

---

# *Maersk Training A/S*

Dyrekredsen 4, DK-5700 Svendborg

## Annual Report for 1 January - 31 December 2024

---

CVR No 32 57 01 19

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
4/4 2025

Jacob Ramsgaard Nielsen  
Chairman

# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	4
Financial Highlights	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11
Accounting Policies	16

## **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Maersk Training A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

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

Svendborg, 4 April 2025

### **Executive Board**

David Skov

### **Board of Directors**

Peter Ingvar Anders Wikström  
Chairman

Bent Dyhre Hansen

Declan Murphy

Niels Høygaard Bruus

Ingrid Janine Snelderwaard

Karina Kjær Deacon

# Independent Auditor's Report

To the Shareholder of Maersk Training A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Maersk Training A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

## Management's responsibilities for the Financial Statements

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

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

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

Hellerup, 4 April 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Kristian Pedersen  
State Authorised Public Accountant  
mne35412

Henrik Bøye Laursen  
State Authorised Public Accountant  
mne49062

## Company Information

### The Company

Maersk Training A/S  
Dyrekredsen 4  
DK-5700 Svendborg

Telephone: + 45 70 26 32 83  
E-mail: [contact@maersktraining.com](mailto:contact@maersktraining.com)  
Website: [www.maersktraining.com](http://www.maersktraining.com)

CVR No: 32 57 01 19  
Financial period: 1 January - 31 December  
Municipality of reg. office: Svendborg

### Board of Directors

Peter Ingvar Anders Wikström, Chairman  
Niels Høygaard Bruus  
Ingrid Janine Snelderwaard  
Karina Kjær Deacon  
Bent Dyhre Hansen  
Declan Murphy

### Executive Board

David Skov

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Financial Highlights

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	56,149	75,029	52,172	62,390	50,090
Profit/loss before financial income and expenses	-38,025	-13,021	-22,869	-9,568	-28,431
Net financials	38,853	35,485	39,567	7,444	-18,051
Net profit/loss for the year	11,993	27,210	20,800	1,014	-40,900
<b>Balance sheet</b>					
Balance sheet total	663,046	565,264	534,491	390,953	366,449
Equity	590,087	322,594	294,750	162,320	136,306
Investment in property, plant and equipment	2,885	2,666	634	857	1,514
Number of employees	104	101	93	89	96
<b>Ratios</b>					
Return on assets	-5.7%	-2.3%	-4.3%	-2.4%	-7.8%
Solvency ratio	89.0%	57.1%	55.1%	41.5%	37.2%
Return on equity	2.6%	8.8%	9.1%	0.7%	-30.0%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see accounting policies.

## **Management's Review**

### **Main activity**

Maersk Training is a fully owned subsidiary of the A.P. Møller - Mærsk A/S. Maersk Training and its subsidiaries offer customers high-quality simulation, training, competency development, and consultancy services, as well as H2S supervision and servicing of safety equipment. Most of our highly skilled staff come with many years of industry-specific operational experience, skills, and knowledge that enable Maersk Training to create value for customers within the Maritime, Logistics, Oil & Gas, and Renewable Energy industries.

The mission for Maersk Training is to enable its customers to improve safety and operational excellence, through a broad number of diverse product lines focused on the above industries. Maersk Training has established business units worldwide with a targeted suite of operational equipment as well as advanced simulators and virtual applications, enabling our customers to train their staff in fully immersive simulated environments, where entire crews can be trained, and their competencies developed and assessed.

### **Development in 2024**

The Company's financial performance in the financial year amounted to a profit before tax of TDKK 828. The result of the year has not met the expectations set out for the year.

### **Investments**

During the year Maersk Training has invested in both operational equipment, digital solutions, and digital platforms. The investments are to support and expand the business by meeting current and future customer demands and increasing performance.

### **Risks**

The company has a certain concentration of customers but no significant dependency on any customer. The company has no significant credit risk.

### **Health, Safety and Environment**

The core focus of Maersk Training is assisting our customers to improve operations, and safety and avoid accidents. Likewise, it is key for Maersk Training to keep employees and course participants safe and free of accidents. Constant efforts are being made to promote even higher safety standards among all employees, participants, and suppliers and internal measures are being used to facilitate the improvements.

### **Outlook for 2025**

Based on realized figures and the budget for the coming financial year, management expects a positive result.

## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
<b>Gross profit/loss</b>		<b>56,149</b>	<b>75,029</b>
Staff expenses	1	-81,538	-79,796
Depreciation of intangible and tangible assets	5,6	<u>-12,636</u>	<u>-8,254</u>
<b>Profit/loss before financial income and expenses</b>		<b>-38,025</b>	<b>-13,021</b>
Income from investments in subsidiaries		30,000	35,876
Impairment reversal of financial assets	7	16,951	13,449
Financial expenses	2	<u>-8,098</u>	<u>-13,840</u>
<b>Profit before tax</b>		<b>828</b>	<b>22,464</b>
Tax on profit for the year	3	<u>11,165</u>	<u>4,746</u>
<b>Net profit for the year</b>		<b><u>11,993</u></b>	<b><u>27,210</u></b>
Proposed distribution of profit/loss	4		

## Balance Sheet 31 December

### Assets

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
Software		<u>13,971</u>	<u>4,535</u>
<b>Total intangible assets</b>	5	<u><b>13,971</b></u>	<u><b>4,535</b></u>
Land and buildings		87,847	93,154
Plant, equipment and machinery		<u>4,580</u>	<u>3,957</u>
<b>Property, plant and equipment</b>	6	<u><b>92,427</b></u>	<u><b>97,111</b></u>
Investments in subsidiaries	7	<u>440,007</u>	<u>376,423</u>
<b>Fixed asset investments</b>		<u><b>440,007</b></u>	<u><b>376,423</b></u>
<b>Fixed assets</b>		<u><b>546,405</b></u>	<u><b>478,069</b></u>
Trade receivables		19,595	18,502
Receivables from group enterprises		44,922	31,556
Other receivables		804	172
Prepayments		4,666	1,475
Corporation Tax		15,271	5,905
Deferred tax asset	8	<u>31,370</u>	<u>29,570</u>
<b>Receivables</b>		<u><b>116,628</b></u>	<u><b>87,180</b></u>
Cash at bank and in hand		<u>13</u>	<u>15</u>
<b>Current assets</b>		<u><b>116,641</b></u>	<u><b>87,195</b></u>
<b>Assets</b>		<u><b>663,046</b></u>	<u><b>565,264</b></u>

## Balance Sheet 31 December

### Liabilities and equity

	<u>Note</u>	<u>2024</u> TDKK	<u>2023</u> TDKK
Share capital	9	10,000	10,000
Retained earnings		<u>580,087</u>	<u>312,594</u>
<b>Equity</b>		<b><u>590,087</u></b>	<b><u>322,594</u></b>
Lease obligations	10	20,477	22,422
Payables to group enterprises	10	<u>0</u>	<u>164,151</u>
<b>Long-term liabilities</b>		<b><u>20,477</u></b>	<b><u>186,573</u></b>
Lease obligations	10	1,944	1,731
Trade payables		5,453	7,694
Payables to group enterprises	10	25,396	19,000
Other payables		15,394	18,292
Deferred income		<u>4,295</u>	<u>9,380</u>
<b>Short-term liabilities</b>		<b><u>52,482</u></b>	<b><u>56,097</u></b>
<b>Liabilities</b>		<b><u>72,959</u></b>	<b><u>242,670</u></b>
<b>Liabilities and equity</b>		<b><u>663,046</u></b>	<b><u>565,264</u></b>
Contingent liabilities and other financial obligations	11		
Related parties and ownership	12		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
<b>2024</b>			
Equity at 1 January	10,000	312,594	322,594
Contribution from the parent company	0	255,500	255,500
Net profit/loss for the year	<u>0</u>	<u>11,993</u>	<u>11,993</u>
<b>Equity at 31 December</b>	<b><u>10,000</u></b>	<b><u>580,087</u></b>	<b><u>590,087</u></b>
<b>2023</b>			
Equity at 1 January	10,000	284,750	294,750
Transfer from merger	0	634	634
Net profit/loss for the year	<u>0</u>	<u>27,210</u>	<u>27,210</u>
<b>Equity at 31 December</b>	<b><u>10,000</u></b>	<b><u>312,594</u></b>	<b><u>322,594</u></b>

# Notes to the Financial Statements

	<u>2024</u> TDKK	<u>2023</u> TDKK
<b>1 Staff expenses</b>		
Wages and salaries	70,402	69,277
Pensions	6,429	5,757
Other social security expenses	706	742
Other staff expenses	<u>4,001</u>	<u>4,020</u>
	<b><u>81,538</u></b>	<b><u>79,796</u></b>
<b>Executive Board and Board of Directors</b>		
Fixed Pay	2,847	2,595
Short-term cash incentive	<u>2,012</u>	<u>652</u>
<b>Total Remuneration to the Executive Board and Board of Directors</b>	<b><u>4,859</u></b>	<b><u>3,247</u></b>
<b>Average number of employees</b>	<b><u>104</u></b>	<b><u>101</u></b>
<b>2 Financial expenses</b>		
Interest paid to group enterprises	4,960	10,631
Other financial expenses	<u>3,138</u>	<u>3,209</u>
	<b><u>8,098</u></b>	<b><u>13,840</u></b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	-8,323	-4,006
Deferred tax for the year	-1,799	-1,543
Adjustment of tax concerning previous years	<u>-1,043</u>	<u>803</u>
	<b><u>-11,165</u></b>	<b><u>-4,746</u></b>
<b>4 Proposed distribution of profit/loss</b>		
Proposed dividend for the year	0	0
Retained earnings	<u>11,993</u>	<u>27,210</u>
	<b><u>11,993</u></b>	<b><u>27,210</u></b>

# Notes to the Financial Statements

## 5 Intangible assets

	Software TDKK
Cost at 1 January 2024	6,912
Additions for the year	14,504
Disposals for the year	<u>0</u>
Cost at 31 December 2024	<u>21,416</u>
Impairment losses and depreciation at 1 January 2024	2,377
Depreciation for the year	<u>5,068</u>
Impairment losses and depreciation at 31 December 2024	<u>7,445</u>
<b>Carrying amount at 31 December 2024</b>	<b><u>13,971</u></b>

## 6 Property, plant and equipment

	Land and buildings TDKK	Plant, equipment and machinery TDKK	Total TDKK
Cost at 1 January 2024	149,334	74,336	223,670
Additions for the year	187	2,698	2,885
Disposals for the year	<u>0</u>	<u>-224</u>	<u>-224</u>
Cost at 31 December 2024	<u>149,521</u>	<u>76,810</u>	<u>226,331</u>
Impairment losses and depreciation at 1 January 2024	56,180	70,379	126,559
Depreciation for the year	5,494	2,074	7,568
Reversal of depreciation of sold assets	<u>0</u>	<u>-224</u>	<u>-224</u>
Impairment losses and depreciation at 31 December 2024	<u>61,674</u>	<u>72,229</u>	<u>133,903</u>
<b>Carrying amount at 31 December 2024</b>	<b><u>87,847</u></b>	<b><u>4,581</u></b>	<b><u>92,427</u></b>
Including assets under finance leases amounting to	<u>10,894</u>		

## Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>7 Investments in subsidiaries</b>		
Cost at 1 January	589,476	583,124
Merger	0	-500
Additions for the year	<u>46,633</u>	<u>6,852</u>
Cost at 31 December	<u>636,109</u>	<u>589,476</u>
Value adjustments at 1 January	-213,053	-226,502
Reversal of Impairment for the year	<u>16,951</u>	<u>13,449</u>
Value adjustments at 31 December	<u>-196,102</u>	<u>-213,053</u>
<b>Carrying amount at 31 December</b>	<b><u>440,007</u></b>	<b><u>376,423</u></b>
<b>Impairment of intercompany receivables at 31 December</b>	<b><u>0</u></b>	<b><u>2,249</u></b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Result
Maersk Training Services India Pvt. Ltd.	Chennai, IN	100%	4,340	1,861
Maersk Training Centre India Pvt. Ltd.	Chennai, IN	100%	22,908	409
Maersk Training UK Limited	Newcastle, GB	100%	-27,041	-2,567
Maersk Training Norway AS	Stavanger, NO	100%	98,606	-2,676
Maersk Training Brasil Treiementos Maritimos Ltda	Rio de Janeiro, BR	100%	39,611	18,616
Maersk Training Nigeria Ltd*	Port Harcourt, NG	100%	-	-
Maersk Training, Inc.*	Houston, US	100%	-	-
Maersk H2S Safety Service A/S	Esbjerg, DK	100%	109,344	49,480
Maersk Training DWC-LLC*	Dubai, AE	100%	-	-

\*No local Annual Report is prepared.

## Notes to the Financial Statements

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>8 Deferred tax asset</b>		
Deferred tax asset at 1 January	29,570	28,471
Merger	0	-444
Deferred tax for the year recognised in profit/loss for the year	<u>1,800</u>	<u>1,543</u>
<b>Deferred tax asset at 31 December</b>	<b><u>31,370</u></b>	<b><u>29,570</u></b>

Deferred tax asset relates to:

Intangible fixed assets	1,470	335
Tangible fixed assets	28,170	26,905
Provisions	<u>1,730</u>	<u>2,330</u>
<b>Deferred tax asset at 31 December</b>	<b><u>31,370</u></b>	<b><u>29,570</u></b>

## 9 Equity

The share capital consists of 10,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes to the share capital during the last five years.

## 10 Long-term liabilities

Payments due within 1 year are classified as short-term debt.

The debt falls due for payment as specified below:

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
<b>Lease obligations</b>		
After 5 years	324	13,183
Between 1 and 5 years	<u>20,153</u>	<u>9,239</u>
Long-term part	20,477	22,422
Within 1 year	<u>1,944</u>	<u>1,731</u>
	<b><u>22,421</u></b>	<b><u>24,153</u></b>
<b>Payables to group enterprises</b>		
Between 1 and 5 years	<u>0</u>	<u>164,151</u>
Long-term part	0	164,151
Within 1 year	1,300	15,900
Other short-term debt to group enterprises	<u>24,096</u>	<u>3,100</u>
Short-term part	<u>25,396</u>	<u>19,000</u>
	<b><u>25,396</u></b>	<b><u>183,151</u></b>

## Notes to the Financial Statements

### 11 Contingent liabilities and other financial obligations

#### Rental agreements and leases

Lease obligations under operating leases. Total future lease payments:

	<u>2024</u>	<u>2023</u>
	TDKK	TDKK
Within 1 year	38	274
Between 1 and 5 years	<u>0</u>	<u>38</u>
	<u><b>38</b></u>	<u><b>312</b></u>
Rental agreements, non-cancellation period of 6 month	278	278

#### Contingent liabilities

The Danish companies owned by A.P. Møller Holding A/S are jointly and severally liable for tax on consolidated taxable income.

The Company has provided guarantees of TDKK 671 to an external party regarding Maersk Training Norway AS' lease of buildings.

The Company has provided guarantees of TDKK 2,435 to an external party regarding Maersk Training, Inc.'s lease of buildings.

### 12 Related parties and ownership

#### Transactions

The company has as part of its business significant transactions with subsidiaries and other companies owned by A.P. Møller Holding A/S.

#### *Consolidated Financial Statements*

The Company is included in the 2024 consolidated financial statements of A.P. Møller – Mærsk A/S (parent company), Cvr.: 22 75 62 14, and A.P. Møller Holding A/S (ultimate parent), Cvr.: 25 67 92 88, who holds a controlling interest.

## Accounting Policies

### Basis of Preparation

The Annual Report of Maersk Training A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies remain unchanged from last year.

Financial Statements for 2024 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of A.P. Møller - Mærsk A/S, Cvr.: 22 75 62 14, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of A.P. Møller - Mærsk A/S, Cvr.: 22 75 62 14, the Company has not prepared a cash flow statement.

### Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the inte-

## Accounting Policies

rest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables, and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### Revenue

Revenue is recognised when the risks and rewards have been transferred to the purchaser, the revenue can be measured reliably, and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

### Staff expenses

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

## Accounting Policies

### Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of software, property, plant and equipment.

### Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of property, plant and equipment.

### Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes dividends received in the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with other Danish companies owned by A.P. Møller Holding A/S. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Intangible assets and Property, plant and equipment

Intangible assets and Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50	years
Buildings on leased land	15-18	years
Other fixtures and fittings, tools, and equipment	3-10	years
Software	3	years

## Accounting Policies

Depreciation period and residual value are reassessed annually.

### **Investments in subsidiaries**

Investments in subsidiaries are recognized and measured at cost.

In the event the cost exceeds the recoverable amount, a write-down is made to this lower value. Indications of impairment exists for example when the cost exceeds the accumulated earnings since the acquisition or when the cost exceeds the net asset value of the investment. Recoverable amount used is the highest value of the expected net sales price and capital value. Capital value is determined as the present value of the expected net cash flow from the possession of the individual subsidiary. Impairment and any subsequent reversal of previous years impairment is recognized in the income statement as reversal/impairment of financial assets.

### **Receivables**

Receivables are recognized in the balance sheet at amortized cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Equity**

#### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments

## Accounting Policies

and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Return on assets

$\text{Profit before financials} \times 100 / \text{Total assets}$

Solvency ratio

$\text{Equity at year end} \times 100 / \text{Total assets at year end}$

Return on equity

$\text{Net profit for the year} \times 100 / \text{Average equity}$