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# ***J. Lauritzen A/S***

Tuborg Havnevej 15, DK-2900 Hellerup

## **Annual Report for 1 January - 31 December 2021**

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CVR No 41 40 73 60

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
23/3 2022

Dorte Rolff  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of J. Lauritzen A/S for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

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

Hellerup, 23 March 2022

## Executive Board

Dorte Rolff

## Board of Directors

Tommy Thomsen  
Chairman

Kristian Verner Mørch

Inge Grønvold

# Independent Auditor's Report

To the Shareholder of J. Lauritzen 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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of J. Lauritzen A/S for the financial year 1 January - 31 December 2021, 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 Financials 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.

# Independent Auditor's Report

## 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.

## Independent Auditor's Report

- 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, 23 March 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Rasmus Friis Jørgensen  
State Authorised Public Accountant  
mne28705

Bo Schou-Jacobsen  
State Authorised Public Accountant  
mne28703

## Company Information

### The Company

J. Lauritzen A/S  
Tuborg Havnevej 15  
DK-2900 Hellerup

CVR No: 41 40 73 60  
Financial period: 1 January - 31 December  
Incorporated: 4 June 2020  
Financial year: 1st financial year  
Municipality of reg. office: Gentofte

### Board of Directors

Tommy Thomsen, Chairman  
Kristian Verner Mørch  
Inge Grønvold

### Executive Board

Dorte Rolff

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The purpose of the company is to conduct maritime transport and related business; other transport activities; other transport activities, including air transport; to carry on commercial, industrial and financing activities; exploration and extraction of oil, gas and minerals; and to invest capital in business of all the above kinds and in real estate.

## Market overview

J. Lauritzen A/S has since 1 July 2020 been the holding company and owner of the subsidiaries, Lauritzen Bulkera A/S and Lauritzen Kosan A/S (now named J. Lauritzen Invest A/S) following the separation and establishment of the business activities as separate legal entities. The activities of Lauritzen Kosan were subsequently agreed sold to BW Epic Kosan Ltd. in December 2020. The transaction was completed in early 2021.

In addition to being the owner of Lauritzen Bulkera and Lauritzen Kosan, J. Lauritzen A/S has during 2020 provided corporate services such as IT, human resource management, corporate communications, and legal and insurance services to the two subsidiaries.

In December 2021, the owner of J. Lauritzen A/S, Lauritzen Fonden and its subsidiary LF Investment ApS (now Lauritzen Fonden Holding ApS), contributed shareholdings held in listed companies, Hafnia Tankers Pte., Prosafe SE, and their shares in the dormant company Lauritzen Ship Owner A/S as well as its existing investments in Dee4 Capital Fund I K/S to J. Lauritzen A/S, which J. Lauritzen A/S subsequently contributed to Lauritzen Kosan A/S.

Also in December 2021, J. Lauritzen A/S announced its intention to merge Lauritzen Kosan A/S with Lauritzen Ship Owner A/S with effect from 1 January 2021, with Lauritzen Kosan A/S as the continuing company. The merger was approved in January 2022. Also in January 2022, Lauritzen Kosan A/S changed its name to J. Lauritzen Invest A/S.

In late December 2021, J. Lauritzen A/S acquired the shares in the company Dan Swift (Singapore) Pte. Ltd., a private company owning and operating the accommodation and support vessel Dan Swift, from Axis Offshore (Singapore) Pte. Ltd., a company ultimately owned by Lauritzen Fonden. The acquisition was financed on a vendor loan note.

## Development in the year

The income statement of the Company for 2021 shows a profit of TUSD 97,595, and at 31 December 2021 the balance sheet of the Company shows equity of TUSD 232,022.

Proposed dividend for 2021 amounts to USD 15.1 million equal to DKK 250 per share (DKK 100 million in total). The proposed dividend for 2021 will be considered on the annual general meeting in 2022. In 2020, no proposed dividends were included.



# Management's Review

## Targets and expectations for the year ahead

J. Lauritzen A/S expects a positive result for 2022, in particular based on the reported expectations for 2022 for Lauritzen Bulkera A/S.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## Subsequent events

After the balance sheet date, the company acquired 1.635,377 shares in Gram Car Carriers ASA, Norway for USDm 9.7 in connection with the listing of Gram Car Carriers ASA, and subsequently, the company acquired 428,019 shares in Hafnia Tankers Ltd. for USDm 1.0. Each purchase was financed with a loan from Lauritzen Bulkera A/S.

The Board of Directors of Lauritzen Bulkera A/S has proposed, in connection with the approval of its 2021 Annual Report, a dividend of USDm 54, which subsequently has been approved by the Annual General Meeting of Lauritzen Bulkera A/S.

No other events have occurred that materially affect the Company's future financial position.

## Income Statement 1 January - 31 December

	Note	2021 TUSD	2020 TUSD
<b>Revenue</b>		<b>7.265</b>	<b>9.015</b>
Other operating income		312	132
Other external expenses		-3.864	-7.067
<b>Gross profit/loss</b>		<b>3.713</b>	<b>2.080</b>
Staff expenses	1	-3.091	-5.048
<b>Profit/loss before financial income and expenses</b>		<b>622</b>	<b>-2.968</b>
Income from investments in subsidiaries	2	96.997	-62.015
Financial income	3	1.053	52
Financial expenses	4	-949	-646
<b>Profit/loss before tax</b>		<b>97.723</b>	<b>-65.577</b>
Tax on profit/loss for the year	5	-128	38
<b>Net profit/loss for the year</b>		<b>97.595</b>	<b>-65.539</b>

## Distribution of profit

### Proposed distribution of profit

Proposed dividend for the year	15.100	0
Reserve for net revaluation under the equity method	30.389	0
Retained earnings	52.106	-65.539
	<b>97.595</b>	<b>-65.539</b>

# Balance Sheet 31 December

## Assets

	Note	2021 TUSD	2020 TUSD
Investments in subsidiaries	6	255.572	106.417
Investments in associates	7	39	0
Other receivables		386	571
<b>Fixed asset investments</b>		<b>255.997</b>	<b>106.988</b>
<b>Fixed assets</b>		<b>255.997</b>	<b>106.988</b>
Trade receivables		146	0
Receivables from group enterprises		55	3.226
Receivables from associates		3	0
Other receivables		34	20
Deferred tax asset	8	0	38
<b>Receivables</b>		<b>238</b>	<b>3.284</b>
<b>Current asset investments</b>		<b>13.461</b>	<b>0</b>
<b>Cash at bank and in hand</b>		<b>858</b>	<b>273</b>
<b>Currents assets</b>		<b>14.557</b>	<b>3.557</b>
<b>Assets</b>		<b>270.554</b>	<b>110.545</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2021 TUSD	2020 TUSD
Share capital		60	60
Reserve for net revaluation under the equity method		30.832	0
Retained earnings		186.030	83.107
Proposed dividend for the year		15.100	0
<b>Equity</b>		<b>232.022</b>	<b>83.167</b>
Payables to group enterprises		0	20.018
<b>Long-term debt</b>	9	<b>0</b>	<b>20.018</b>
Trade payables		152	616
Payables to group enterprises	9	37.790	0
Corporation tax		131	0
Other payables		459	6.744
<b>Short-term debt</b>		<b>38.532</b>	<b>7.360</b>
<b>Debt</b>		<b>38.532</b>	<b>27.378</b>
<b>Liabilities and equity</b>		<b>270.554</b>	<b>110.545</b>
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## Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	TUSD	TUSD	TUSD	TUSD	TUSD
Equity at 1 January	60	0	88.115	0	88.175
Net effect from change of accounting policy	0	0	-5.008	0	-5.008
Adjusted equity at 1 January	60	0	83.107	0	83.167
Cash capital increase	0	0	3.192	0	3.192
Group Contribution	0	0	47.625	0	47.625
Exchange adjustments relating to foreign entities	0	392	0	0	392
Fair value adjustment of hedging instruments, end of year	0	51	0	0	51
Net profit/loss for the year	0	30.389	52.106	15.100	97.595
<b>Equity at 31 December</b>	<b>60</b>	<b>30.832</b>	<b>186.030</b>	<b>15.100</b>	<b>232.022</b>

# Notes to the Financial Statements

	2021 <u>TUSD</u>	2020 <u>TUSD</u>
<b>1 Staff expenses</b>		
Wages and salaries	2.704	4.589
Pensions	328	350
Other social security expenses	32	79
Other staff expenses	27	30
	<u>3.091</u>	<u>5.048</u>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<u>254</u>	<u>450</u>
<b>Average number of employees</b>	<u>23</u>	<u>24</u>
<b>2 Income from investments in subsidiaries</b>		
Share of profits of subsidiaries	104.191	0
Share of losses of subsidiaries	-7.194	-62.015
	<u>96.997</u>	<u>-62.015</u>
<b>3 Financial income</b>		
Income from fixed asset investments	1.052	0
Other financial income	0	52
Exchange adjustments	1	0
	<u>1.053</u>	<u>52</u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	926	293
Other financial expenses	23	78
Exchange adjustments, expenses	0	275
	<u>949</u>	<u>646</u>

## Notes to the Financial Statements

	2021 <u>TUSD</u>	2020 <u>TUSD</u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Deferred tax for the year	131	-38
Adjustment of tax concerning previous years	-3	0
	<u><b>128</b></u>	<u><b>-38</b></u>
<b>6 Investments in subsidiaries</b>		
Cost at 1 January	173.025	0
Additions for the year	<u>51.715</u>	<u>173.025</u>
Cost at 31 December	<u>224.740</u>	<u>173.025</u>
Value adjustments at 1 January	-66.608	0
Net profit/loss for the year	96.997	-62.015
Other equity movements, net	<u>443</u>	<u>-4.593</u>
Value adjustments at 31 December	<u>30.832</u>	<u>-66.608</u>
<b>Carrying amount at 31 December</b>	<u><b>255.572</b></u>	<u><b>106.417</b></u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Lauritzen Bulkera A/S	Denmark	tUSD 57	100%
J. Lauritzen Invest A/S (formerly Lauritzen Kosan A/S)	Denmark	tUSD 71	100%
Dan Swift Pte. Ltd.	Singapore	tUSD 89,063	100%

All foreign subsidiaries are recognised and measured as separate entities.

## Notes to the Financial Statements

	2021 TUSD	2020 TUSD
<b>7 Investments in associates</b>		
Cost at 1 January	0	0
Additions for the year	39	0
Cost at 31 December	39	0
Value adjustments at 1 January	0	0
Value adjustments at 31 December	0	0
<b>Carrying amount at 31 December</b>	<b>39</b>	<b>0</b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Deal Energy A/S	Denmark	tDKK 500	50%

## 8 Provision for deferred tax

Provision for deferred tax at 1 January	-38	0
Amounts recognised in the income statement for the year	131	-38
Amounts recognised in equity for the year	-93	0
<b>Provision for deferred tax at 31 December</b>	<b>0</b>	<b>-38</b>



# Notes to the Financial Statements

## 9 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2021</u> TUSD	<u>2020</u> TUSD
<b>Payables to group enterprises</b>		
Between 1 and 5 years	0	20.018
Long-term part	0	20.018
Other short-term debt to group enterprises	37.790	0
	<b><u>37.790</u></b>	<b><u>20.018</u></b>

## 10 Contingent assets, liabilities and other financial obligations

### Guarantee obligations

Guarantees for debt in subsidiaries	14.755	143.000
Guarantees for lease liabilities in subsidiary	0	19.000

### Other contingent liabilities

The Company is jointly taxed with the Danish subsidiaries of the Lauritzen Fonden. The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 11 Related parties

### Controlling interest

Lauritzen Foundation	Ultimate parent company
Lauritzen Fonden Holding ApS	Parent Company

### Transactions

The Company's intercompany transactions has during the year been entered into at arm's length.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company

<u>Name</u>	<u>Place of registered office</u>
Lauritzen Fonden	Tranegårdsvej 20, 2900 Hellerup

The Group Annual Report of Lauritzen Fonden may be obtained at the following address:

<https://datacvr.virk.dk/>

# Notes to the Financial Statements

## 12 Accounting Policies

The Annual Report of J. Lauritzen A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Financial Statements for 2021 are presented in TUSD. Applied US Dollar exchange rate on the 31 December 2021 : 656,12 (2020: 605,76).

### Changes in accounting policies

The Company has changed its accounting policies for measuring investments from cost to equity method. The change has resulted in an increase in the result before an after tax for the year by tUSD 100.335 (2020: tUSD -415). In addition, it has affected the company's fixed assets by tUSD 100.778 (2020: tUSD -5.008). Equity is affected by tUSD 10.778 (2020: tUSD -5.008). The Company's cash flows are not affected by the change.

The comparative figures for 2020 have been restated to reflect the change in accounting policy.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Lauritzen Fonden, the Company has not prepared consolidated financial statements.

### Recognition and measurement

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

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

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

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

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### 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 alternative borrowing rate 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 interest 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. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

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

### Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold 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.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Income from investments in subsidiaries and associates

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### 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 Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance Sheet

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at USD 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Other fixed asset investments

Other fixed asset investments consist of rental deposits.

### Receivables

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

# Notes to the Financial Statements

## 12 Accounting Policies (continued)

### **Current asset investments**

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

### **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 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 or in equity if the deferred tax relates to items recognised in equity.

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

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

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.