
Northern Offshore Services A/S

Danneskiold-Samsøes Allé 15,2, DK-1434 København

Annual Report for 1 July 2023 - 30 June 2024

CVR No. 32 78 10 20

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 17/12 2024

David Kristensson
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Management's Review	
Company information	4
Financial Highlights	5
Management's Review	6
Financial Statements	
Income Statement 1 July - 30 June	12
Balance sheet 30 June	13
Statement of changes in equity	15
Cash Flow Statement 1 July - 30 June	16
Notes to the Financial Statements	17

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Northern Offshore Services A/S for the financial year 1 July 2023 - 30 June 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 30 June 2024 of the Company and of the results of the Company operations and cash flows for 2023/24.

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.

Copenhagen, 17 December 2024

Executive Board

Olof Harald Hansson
Manager

Board of Directors

David Kristensson

Peter Hald Appel

John Philip Mattsson

Independent Auditor's report

To the shareholder of Northern Offshore Services A/S

Opinion

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

We have audited the Financial Statements of Northern Offshore Services A/S for the financial year 1 July 2023 - 30 June 2024, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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, 17 December 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff
State Authorised Public Accountant
mne30221

Martin Birch
State Authorised Public Accountant
mne42825

Company information

The Company	Northern Offshore Services A/S Danneskiold-Samsøes Allé 15,2 DK-1434 København CVR No: 32 78 10 20 Financial period: 1 July 2023 - 30 June 2024 Incorporated: 23 February 2010 Financial year: 14th financial year Municipality of reg. office: Copenhagen
Board of Directors	David Kristensson Peter Hald Appel John Philip Mattsson
Executive Board	Olof Harald Hansson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

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

	2023/24	2022/23	2021/22	2020/21	2019/20
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	152,246	152,240	157,247	130,957	95,118
Profit/loss of primary operations	31,283	34,674	35,010	35,443	22,211
Profit/loss of financial income and expenses	-26,207	-13,343	-10,702	-12,992	-3,487
Net profit/loss for the year	5,091	21,036	24,251	22,771	18,922
Balance sheet					
Balance sheet total	884,114	690,522	491,224	403,770	307,461
Equity	92,633	87,542	79,506	57,755	52,984
Cash flows					
Cash flows from:					
- operating activities	88,242	8,442	22,032	45,460	46,765
- investing activities	-268,239	-91,743	-56,123	-106,651	-193,523
- financing activities	178,644	85,209	33,964	59,260	148,287
Change in cash and cash equivalents for the year	-1,353	1,908	-126	-1,931	1,529
Number of employees	168	188	201	161	146
Ratios					
Gross margin	54.1%	45.3%	44.6%	49.2%	40.3%
Profit margin	13.1%	10.3%	9.9%	13.3%	9.4%
Return on assets	3.5%	5.0%	7.1%	8.8%	7.2%
Solvency ratio	10.5%	12.7%	16.2%	14.3%	17.2%
Return on equity	5.7%	25.2%	35.3%	41.1%	36.4%

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

Management's review

Key activities

Northern Offshore Services A/S (the “Company”, or “N-O-S”) is one of the leading operators in Europe of crew transfer vessels. The activities are almost exclusively carried out towards the offshore wind industry in northern Europe with certain other tasks, e.g., operating as guard vessels. The Company does not work in the Oil & Gas industry. The vessels are small to mid-size and can stay offshore for around twenty-four hours. The Company takes pride in the environmental sustainability of both the vessels themselves, and in the operation and management. As an example, the Company has taken considerable steps in the electrification of vessels, as well as initiating the construction of a methanol-driven vessel.

Development in the year

The Company continues to grow and maintains its strong position as a leading provider of crew transportation on the high seas. As such, Northern Offshore Services A/S has taken delivery of two new vessels within the R-Class, named Runner and Responder, both of which have commenced their time charters.

Furthermore, the Company has placed an order for four new E-Class series vessels and completed sale and leaseback transactions for the vessels Detector and Defender, further strengthening its financial position as well as securing funds for the company's ambitious investment targets.

Northern Offshore Services A/S has taken delivery of a new I-Class vessel, Impresser, which started working under contract shortly after arrival in Europe in August 2024. The sister vessel, Improver, was delivered in fall 2024 and is expected to arrive in Europe in January 2025.

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

The result of FY24 is broadly in line with the budget and expectations, driven by a strong utilization of the NOS core fleet.

The Company has continued to deliver reliable services of high quality, which ensures satisfied customers who return to sign long-term contracts.

Outlook

The Company's outlook for FY25 is positive and given the company's many long-term contracts, the revenue is expected to continue being stable over time, even if the industry as a whole is highly seasonal. The demand for green energy continues to be a driver for market growth, which the Company intends to be a vital part of. To meet the demand, the Company is expecting 2 new vessels to be delivered during FY25.

A strong focus for the Company is cost control and maintaining a sound vessel utilization.

The result of FY25 is expected to increase slightly from the previous year.

Operating risks

The Company's main operational risks are related to short-term political and business-related decisions on not building new offshore wind farms, as well as changed relations with current customers. The former risk is mitigated mainly through the fact that the Company mostly serves existing offshore wind farms, and the latter through making customer relationships a top priority.

Price changes in vessels, fuel and spares are continuously monitored and the Company is in the forefront when it comes to assessing alternative fuels and incorporating the use in new vessels being built. The Company strongly believes in long-term relationships with both customers and suppliers.

Long lead-times and increasing maintenance costs are mitigated by keeping a stock and increase maintenance work performed/monitored by own staff.

Management's review

Financial risks

The Company's has invested, and will keep investing, to grow with the market and is continuously monitoring options to reduce interest risk,

Currency risks

The Company invoices primarily in EUR, and partly in DKK. Since the Danish Krona is pegged to the EUR, there is no considerable currency risk.

Interest rate risks

The Company finances its investments through operational surplus, external bank loans and operational and financial leases. Interest exposure is not hedged, however closely monitored.

Credit risks

The Company has quite a few, large and financially strong customers and therefore has no significant risks related to an individual customer's solvency.

External environment

The industry in which the Company operates has very high demands on quality, safety and environmental work. The Company is ISO certified according to ISO 9001, ISO 14001, ISO 45001 and works systematically with continuous improvements in all areas. The employees are educated in the Company's environmental policy and receive continuous updates in the target fulfilling.

The Company maps its emissions in accordance with the Greenhouse Gas Protocol (GHG Protocol) and reports the outcome to the Carbon Disclosure Project (CDP).

Intellectual capital resources

Intellectual capital is a core aspect of the Company's operations and competition for talented employees intense. The Company remains committed to attracting, retaining, and developing individuals with the necessary skills for continued success and growth of both the Company and the individual, one example being the close relationship with maritime education. During FY25, the Company will introduce a new Junior program to further attract and develop young talents.

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

The statutory statement is available on the Company's website cf.

Brief description of the company's business model

The Company offers crew transfer to offshore wind farms on high-speed catamarans. The Company strives to offer a product of top class in comparison to its competitors, ranging from skilled seafarers to vessels with cutting-edge technology and innovative solutions, to ensure high comfort, low downtime and environmentally sustainable operations. The Company's mission is to ensure profit by safe, reliable and efficient service and solutions at sea.

Management's review

Climate and environment

We integrate sustainability into our entire business operations to minimize risks and maximize positive impacts on people and the environment. The company is ISO 14001 certified and works systematically with continuous improvements in all areas. Northern Offshore Services maps emissions in scope 1, 2, and partly scope 3 in accordance with the Greenhouse Gas Protocol (GHG Protocol) and reports these to the Carbon Disclosure Project (CDP).

Through our environmental policy, we are committed to:

- Ensuring efficient operations that contribute to a rapid global transition to renewable energy.
- Guaranteeing that we approach sustainability from a global perspective by aligning our sustainability initiatives with UN Sustainable Development Goals.
- Proactively utilizing the company's risk management system to identify, assess, mitigate, and manage environmental risks before hazardous work begins.
- Maintaining our vessels to minimize unnecessary environmental impact.
- Striving to reuse, recycle, and recover waste whenever possible.
- Complying with environmental requirements from administrative and classification bodies, as well as adhering to national and international legislation.
- Investigating, analyzing, and following up on reported deficiencies with the aim of reducing environmental impact within our company.
- Continuously improving the design and development of an environmentally friendly fleet.

The most significant environmental aspect is carbon dioxide emissions from our vessels. The R&D department continuously develops new vessels to meet upcoming environmental requirements. Vessel design significantly impacts performance and fuel consumption. A trend within N-O-S is to focus on vessel weight reduction to lower fuel consumption. By selecting lighter materials, we can decrease the total weight of the vessel and thus reduce emissions. This involves careful selection of materials and interior design. Another important design aspect we are working on is creating hull shapes that reduce water resistance.

In February 2024, our new R-Class vessels, Runner and Responder, were put into operation. These vessels, designed under the N-O-S Green Technology program, are hybrid-ready. They are equipped with the capability to install two electric motors, one on each side of the hull. The electric motors will be connected to the powertrain, reducing CO₂ emissions. At launch, the R-Class vessels already had a battery capacity of 2x94 kWh installed.

The R-Class vessels also incorporate Selective Catalytic Reduction (SCR) technology, which significantly reduces particulate matter and nitrogen oxides (NO_x) by converting NO_x into harmless nitrogen gas and water vapor. This technology enhances the sustainability performance of the vessels.

Next year, the I-Class vessels will be delivered. On these vessels, N-O-S Green Technology has introduced the use of solar panels to harness renewable energy directly for operational purposes. Each of the two I-Class vessels, Impresser and Improver, is equipped with eight solar panels integrated into the vessels' electrical systems to power lighting. Using electricity from a renewable energy source will reduce the vessels' CO₂ emissions. The solar panels cover an area of 14m², generating approximately 2000 kWh annually.

Management's review

Social and personnel matters

The competition for talented employees is intense, and we remain committed to attracting, retaining, and developing individuals with the necessary skills. We actively engage in strategic personnel planning, introducing juniors across all departments and collaborating closely with universities that offer education primarily in the maritime industry.

To sustain a dynamic and evolving organization, it is imperative to continuously monitor and address employee wellbeing and commitment. We employ an agile solution with monthly pulse measurements, using the results to foster wellbeing and build efficient teams. In 2024, we achieved the Employment Engagement Index (EEI) KPI.

Our employees are central to our safety initiatives. It is crucial that all employees comprehend the potential scenarios and risks associated with their work and understand how to manage these risks effectively. We are dedicated to ensuring that our established routines are consistently followed and perpetually improved.

Through this policy, we commit to:

- Taking personal responsibility by embracing a strong safety culture every day.
- Empowering and assisting colleagues to lead by example and promote safe behavior.
- Ensuring our employees are well-educated, motivated, and adequately trained for their roles.
- Halting unsafe activities, intervening when necessary, and welcoming intervention.
- Proactively utilizing the company's risk management system to identify, assess, mitigate, and manage occupational injury and work-related health risks, focusing on both physical and psychosocial work environments.
- Ensuring our vessels are designed and maintained with health and safety considerations in mind.
- Complying with health and safety requirements from regulatory bodies and adhering to national and international legislation.
- Investigating, analyzing, and addressing reported deficiencies to enhance health and safety within our company.
- Involving and consulting employees and their representatives in health and safety matters.
- Ensuring continuous improvement in occupational health and safety performance.

The most significant risk within our organization is accidents during vessel operations. Our proactive efforts to prevent injuries have been successful; as of the end of 2024, we recorded a total recordable injury frequency (TRIF) score of 0.8 and have not experienced any lost time injuries (LTI) in the past three years. This achievement is attributed to exceptional teamwork within N-O-S's operations, where every member, including our excellent crew, has played a vital role in maintaining a safe workplace. In 2025, we will install equipment on our vessels to alert captains if they exceed speed limits or maneuver unsafely, further minimizing incidents and accidents.

Non-financial KPI's are calculated as follows:

TRIF = (Total amount of recordable injuries (medical treatment case, restricted workday case, lost time injury or fatality/total working hours) times 1.000.000

LTI = (Total amount of lost time injuries/total working exposure hours) times 1.000.000

Human rights

The primary risk of not aligning with human rights arises when we expand our business and procure services and equipment globally.

Management's review

Through our Code of Conduct, we commit to:

- Promote a safe and healthy workplace with equal opportunities, free from discrimination or harassment based on race, color, gender, language, privacy, religion, ethnicity, political orientation, national or social origin, union affiliation, sexual orientation, health status, age, disability, or other distinguishing characteristics.
- Not employ workers under 15, or under 14 in certain developing countries, or below the compulsory education age if higher. Workers under 18 will not perform hazardous work.
- Provide written employment contracts in a language understood by employees.
- Avoid forced labor, including bonded labor, involuntary prison labor, slavery, or coerced work.
- Ensure working hours and overtime comply with legal limits, industry standards, and collective agreements.
- Follow all laws regarding wages, sick leave, piece rates, and other compensation elements.
- Guarantee employees' rights to associate, organize, and bargain collectively.

We evaluate our suppliers and have them sign our Code of Conduct, aiming to evaluate 10 existing suppliers annually. In 2024, we changed key suppliers based on evaluation results.

A whistleblower link is available on our homepage, and no complaints were received in 2024. We will continue evaluations and conduct on-site audits of some suppliers in 2025.

Anti-corruption and bribery

The N-O-S definition of corruption encompasses bribery, facilitation payments, protection money, fraud, and money laundering. It also includes improper gifts, entertainment, hospitality, free or heavily discounted products, or other items or services that result in the transfer of value in exchange for special consideration.

A significant risk associated with failing to adhere to anti-corruption and bribery prevention measures arises when expanding business operations globally.

Through our Code of Conduct, we are committed to achieving zero tolerance for corruption and bribery in our daily operations. All employees are required to complete compliance training and report any violations. In 2024, we did not record any internal violations or receive any external complaints through our whistleblower link.

All employees must undergo an annual refresher course on the Code of Conduct. In 2025, we will enhance this education to encompass all policies.

Statement on gender composition, cf. section 99b of the Financial Statements Act

Northern Offshore Services A/S aims to be a leader in promoting gender equality within the shipping industry. The company has implemented an ambassadorship program to support its female seafarers.

At the Donsö Shipping Meet, the Company, along with other shipping companies from Donsö, introduced an initiative to advance gender equality in the maritime sector. Following this event, women from various parts of the industry met at one of the Company's offices to develop the Equality in Shipping action list. This list, which includes proposed goals and recommendations for fostering an equitable culture, was shared on social media. It encourages companies to set specific targets for the percentage of women in onshore management, crew onboard, and in management teams, while also enforcing zero tolerance for harassment and bullying.

The next phase for Equality in Shipping will occur in 2025, during which participating maritime companies will review the actions taken and evaluate the results. The aim is to achieve sustainable, lasting change through accountability.

At the Crew Conference 2024, the organization MÄN was invited to conduct lectures and workshops. This organization works towards equality and encourages men to act against violence against women. Their strategy involves engaging men and boys to challenge destructive masculinities and recognize different types of violence, including physical, psychological, economic, and verbal abuse. They emphasize the responsibility of individuals who witness violence to act, highlighting the importance of courage in confronting such behavior to help reduce violence.

Management's review

The Company's goal is that each gender should be represented throughout the entire business. The company policy is to appoint the person with the best qualifications to management positions as well as promoting diversity in Management. The Company is managed directly by the owners, which together with the nature of the business makes it difficult in general to find female candidates. Hence, the AGM concluded it was not relevant to impose a change to the Board during FY24.

Other management levels consist of 4 females and 5 males. Onshore management includes 8 people where the genders are equally represented. It is the company's goal that each gender should be represented by at least 44 % on other management levels. At present, the company does meet its goals according to the definition of the Danish business authorities. Northern Offshore A/S has achieved an equal gender distribution on other management levels, and therefore has no obligation to set a target for other management levels.

	<u>2023/24</u>
Top management	
Total number of members	3
Underrepresented gender %	0%
Target figure %	33%
Year for meeting target	2026
Other management levels	
Total number of members	9
Target figure %	44%

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

Northern Offshore Services A/S complies with the Danish legislation on GDPR with regards to employee and personal data.

All data attributable to the business and its activities are considered business critical and thus confidential and will never be shared with or in any way be made available to third parties.

The Company has not seen any immediate need to implement a policy on data ethics, but will continue to monitor the data usage, and revisit the matter yearly to ensure a policy is put in place if deemed necessary.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 July 2023 - 30 June 2024

	Note	2023/24	2022/23
		DKK	DKK
Revenue	1	299,055,820	336,077,019
Other operating income		45,133,824	61,579,081
Direct expenses		-139,093,068	-188,133,295
Other external expenses		-52,850,337	-57,283,000
Gross profit		152,246,239	152,239,805
Staff expenses	2	-87,304,637	-91,503,152
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-33,658,689	-26,062,719
Profit/loss before financial income and expenses		31,282,913	34,673,934
Financial income	4	12,094,810	4,441,157
Financial expenses	5	-38,302,066	-17,783,688
Profit/loss before tax		5,075,657	21,331,403
Tax on profit/loss for the year	6	15,585	-295,670
Net profit/loss for the year	7	5,091,242	21,035,733

Balance sheet 30 June 2024

Assets

	Note	2023/24	2022/23
		DKK	DKK
Acquired licenses		543,094	826,462
Intangible assets	8	543,094	826,462
Other fixtures and fittings, tools and equipment		47,635	64,310
Vessels		496,536,578	323,844,465
Leasehold improvements		116,719	177,607
Prepayments for property, plant and equipment		172,750,096	104,476,359
Property, plant and equipment	9	669,451,028	428,562,741
Deposits	10	324,460	6,349,156
Fixed asset investments		324,460	6,349,156
Fixed assets		670,318,582	435,738,359
Raw materials and consumables		19,415,378	15,862,395
Inventories		19,415,378	15,862,395
Trade receivables		34,592,756	36,853,505
Receivables from group enterprises		129,493,741	154,889,336
Other receivables	11	19,896,427	35,593,799
Corporation tax receivable from group enterprises		137,081	899,279
Prepayments	12	9,296,758	8,368,820
Receivables		193,416,763	236,604,739
Cash at bank and in hand		963,042	2,316,007
Current assets		213,795,183	254,783,141
Assets		884,113,765	690,521,500

Balance sheet 30 June 2024

Liabilities and equity

	Note	2023/24	2022/23
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		92,133,182	87,041,940
Equity		92,633,182	87,541,940
Credit institutions		261,669,036	266,155,806
Lease obligations		103,152,045	66,355,603
Payables to group enterprises		28,885,986	27,788,304
Other payables		259,384,925	104,900,807
Long-term debt	13	653,091,992	465,200,520
Credit institutions	13	42,852,152	39,452,653
Lease obligations	13	7,205,506	5,551,664
Trade payables		23,344,763	11,745,281
Payables to group enterprises	13	20,953,512	45,465,844
Corporation tax		430,355	227,650
Other payables	13	43,602,303	35,335,948
Short-term debt		138,388,591	137,779,040
Debt		791,480,583	602,979,560
Liabilities and equity		884,113,765	690,521,500
Contingent assets, liabilities and other financial obligations	17		
Related parties	18		
Fee to auditors appointed at the general meeting	19		
Subsequent events	20		
Accounting Policies	21		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July	500,000	87,041,940	87,541,940
Net profit/loss for the year	0	5,091,242	5,091,242
Equity at 30 June	500,000	92,133,182	92,633,182

Cash flow statement 1 July 2023 - 30 June 2024

	Note	2023/24	2022/23
		DKK	DKK
Result of the year		5,091,242	21,035,733
Adjustments	15	59,850,360	44,582,820
Change in working capital	16	48,534,137	-42,014,458
Cash flow from operations before financial items		113,475,739	23,604,095
Financial income		12,094,810	2,724,606
Financial expenses		-38,308,856	-17,783,688
Cash flows from ordinary activities		87,261,693	8,545,013
Corporation tax paid		980,488	-102,730
Cash flows from operating activities		88,242,181	8,442,283
Purchase of intangible assets		0	-283,368
Purchase of property, plant and equipment		-274,263,608	-117,484,893
Fixed asset investments made etc		6,024,696	0
Sale of property, plant and equipment		0	26,025,111
Cash flows from investing activities		-268,238,912	-91,743,150
Repayment of loans from credit institutions		-1,087,271	-21,574,250
Reduction of lease obligations		0	-38,557,334
Repayment of payables to group enterprises		-23,414,650	-136,689,354
Raising of loans from credit institutions		0	171,451,885
Lease obligations incurred		38,450,284	0
Raising of payables to group enterprises		0	35,324,749
Raising of other long-term debt		164,695,403	88,253,307
Dividend paid		0	-13,000,000
Cash flows from financing activities		178,643,766	85,209,003
Change in cash and cash equivalents		-1,352,965	1,908,136
Cash and cash equivalents at 1 July		2,316,007	407,871
Cash and cash equivalents at 30 June		963,042	2,316,007
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		963,042	2,316,007
Cash and cash equivalents at 30 June		963,042	2,316,007

Notes to the Financial Statements

	2023/24 DKK	2022/23 DKK
1. Revenue		
Geographical segments		
Europe	299,055,820	336,077,019
	299,055,820	336,077,019
Business segments		
Shipping	299,055,820	336,077,019
	299,055,820	336,077,019
	2023/24 DKK	2022/23 DKK
2. Staff Expenses		
Wages and salaries	67,150,412	68,421,898
Pensions	4,313,349	4,559,748
Other social security expenses	2,678,011	3,115,224
Other staff expenses	13,162,865	15,406,282
	87,304,637	91,503,152
Including remuneration to the Executive Board and Board of Directors	1,134,488	1,098,954
Average number of employees	168	188
	2023/24 DKK	2022/23 DKK
3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment		
Amortisation of intangible assets	283,368	283,368
Depreciation of property, plant and equipment	28,801,124	25,779,351
Impairment of tangible assets	4,574,197	0
	33,658,689	26,062,719

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
4. Financial income		
Interest received from group enterprises	11,606,797	2,191,132
Other financial income	488,013	2,250,025
	12,094,810	4,441,157
	2023/24	2022/23
	DKK	DKK
5. Financial expenses		
Interest paid to group enterprises	4,439,150	2,069,550
Other financial expenses	29,180,763	15,714,138
Exchange adjustments, expenses	4,682,153	0
	38,302,066	17,783,688
	2023/24	2022/23
	DKK	DKK
6. Income tax expense		
Current tax for the year	11,604	293,224
Adjustment of tax concerning previous years	-27,189	2,446
	-15,585	295,670
	2023/24	2022/23
	DKK	DKK
7. Profit allocation		
Retained earnings	5,091,242	21,035,733
	5,091,242	21,035,733

Notes to the Financial Statements

8. Intangible fixed assets

	Acquired licenses
	DKK
Cost at 1 July	1,416,812
Cost at 30 June	1,416,812
Impairment losses and amortisation at 1 July	590,350
Amortisation for the year	283,368
Impairment losses and amortisation at 30 June	873,718
Carrying amount at 30 June	543,094

9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Vessels	Leasehold improve- ments	Prepayments for property, plant and equipment
	DKK	DKK	DKK	DKK
Cost at 1 July	365,341	400,329,296	304,457	107,641,708
Additions for the year	0	96,178,938	0	181,539,397
Disposals for the year	0	-6,340,735	0	-25,435
Transfers for the year	0	108,666,028	0	-108,666,028
Cost at 30 June	365,341	598,833,527	304,457	180,489,642
Impairment losses and depreciation at 1 July	301,031	76,484,832	126,850	3,165,349
Impairment losses for the year	0	0	0	4,574,197
Depreciation for the year	16,675	28,723,561	60,888	0
Reversal of impairment and depreciation of sold assets	0	-2,911,444	0	0
Impairment losses and depreciation at 30 June	317,706	102,296,949	187,738	7,739,546
Carrying amount at 30 June	47,635	496,536,578	116,719	172,750,096
Amortised over	3 years	12-20 years	5 years	
Including assets under finance leases amounting to	0	95,419,308	0	0

Notes to the Financial Statements

10. Other fixed asset investments

	Deposits
	DKK
Cost at 1 July	6,349,156
Disposals for the year	-6,024,696
Cost at 30 June	324,460
Carrying amount at 30 June	324,460

11. Other receivables

Of the recognized other receivables DKK 3.750.720 (2022/23 DKK: 4.285.360) is due after 1 year.

12. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, time charter etc.

13. 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:

Credit institutions

	2023/24 DKK	2022/23 DKK
After 5 years	105,578,750	105,148,475
Between 1 and 5 years	156,090,286	161,007,331
Long-term part	261,669,036	266,155,806
Within 1 year	42,852,152	39,452,653
	304,521,188	305,608,459

Lease obligations

	2023/24 DKK	2022/23 DKK
After 5 years	12,377,534	44,148,947
Between 1 and 5 years	90,774,511	22,206,656
Long-term part	103,152,045	66,355,603
Within 1 year	7,205,506	5,551,664
	110,357,551	71,907,267

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
13. Long-term debt		
Payables to group enterprises		
After 5 years	28,885,986	27,788,304
Long-term part	28,885,986	27,788,304
Other short-term debt to group enterprises	20,953,512	45,465,844
	49,839,498	73,254,148
Other payables		
After 5 years	226,258,352	0
Between 1 and 5 years	33,126,573	104,900,807
Long-term part	259,384,925	104,900,807
Within 1 year	10,211,285	0
Other short-term payables	33,391,018	35,335,948
	302,987,228	140,236,755

14. Deferred income

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

	2023/24	2022/23
	DKK	DKK
15. Cash flow statement - Adjustments		
Financial income	-12,094,810	-4,441,157
Financial expenses	38,302,066	17,783,688
Depreciation, amortisation and impairment losses, including losses and gains on sales	33,658,689	22,617,162
Tax on profit/loss for the year	-15,585	295,670
Other adjustments	0	8,327,457
	59,850,360	44,582,820

Notes to the Financial Statements

	2023/24	2022/23
	DKK	DKK
16. Cash flow statement - Change in working capital		
Change in inventories	-3,552,983	-3,231,362
Change in receivables	42,425,778	3,270,876
Change in trade payables, etc	9,661,342	-42,053,972
	48,534,137	-42,014,458

17. Contingent assets, liabilities and other financial obligations

Rental and lease obligations

The company's contractual obligations relating to chartering and bareboating of vessels totals DKK 170,564k (2022/23: DKK 98,772k) where DKK 25,281k (2022/23: DKK 17,095k) is due within one year, DKK 123,895k (2022/23: DKK 60,416k) is due between 1-5 years, and DKK 21,387k (2022/23: DKK 21,211k) of the total obligation falls due after five years.

The company's contractual obligations relating to other agreements such as tenancy agreements, leasing of cars etc. totals DKK 1,835k (2022/23: DKK 1,624k). herof total amount DKK 840k (2022/23: DKK 941k) is due within one year, the reaming obligation is due between 1 - 5 years.

Security OPDATER

The Company has issued an owner's mortgage totalling DKK 231,410k creating a charge on vessels the carrying amount of which amounts to DKK 184,846k at 30 June 2023. The owner's mortgage is deposited as security for debt to credit institutions.

A company charge of all assets have been pledged as security for a credit instruction covering up to DKK 20,000k. In addition trade receivables totaling DKK 34,593k have been pledged as security for credit institutions.

The danish 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

18. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
Controlling interest	
Northern Offshore Group AB	Parent company
Other related parties	

Transactions

Northern Offshore Services A/S had in the financial year transactions with other companies affiliated to Northern Offshore Group AB. The company's management has confirmed that trades and other transactions with affiliated companies are made on market conditions.

Consolidated Financial Statements

The Company is included in the consolidated Financial Statements of the parent company

<u>Name</u>	<u>Place of registered office</u>
Northern Offshore Grup AB	Sweden

The Consolidated Group Financial Statements of Northern Offshore Group AB can be obtained on following address:

Northern Offshore Group AB
Saltholmsgatan 44
426 76 Västra Frölunda
Sweden

	<u>2023/24</u>	<u>2022/23</u>
	DKK	DKK
19. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	245,450	85,800
Tax advisory services	250,450	214,154
	<u>495,900</u>	<u>299,954</u>

20. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

21. Accounting policies

The Annual Report of Northern Offshore Services A/S for 2023/24 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023/24 are presented in DKK.

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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies. If currency positions are considered to hedge future cash flows, value adjustments are recognized directly in equity.

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.

Notes to the Financial Statements

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.

Segment information on revenue

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Geographical segments are regarded as the primary segments.

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.

Direct expenses

Direct expenses consist of, vessel operating costs and consumables which comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise 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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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 vessels, property, plant and equipment.

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

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

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however not exceeding 5 years.

Property, plant and equipment

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

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

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:

Other fixtures and fittings, tools and equipment	3 years
Leasehold improvements	5 years
Vessels	12-20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Inventories

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

Receivables

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

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.

Notes to the Financial Statements

Current tax receivables and liabilities

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

Financial liabilities

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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.

Cash Flow Statement

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

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

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

Financial Highlights

Explanation of financial ratios

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