 vessel with a total book value of USD('000) 8,073 and an indemnity letter of USD('000) 8,131 with 1st priority security in 1 vessel with a total book value of USD('000) 10,466.

As collateral for facilities with Nykredit Bank A/S the group has issued 3 indemnity letters of each nom 6 million DKK with 1st priority security in 3 vessels with a total book value of USD('000) 11,534.

In addition, the group has granted a 1st priority assignment of all insurances in relation to 9 vessels with a book value of USD 71.7 million and a 1st priority security in bank accounts with a balance of USD('000) 1,919 at 30 September 2024, which are free and available until event of default has occurred.

As security for facilities with Hamburg Commercial Bank AG the group has pledged shares in Rederiet Pacific I ApS, Rederiet Kattegat ApS, Rederiet Scandic ApS and Rederiet Baltic ApS.

NOTES

Note

Related parties

19

The parent company's and the Group's related parties include:

Controlling interest

None of the company's shareholders have a controlling interest.

Other related parties having performed transactions with the company

The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of Alba Shipping & Trading A/S for 2023/24 has been presented in accordance with the provisions of the Danish large-size Financial Statements Act for enterprises in reporting class C .

The figures in the Annual Report are presented in USD because this currency is regarded as the most relevant as the main part of the Company's activities are settled in this currency. The exchange rate of USD against DKK is 6.6597 at 30 September 2024 and 7.0390 at 30 September 2023.

The Annual Report is prepared with the following accounting principles.

Consolidated Financial Statements

The consolidated financial statements include the parent company Alba Shipping & Trading A/S and its subsidiaries in which Alba Shipping & Trading A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the group structure.

The consolidated financial statements consolidate the financial statements of the parent company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, internal balances and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

New acquired or established enterprises are recognised in the consolidated financial statements from the time of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement up to the time of disposal. Comparative figures are not adjusted for new acquired, sold or wound up enterprises.

Acquired enterprises are recognised in the consolidated financial statements under the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation methods. Upon calculation of the fair value of properties used in the business a discounted cash flow model is applied based on discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, built on an overall assessment of the production equipment.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' market value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the balance sheet at the proportional share of the value of the enterprises, calculated under the accounting policies of the parent company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the income statement after elimination of the proportional share of internal gains and losses.

Minority interests

The accounting items of the subsidiaries are recognised in full in the consolidated financial statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and in individual main items under equity.

ACCOUNTING POLICIES

INCOME STATEMENT

Net revenue

Net revenue comprise chartering and freight income generated by the Group's Vessel's and is recognized in the income statement as delivery of the service according to contracts takes place. Net revenue is recognized exclusive of VAT, duties and less commissions related to the sale.

Net revenue from technical management, inspections etc. in connection with ship operating activities is recognized in the income statement over the lifetime of the contracts or as the work is performed.

Revenue is combined with costs in accordance with the Danish Financial Statements Act.

Direct costs

Direct costs comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables to operate the Vessel's, bunker fuel, port fees etc.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Own work, recognised under assets

Own work, recognised under assets comprise staff costs incurred in the financial year and is included in the cost price for tangible fixed assets.

Other external expenses

Other external expenses include cost of sales, administration etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. The crew is paid according to the DIS scheme, except for one Vessel, where the crew is paid according to the DAS scheme.

Other operating expenses

Other operating expenses include items of a secondary nature in relation to the Group's and the Company's activities. Losses from sale of intangible and tangible fixed assets are also included.

Result of equity investments in group enterprises and associates

The proportional share of the results of each subsidiary after full elimination of intercompany profits/losses and deduction of amortisation of goodwill is recognised in the income statement of the parent company.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial leasing interest, realised and unrealised gains and losses arising from investments in financial assets, realised and unrealised gains and losses arising from debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year, is recognised in the income statement by the portion that can be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

The Group's current tax on shipping activities is calculated in accordance with the provisions of the tonnage tax legislation.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets

Land and buildings, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Ships are measured at cost with addition of any revaluations and less accumulated depreciation and impairment losses.

The depreciation basis is cost plus any revaluations and less the estimated residual value after completion of the useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

| | Useful life | Residual value |
|--|-------------|----------------|
| Buildings..... | 40 years | 20 % |
| Ships..... | 11-25 years | 8-30 % |
| Other plant, fixtures and equipment..... | 3-8 years | 0-30 % |

Capitalised ship inspection costs are depreciated separately over 2.5 years.

Profits or losses on sale of tangible fixed assets are calculated as the difference between sales price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

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

Fixed assets investments

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring.

Investments in subsidiaries are measured in the Balance Sheet at the proportional share of the enterprises’ carrying equity value, calculated in accordance with the Parent Company’s accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

ACCOUNTING POLICIES

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is 5 years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industry-specific condition.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Subsidiaries with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiaries deficit.

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the value is written down to the lower value.

The cost of raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Prepayments and accrued income, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

The company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax on account scheme. Joint taxation contributions receivable and payable are recognised in the balance sheet under current assets and liabilities, respectively.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

The amortised cost of current liabilities corresponds usually to nominal value.

Accruals and deferred income, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Derivative financial instruments

The initial recognition measures derivative financial instruments in the balance sheet at cost price and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in receivables and liabilities, respectively.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of the fair value of a recognised asset or a recognised liability is recognised in the Income Statement together with possible changes in the fair value of the hedged asset or the hedged liability.

Change in fair value of derivative financial instruments classified as and complying with the criteria for hedging of future cash flows is recognised under receivables or payables and under equity. If the future transaction results in recognition of assets or liabilities, all amounts recognised under equity are transferred from equity and recognised under initial cost for the asset or liability, respectively. If the future transaction results in income or expenses amounts recognised under equity are transferred to the Income Statement for the period where the Income Statement was affected by the hedged amount.

As regards possible derivative financial instruments, which do not comply with the criteria for classification as hedging instruments, any changes in fair value are recognised on a current basis in the Income Statement.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

Referring to section 86 Act. 4 of the Danish Financial Statements Act, the parent company has chosen not to compile cash flow statement. A cash flow statement has been compiled for the Group.

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash in hand.