ANNUAL REPORT 2023

We delivered sustainable growth and shifted the balance towards Renewables in 2023

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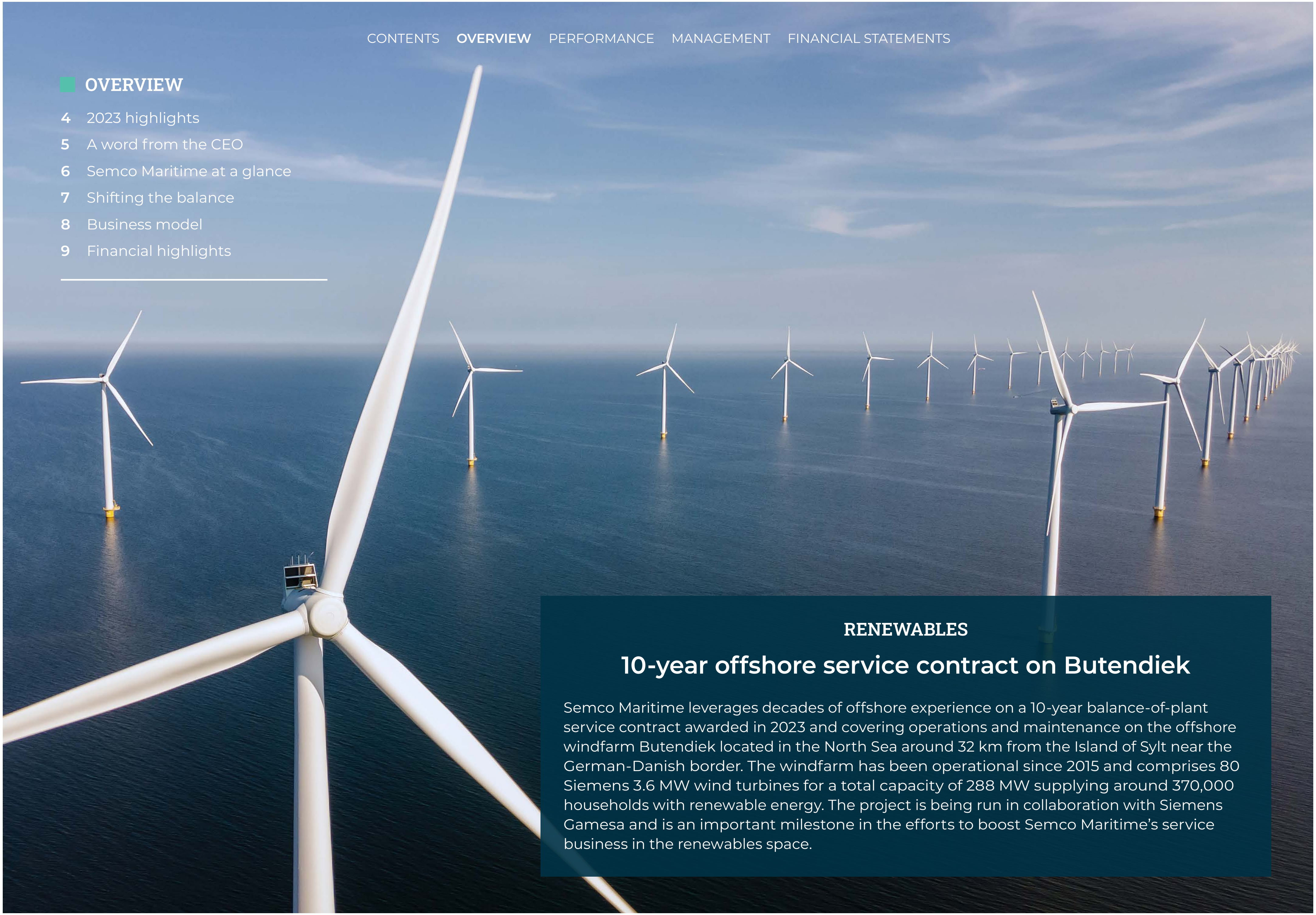


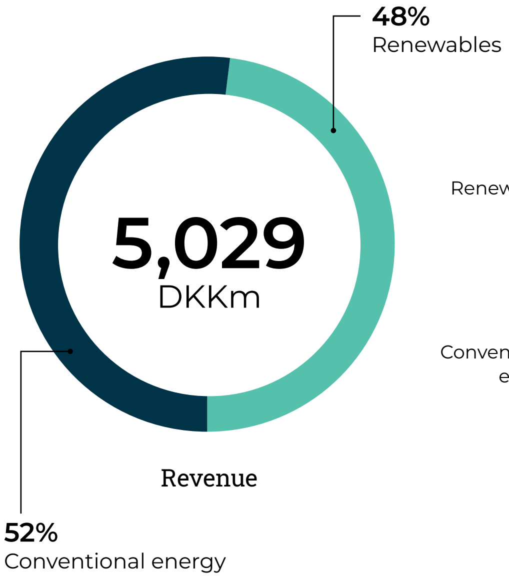
OVERVIEW

RENEWABLES

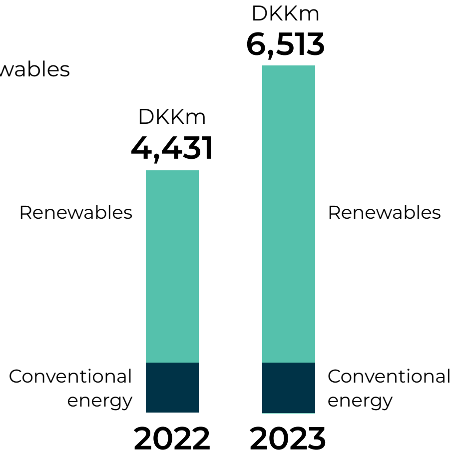
10-year offshore service contract on Butendiek

Semco Maritime leverages decades of offshore experience on a 10-year balance-of-plant service contract awarded in 2023 and covering operations and maintenance on the offshore windfarm Butendiek located in the North Sea around 32 km from the Island of Sylt near the German-Danish border. The windfarm has been operational since 2015 and comprises 80 Siemens 3.6 MW wind turbines for a total capacity of 288 MW supplying around 370,000 households with renewable energy. The project is being run in collaboration with Siemens Gamesa and is an important milestone in the efforts to boost Semco Maritime's service business in the renewables space.

2023 highlights



Revenue



Order book

EBITDA before special items

305

DKKm

Equity ratio

28.2%

Employees

2,036 employees (average)

5.7 million man-hours*

LTAF (Lost time accident frequency): 0.4

Conventional energy

>450 modification and service projects and 11 yard stays

Several strategic contract wins

More than 1,200 employees working in offshore rotation

2.9 million offshore man-hours*

Order intake of DKK 2,606 million

Renewables

Unique position in offshore substations

Strategic award of 5 offshore substations

Acquisition of Wind Multiplikator

16 engineering studies projects and service of 6 windfarms (391 turbines)

Greensand CCUS project

Order intake of DKK 4,505 million

*Including employees hired on a contract basis

Strategy execution secured profitable growth in 2023

We continued the growth trajectory in 2023 through disciplined execution on the Sustainable Growth strategy in pursuit of our ambitious targets of accelerating growth, lifting profitability and shifting the balance further towards our Renewables business. We see good prospects ahead and will continue to build on our strong platform in 2024.

Outperforming our expectations

We were pleased to see both market segments significantly outperforming the 2023 outlook, resulting in growth of 47% (organic 39%) and reported revenue exceeding DKK 5 billion with a solid contribution from our acquisition and integration of Wind Multiplikator Group halfway into the year. Our Renewables business more than doubled revenue again in 2023 with a 104% growth rate resulting in a 48% share of Group revenue against 35% in 2022. The Conventional energy segment reported another year of solid progress with a growth rate of 18%.

This positive development was reflected in significantly stronger earnings as EBITDA before special items grew by 51% to reach DKK 305 million, equal to a profit margin of 6.1%. Despite macroeconomic uncertainty and somewhat shaky markets, we continued to expand our order book, which reached DKK 6.5 billion with Renewables and Conventional energy accounting for 88% and 12%, respectively.

Building on our strong platform

We are pursuing our Sustainable Growth strategy by applying our extensive expertise and in-depth experience from the offshore sector to capitalise on opportunities in the energy markets and shift the balance of our operations further in favour of the Renewables business. In 2023, we executed on the strategy through organic growth and with the acquisition and integration of the highly complementary German full-service provider Wind Multiplikator Group, which added 250 employees based in Bremen, an operational center in Emden and additional weight for Semco Maritime in the offshore wind service market.

Today, our service business operates across the entire offshore wind service value chain in order to accelerate our growth through wider market access, sales synergies and stronger competencies. We continue to build a true powerhouse in offshore wind service and made headway in the market in 2023 by signing a milestone 10-year service contract for offshore windfarm Butendiek to supplement existing multi-year contracts with TenneT and Parkwind, among others.

Staying the course

We see a clear path ahead of us and continue to leverage our competitive advantages in the Renewables and Conventional energy segments in markets impacted by geopolitical tensions and intensified focus on energy security as well as rising political attention on accelerating the green transition.

Future developments in global energy markets remain uncertain, though, as statements and good intentions are yet to be underpinned by firm political action to boost renewable investments in several markets. While renewable activity in the European

Steen Brødbæk, CEO

markets remains somewhat subdued – and lower conventional energy activity in the North Sea is expected – we continue to press on in the accelerating Asian and US markets.

On the back of the exceptional performance in 2023, we will continue to follow our Sustainable Growth strategy, which will enable us to navigate continued market volatility in 2024 and further shift the balance towards our Renewables business.

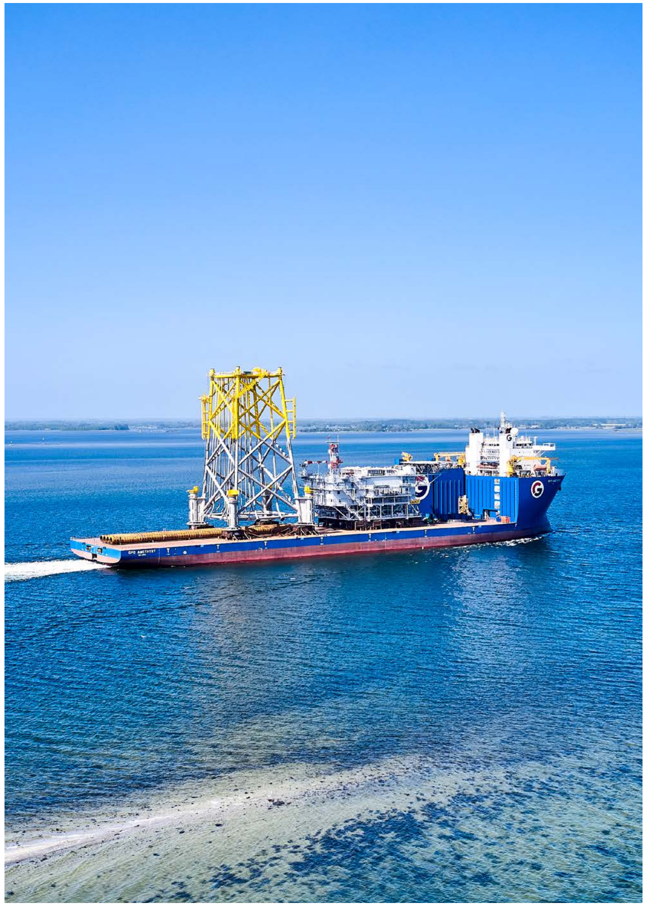
Semco Maritime at a glance

A fossil-free future calls for a sustainable energy transition where conventional and renewable energy sources coexist effectively until the day when renewables can fully keep the world running.

Semco Maritime is an international engineering and contracting company with around 2,500 employees and 40 years of dedication rooted in both the conventional energy sector and the offshore wind industry. This puts us in a unique position to bridge today's and tomorrow's solutions, constantly seeking clever and pragmatic ways to realise global energy ambitions. We do this through comprehensive project management across all phases of energy projects together with world-leading partners across the globe.

Shifting the balance

After the launch of the Sustainable Growth strategy in 2022, Semco Maritime took important steps to shift the balance in favour of the Renewables business in 2023 and remains on track to reach its ambitious targets for 2027. Progress was driven by the combination of strong organic growth, a strategic acquisition in the offshore wind service space and key collaborations and contract wins.



Making progress towards ambitious targets
Under the Sustainable Growth framework, Semco Maritime has set out to capitalise on the significant growth opportunities in the offshore wind market, which is expected to quadruple in value by 2030, and the oil and gas market, which offers good opportunities within the areas of operation, maintenance and optimising existing installations. These efforts are supplemented by the application of deep EPCI expertise (Engineering, Procurement, Construction and Installation) in support of the evolving market for power-to-x projects.

Semco Maritime executed on the strategy in 2023 and took important steps towards its ambitious 2027 targets of growing revenue to DKK 6 billion with an EBITDA margin of 7% and driving up the Renewables business's share of overall revenue to 65%.

Stronger in offshore wind
One key strategic initiative in 2023 was the acquisition and integration of German full-service provider Wind Multiplikator Group, contributing to the realisation of the strategic aim of becoming the global leader for large renewable infrastructure projects and within operations and maintenance (O&M) to offshore wind farms in particular.

The addition of 250 skilled and experienced employees, more than 25,000 sqm of indoor hall space, 28,000 sqm of storage space and 167,000 sqm of holding area in Emden, Germany, immediately boosted Semco Maritime's capacity, capabilities and competencies in the offshore wind service market.

Following the integration of Wind Multiplikator Group with its highly complementary service offering, Semco Maritime's offshore wind service business more than doubled in 2023 and now offers the full range from EPCI contracts and project management to operational management of offshore wind farms and major component exchanges and repairs.

In addition to the expansion of the service business and the onboarding of several multi-year service assignments in the Renewables segment, Semco Maritime continues to build on the Group's market-leading position and unique expertise in the development, construction and commissioning of offshore substations for offshore wind projects.

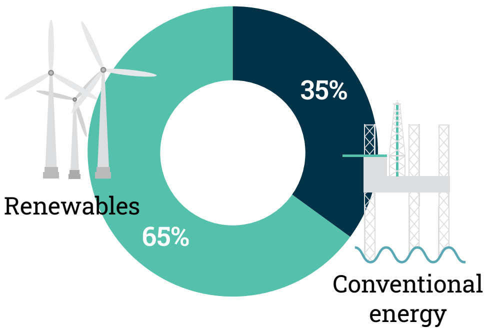
Energy experts at work
Semco Maritime continues to apply its long-standing track record in the offshore market to consolidate the global leadership of its Renewables business and retain its leading regional market positions in the Conventional energy business. In addition, Semco Maritime's unique skills and insight into energy infrastructure and innovation are applied in collaboration with power-to-x pioneers such as Hyme Energy, working to provide industry-scale energy storage for the energy transition, and public players like Energinet working to secure stable energy infrastructure and supply.

Business model

Motivation

We enable a safe and sustainable energy transition

Markets

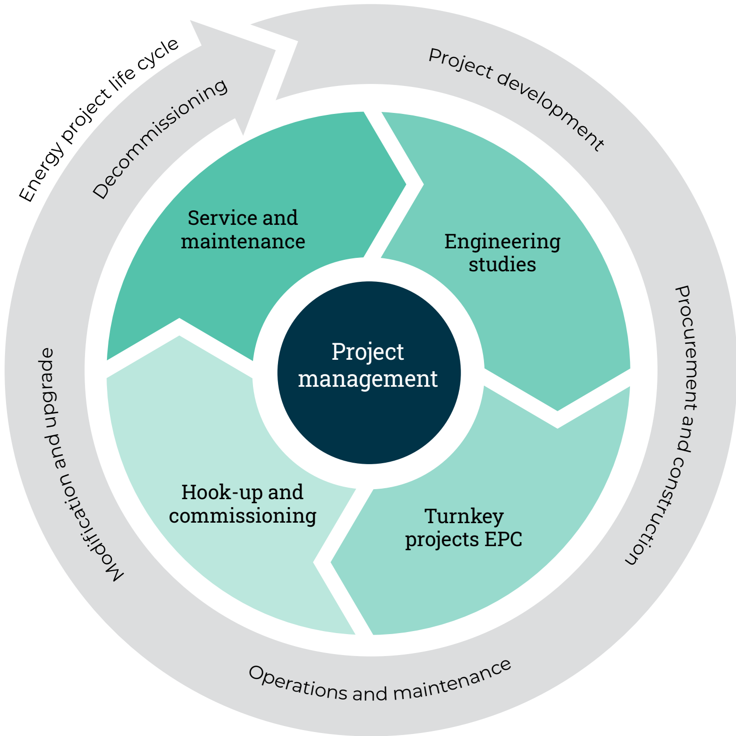


Group targets 2027

- Revenue split between Renewables and Conventional energy 65% / 35%
- EBITDA margin of ~7%

Value creation

- based on affordable, reliable and sustainable solutions



7 drivers

Safety: Reducing number of work accidents to zero

People: Employer of choice within offshore energy

Sustainability: CO_2 neutrality in own operations by 2030

Customers: Preferred partner and top 3 in core market

Partners: Strong partnerships to support growth

Service: 40% from OPEX business

Execution: Affordable - Reliable - Sustainable

Safety | Commitment | Responsiveness | Reliability | Inspiration

Financial highlights

DKKm	2023	2022	2021	2020	2019
INCOME STATEMENT					
Revenue	5,028.6	3,410.3	2,464.2	1,878.8	1,904.8
Profit before amortisation and depreciation and special items	304.6	201.8	80.0	70.6	52.5
Operating profit	258.3	165.5	47.5	27.7	22.1
Net financials	9.2	(1.2)	(6.0)	(10.0)	(6.0)
Profit before tax	271.4	164.9	41.5	17.6	16.1
Profit for the year from continuing operations	209.4	133.1	36.8	17.6	18.0
ASSETS					
Non-current assets*	242.3	124.8	129.4	881.3	138.0
Inventories	25.4	16.3	13.1	12.5	16.5
Receivables	1,103.0	965.3	1,566.8	522.7	594.3
Cash	558.4	241.8	24.1	55.2	18.8
Total assets	**1,929.0**	**1,348.2**	**1,733.4**	**1,471.7**	**767.6**
Investment in property, plant and equipment	27.9	10.3	10.1	18.9	15.2
LIABILITIES AND EQUITY					
Equity	543.0	336.7	207.9	161.1	154.7
Provisions	157.1	97.9	48.8	25.4	31.0
Non-current liabilities	58.2	58.9	59.0	62.3	29.2
Current liabilities	1,170.7	854.6	1,417.7	1,223.0	552.7
Total equity and liabilities	**1,929.0**	**1,348.2**	**1,733.4**	**1,471.7**	**767.6**
FINANCIAL RATIOS					
Total cash flows from operations	446.9	155.2	27.5	262.4	(72.4)
Total cash flows	296.0	217.7	(31.1)	36.5	(4.6)
Average no. of employees	2,036	1,835	1,644	1,429	1,317
Profit margin, %	5.1	4.9	1.9	1.5	1.2
Equity ratio, %	28.2	25.0	12.0	10.9	20.2
Return on equity, %	47.6	48.9	19.9	11.2	12.6

**In 2020, non-current assets included an escrow account regarding advance payment on work in progress of DKK 753 million, which was released in 2022. In 2021, the amount was transferred to current assets.*
A definition of financial ratios is provided on page 51.

PERFORMANCE

POWER-TO-X

Ground-breaking long-duration energy storage in Esbjerg

In 2023, Hyme Energy awarded Semco Maritime an engineering, procurement and construction (EPC) contract for the provision of services for a ground-breaking power-to-x project in Esbjerg. Hyme Energy is a pioneer in industry-scale energy storage for the energy transition and is establishing an energy storage demonstration plant at DIN Forsyning, Gjesing heating plant. The plant will be based on proprietary corrosion control technology and deploy molten hydroxide salts, a game-changer for molten salt energy storage. Excess energy from e.g. solar and wind farms will be stored as heat in 700 degrees salt, enabling the supply of inexpensive heat and power when needed, up to two weeks later.

Photo: KirtxThomsen

Developments in 2023

The positive trajectory continued in 2023 as Semco Maritime accelerated growth, lifted profitability and boosted its order book, with strong contributions from both business areas delivering very satisfactory operational and financial performances exceeding the expectations for the year.

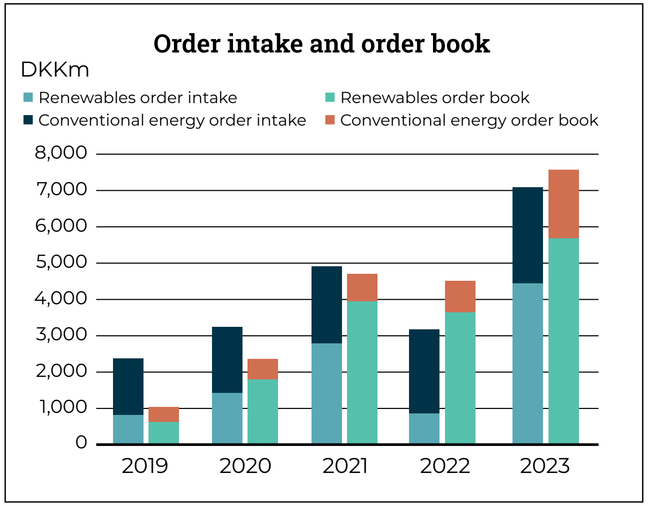
Revenue
Semco Maritime grew revenue significantly, by 47%, to DKK 5,029 million (2022: DKK 3,410 million) driven by very strong performance in the Renewables business and solid growth in the Conventional energy segment in 2023. Progress was based on high levels of activity across all Group operations, while the acquisition and integration of Wind Multiplikator Group in the Renewables business contributed DKK 291 million in revenue from the completion of the transaction in May.

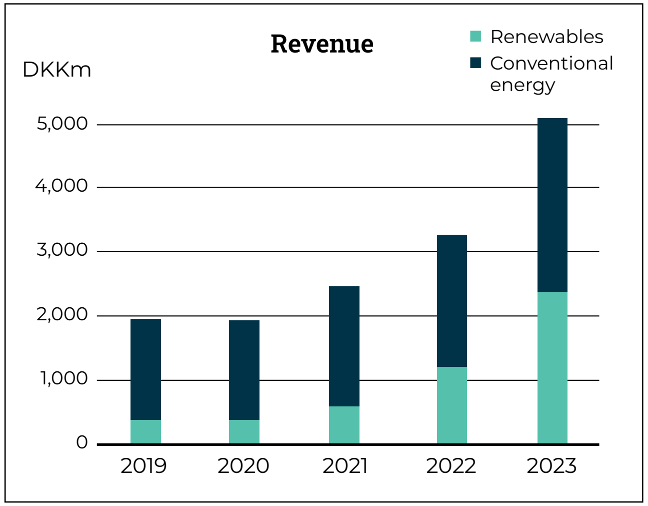
The 2023 order inflow was boosted by particularly high growth in the Renewables business and increased by 136% to DKK 7,111 million (2022: DKK 3,014 million). The Conventional energy business contributed to the increase as well, and the Group's order book came to DKK 6,513 million (2022: 4,431 million) at the end of 2023.

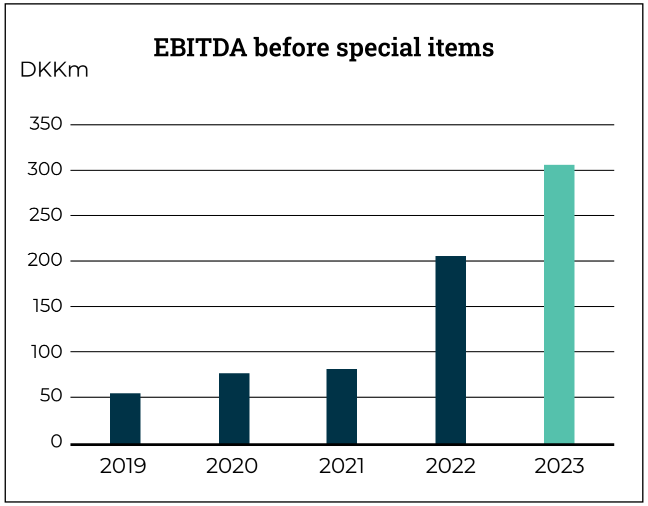
Renewables
Revenue from the Renewables business grew by 104% to DKK 2,406 million (2022: DKK 1,179 million) on the back of strong demand and activity within offshore substations and services for offshore wind projects as well as the positive impact of the acquisition and integration of Wind Multiplikator Group. The order inflow more than quadrupled to DKK 4,505 million (2022: DKK 778 million) following the signing of several offshore substation contracts and multi-year contracts for provisioning of services for offshore projects. The strong order inflow contributed to a 58% increase in the order book, which stood at DKK 5,721 million (2022: DKK 3,624 million) at 31 December 2023.

Conventional energy
The Conventional energy business grew revenue by 18% to DKK 2,622 million (2022: DKK 2,232 million). The positive development was driven by a continuation of the high level of business activity in the manpower business related, in particular, to ongoing redevelopment projects and servicing of rigs with several yard stays across the Group's locations.

The business unit grew the order inflow by 17% to DKK 2,606 million (2022: DKK 2,236 million) for an







order book of DKK 792 million (2022: DKK 807 million) at year-end 2023.

Earnings
In 2023, Semco Maritime lifted gross profit to DKK 2,255 million (2022: DKK 1,833 million) for a gross margin of 45% (2022: 54%) impacted by a high capacity utilisation rate, good project execution and prudent cost management combined with a dampening of material prices throughout the year. Earnings improved significantly with EBITDA before special items increasing by 51% to DKK 305 million (2022: DKK 202 million). Special items were an expense of DKK 16 million (2022: expense of DKK 8 million). The EBITDA margin before special items increased to 6.1% (2022: 5.9%).

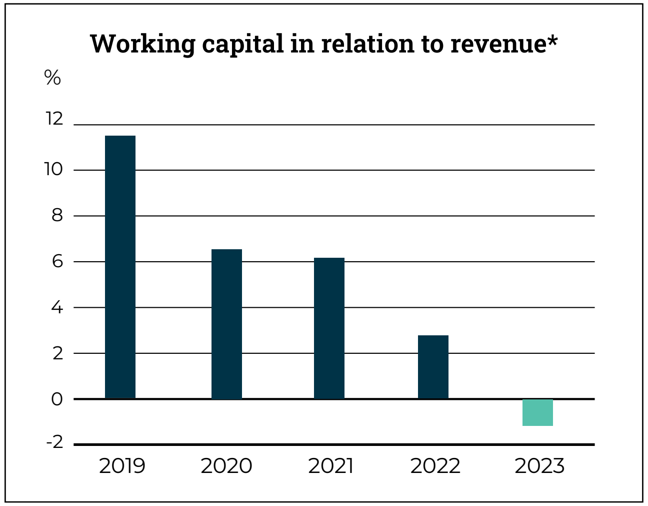
Financial items
The Group's financial items were an income of DKK 9 million (2022: expense of DKK 1 million) following an increase in interest rate income.

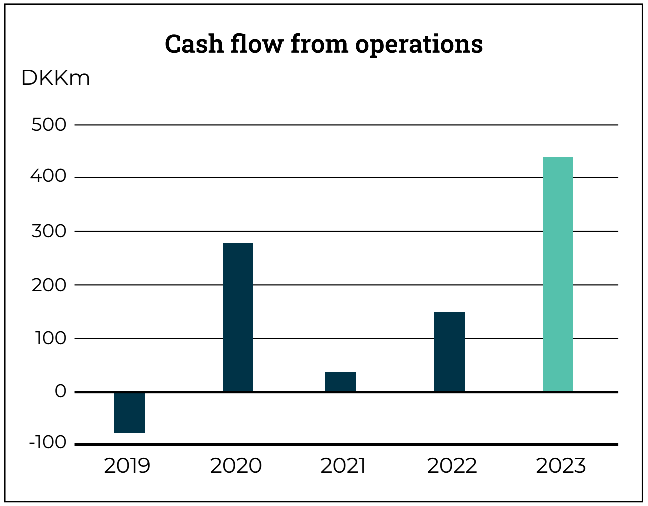
Profit for the year
Semco Maritime lifted profit before tax to DKK 271 million (2022: DKK 165 million) and profit after tax to DKK 209 million (2022: DKK 133 million) in 2023.

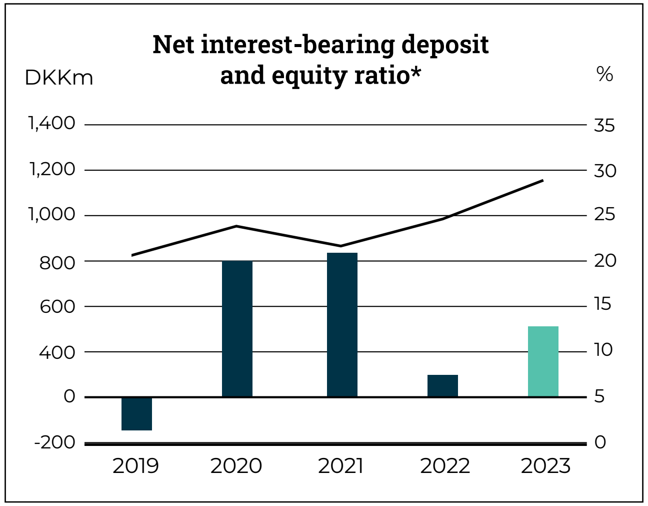
Cash flows
Semco Maritime increased its 2023 cash flow from operating activities to DKK 447 million in (2022: DKK 155 million) driven by strong earnings and positive cash positions in projects at year-end. The cash flow for investment activities was an outflow of DKK 150 million (2022: outflow of DKK 27 million) mainly attributable to the acquisition of Wind Multiplikator Group. The cash outflow from financing activities was DKK 1 million (2022: outflow of DKK 90 million).

Balance sheet
The Group's net interest-bearing deposits increased to DKK 500 million (2022: DKK 205 million) at year-end 2023 following significant short-term prepayments from customers. Equity increased significantly to DKK 543 million (2022: DKK 337 million) for an equity ratio of 28.2% (2022: 25.0%). The return on equity came to 47.6% (2022: 48.9%) in 2023.

Events after the balance sheet date
No events have occurred since the balance sheet date which are expected to have a material effect on an assessment of the Annual Report for 2023.







*Working capital in relation to revenue and equity ratio are shown exclusive of the effect of a customer prepayment of DKK 760 million, which had an effect in 2020 and 2021.

Guidance for 2024

Based on a continuation of current market trends and the strong business performance delivered in recent years, Semco Maritime expects to continue on its track in 2024 in line with the ambitions of the Sustainable Growth strategy. Activity is expected to remain high across Renewables with a slight decline in Conventional energy due to the completion of ongoing redevelopment projects in 2023 and fewer rigs calling into port for maintenance and upgrades.

The historically high order backlog, a strong contribution from the addition of Wind Multiplikator and good business developments in the first quarter of the year have laid a solid foundation for performance in 2024. While Conventional energy activity is seen to decline, this development is expected to be at least partially offset by more service assignments and progress within power-to-x and renewable energy projects in support of the green transition.

Semco Maritime expects 2024 revenue to be within a 10% range around the exceptionally strong revenue realised in 2023 subject to the Group's ability to mitigate the impact of the expected decline in Conventional energy activity.

The Group expects to consolidate profitability and reach a profit margin (EBITDA) before special items of 5-7% in 2024. The positive development in earnings and profitability supports the realisation of the 2027 target of reaching around 7% as set out in the Sustainable Growth strategy.

The guidance for 2024 is subject to significant uncertainty due to macroeconomic volatility, including higher interest rates dampening investments and currently affecting the renewable energy sector. In addition, Russia's continued invasion of Ukraine and conflict in the Middle East entail, among other things, energy price volatility and challenges to the supply of goods and logistics, leading to considerable fluctuations in costs and low visibility.

Forward-looking statements

The forward-looking statements in this Annual Report reflect Semco Maritime's current expectations for future events and financial results. The statements involve uncertainty and the results achieved may deviate from expectations due to trends in economic conditions, commodity prices, subsidy and grant schemes as well as fluctuations in the financial markets and amended legislation and rules in the Group's markets.

See the Risks section on page 20.

Great prospects in Offshore Wind

The global transition of the energy sector is expected to drive a quadrupling of the Offshore Wind market by 2030 with a strong contribution from further progress in the US and new markets in Asia. Despite short-term uncertainty arising from energy price volatility and challenges in the global supply chain, the long-term prospects in Offshore Wind remain strong and form a solid foundation for further profitable growth, which will also be supported by selected projects in Conventional energy and the evolving activities in power-to-x.

Responsibility

Semco Maritime has an ambitious sustainability strategy centred on three key areas: decarbonisation, environmental protection, and safe and responsible business.

Reducing carbon emissions is essential to avert catastrophic climate impacts. Therefore, decarbonisation has been assigned as the primary focus of the sustainability strategy introduced in 2021. Numerous initiatives have been undertaken, resulting in improvements across operations and increased awareness among colleagues. In 2023, an e-learning module was introduced to familiarise employees with key sustainability concepts and the sustainability strategy, supplemented by continued efforts by the sustainability team to actively involve colleagues in sustainability-related topics.

Decarbonisation

Semco Maritime has laid out a roadmap that will lead to carbon neutrality in 3 phases:

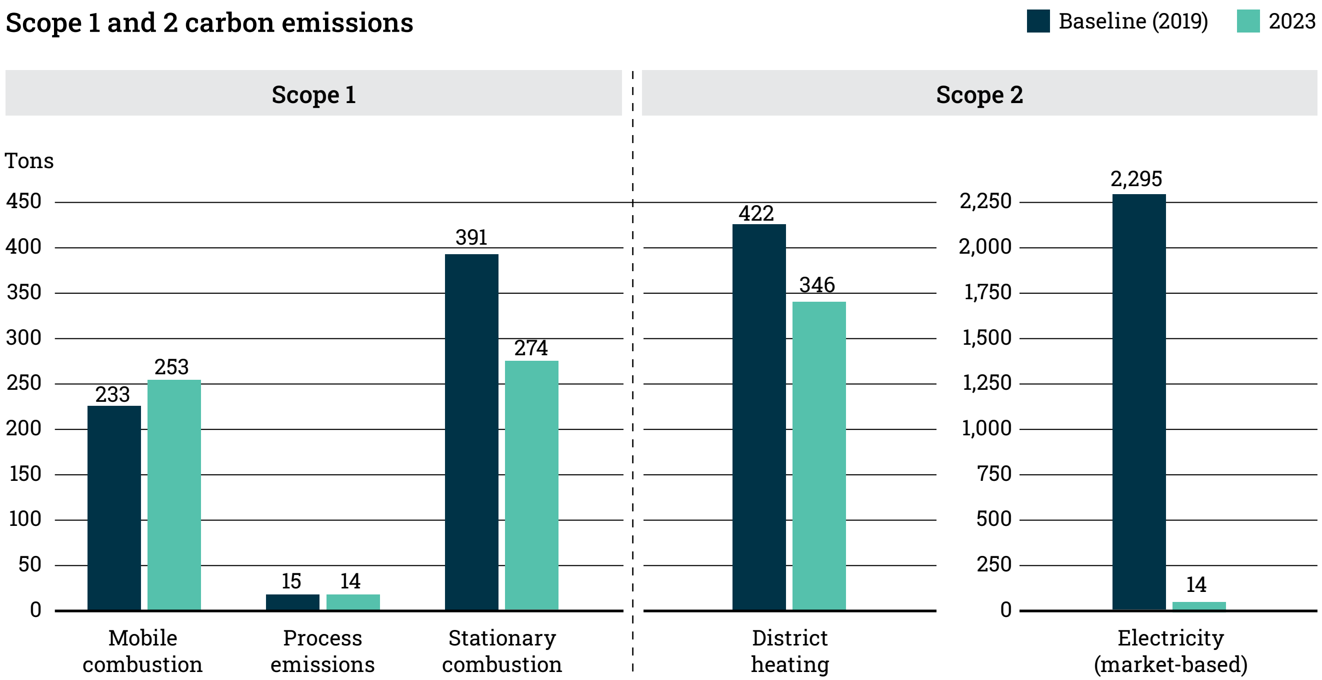
- Carbon neutrality in scope 1 and 2 by 2023
- Carbon neutrality in own operations by 2030
- Carbon neutrality in scope 3 (own operations and supply chain) by 2050

In accordance with Semco Maritime's carbon accounting methodology, recalculations of emissions from the base year (2019) are required in connection with the acquisition of Wind Multiplikator in 2023 and the takeover of the company's emissions. This entailed an increase in emissions for the base year from 795 tons CO_2e to 3,597 tons CO_2e, partly caused by enhancements in data accuracy and partly due to the acquisition itself.

Efforts in 2023 were concentrated on reducing scope 1 and 2 emissions. In recent years, Semco Maritime has made investments in green electricity contracts for its facilities in Esbjerg (Denmark), Hanøytangen (Norway), and Bremen and Emden (Germany). Coupled with moving office location in Aberdeen (UK), leading to an exchange of heating source (stationary combustion), and decreased energy consumption in Esbjerg (district heating), Semco Maritime managed to achieve a 70% reduction in scope 1 and 2 emissions in 2023 compared to the base year.

While this accomplishment is considered significant, it is acknowledged that the target was not fully met. Consequently, the shortfall in emissions reduction is compensated for by supporting a coastal wind farm project in Vietnam certified in accordance with the Gold Standard and the Clean Development Mechanism (CDM).

Scope 1 and 2 carbon emissions



Responsibility

Environmental protection
Waste management has long been an integral aspect of operations, significantly influenced by the projects undertaken by the company. In particular, operations at Hanøytangen in Norway have impacted the recycling rate of generated waste, resulting in a decrease to 56% compared to the previous year's rate of 70%, thus falling short of the 2023 target of 80%. In the upcoming year, the company plans to enhance waste analysis at the project level to gain a deeper understanding of waste composition, aiming for a recycling rate of 70%, aligning with the level achieved in 2022.

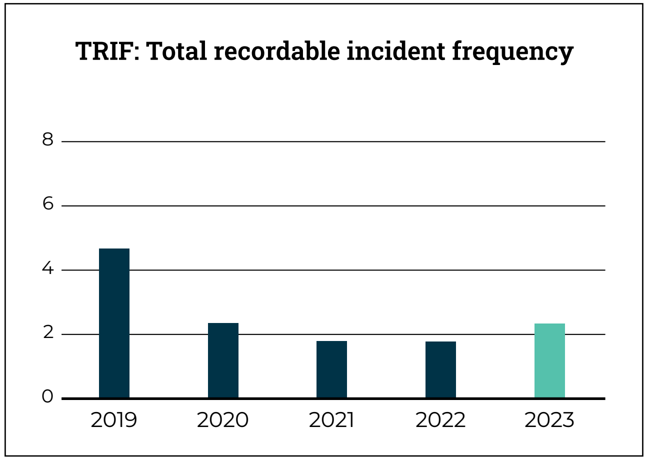
The focus on value chain engagement revolves around the supply chain, with a strong connection to decarbonisation initiatives. Semco Maritime has actively encouraged its key suppliers to disclose climate-related data through the Carbon Disclosure Project (CDP) platform.

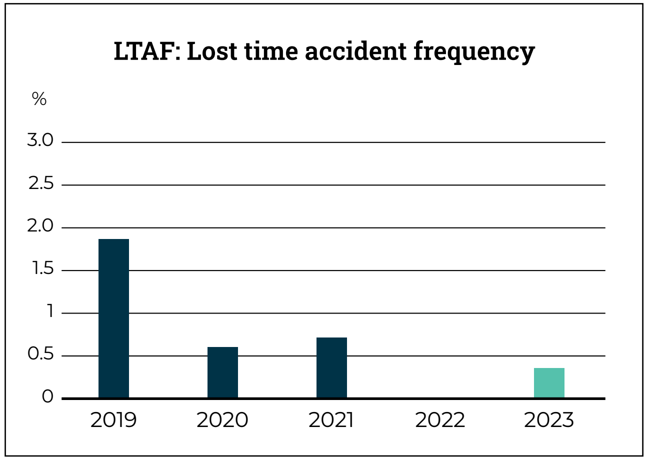
Additionally, the company is engaged in various projects aimed at resource recirculation, with an emphasis on reuse and recycling. In 2024, the company will launch a supplier engagement programme targeting selected suppliers across five defined purchasing categories.

Safe and responsible business
In 2023, the primary focus was on maintaining high standards of health and safety in day-to-day operations. Semco Maritime established ambitious goals, aiming for a total recordable incident frequency (TRIF) below 1.5 and a lost time accident frequency (LTAF) of zero. However, by the end of the year, the TRIF stood at 2.1 and the LTAF at 0.4. All incidents were associated with safety behaviour, and Semco Maritime plans to intensify the focus on improving safety behaviour in 2024 with a goal of achieving zero LTAs and bringing TRIF below 1.5

Gender diversity
Semco Maritime has signed the Gender Diversity Pledge and 16 related principles, underlining the Group's commitment to contribute to a more gender-diverse workplace with an ambition of extending the understanding to include non-gender factors (including but not limited to nationality and age).

The board of directors consists of 4 male shareholder-elected members, and Semco Maritime did not reach the target of 25% representation of the underrepresented gender on the board as there were no changes in board composition in 2023. The board composition has been reviewed in 2023 and will continue to be so on an ongoing basis to pursue the target. Within other levels of management, 17% is female. Here, the aim is to have 20% by 2025 as the first milestone towards achieving an equal





Responsibility

share. Across all management levels, the share of the under-represented gender is 19%, while 15% of the total workforce is women.

31 December 2023

Shareholder-elected members, board of directors	4
Share of underrepresented gender, board of directors	0%
2025 gender target, board of directors	25%
Members, other managerial levels	42
Share of underrepresented gender, other managerial levels	17%
2025 gender target, other managerial levels	20%

During recruitment processes, Semco Maritime focuses on providing equal opportunities for all applicants, including for other managerial levels, resulting in 25% of new hires in 2023 being female (white-collar employees). Moreover, the company launched its employer branding strategy, which centres on diversity. The company is working to create transparency regarding potential career paths for employees and across management levels as well as improving the rights for both genders in relation to e.g. maternity and paternity leave. Each year, the company carries out an anonymous employee satisfaction survey that includes employee perception of equal opportunities and the company is committed to promoting a healthy work-life balance.

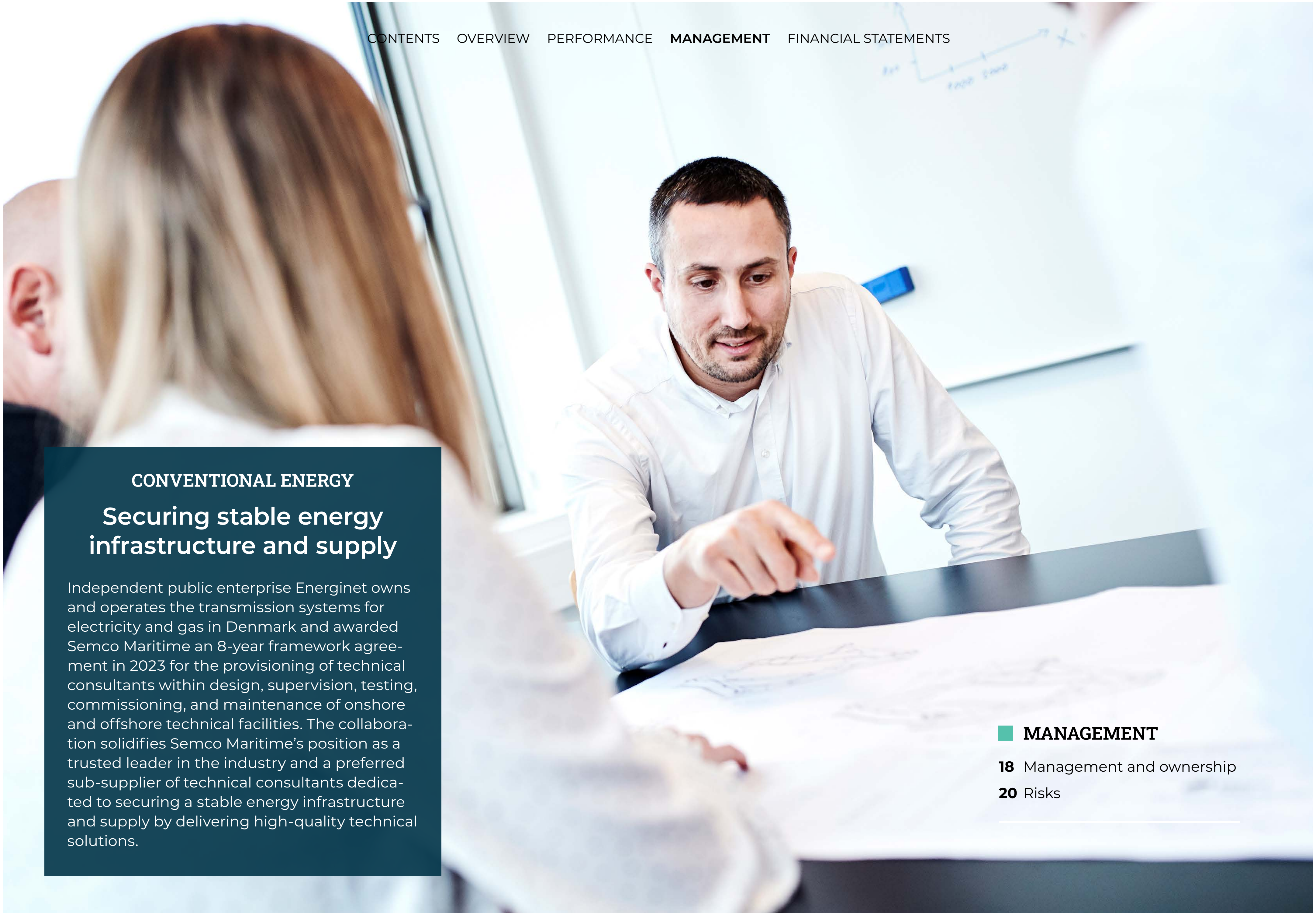
Data ethics

Adhering to all legal requirements concerning the storage and handling of personal and employee data (GDPR), Semco Maritime ensures full compliance. In 2021, management determined that the establishment of a data ethics policy was unnecessary, as all data under Semco Maritime's purview is deemed business critical. As such, it is not traded, shared, or disclosed to third parties, and its use is restricted to its original intended purposes.

Reporting

Semco Maritime upholds its commitment to the UN Global Compact and actively supports selected UN Sustainable Development Goals. For more details on sustainability, please refer to the Group's Sustainability report, which constitutes Semco Maritime's statutory report on corporate responsibility in accordance with section 99a of the Danish Financial Statements Act: https://campaigns.semcomaritime.com/hubfs/Sustainability%20report%202023.pdf

This annual report serves as Semco Maritime's mandated disclosure on gender diversity within management and statutory report on data ethics, as stipulated by sections 99b and 99d of the Danish Financial Statements Act.



CONVENTIONAL ENERGY

Securing stable energy infrastructure and supply

Independent public enterprise Energinet owns and operates the transmission systems for electricity and gas in Denmark and awarded Semco Maritime an 8-year framework agreement in 2023 for the provisioning of technical consultants within design, supervision, testing, commissioning, and maintenance of onshore and offshore technical facilities. The collaboration solidifies Semco Maritime's position as a trusted leader in the industry and a preferred sub-supplier of technical consultants dedicated to securing a stable energy infrastructure and supply by delivering high-quality technical solutions.

MANAGEMENT

Management and ownership

Management structure
Semco Maritime's management consists of a Board of Directors and an Executive Board, which are independent of each other.

The shareholders of the company elect the members of the Board of Directors, which makes overall decisions about the Group's strategic development, monitors risks and supervises the Executive Board. The Board of Directors consists of six members, of which four are elected by the shareholders and two by the employees.

The Board of Directors is focused on ensuring that the shareholder-elected board members have competencies in and experience from one or more of Semco Maritime's business areas and are capable of contributing to the commercial development of the business.

The Board of Directors undertakes its work in compliance with rules of procedure that have been prepared in compliance with the provisions set out in the Danish Companies Act. The members of the Executive Board may speak, but cannot vote, at board meetings, and they do not attend meetings when matters reserved for the Board of Directors are considered. The Board of Directors held 13 meetings in 2023.

The Executive Board is appointed by the Board of Directors and is responsible for the day-to-day management and development of Semco Maritime as well as the operations and performance of the company. The Executive Board is charged with executing the strategy in accordance with the general resolutions adopted by the Board of Directors.

Ownership
The principal shareholder of the company is Semco Maritime Holding A/S, which is included in the consolidated financial statements of C.W. Obel A/S and Det Obelske Familiefond, the beneficial owners of Semco Maritime since 1996. C.W. Obel A/S's solid financial position, deep insight into the industry and long-term ownership have laid the foundation for the stable development of the Group whether during times of attractive or less favourable market conditions.

Executive Board

Steen Brødbæk, CEO since 2009

Extensive international management experience from engineering, technology and manufacturing businesses, as well as strong strategic skills.

Previous positions as CEO of Arvid Nilsson A/S and Invensys APV A/S as well as managerial positions with ABB A/S. Chairman of the board of directors of Carl Ras A/S and member of the boards of directors of Arkil Holding A/S, Nexel A/S, DI Energi and Green Power Denmark.

Qualified electrical power engineer.

Martin Oehlenschlæger, CFO since 2022

International management experience and considerable industry knowledge from engineering businesses within the field of renewable energy.

Previous positions as CFO with Babcock Wilcox Vølund A/S and Fairwind A/S as well as senior finance positions in the global power management business, Eaton Corporation.

Qualified accountant with a background at the state-authorised audit firm Martinsen.

Steen Brødbæk (left) and Martin Oehlenschlæger (right)

Management and ownership

Board of Directors

Anders Christen Obel

Chairman since 2004. CEO of C.W. Obel A/S with special competencies in general management of industrial corporations and financing.

Gunnar Groebler

Member since 2021. CEO of steel and technology company Salzgitter AG and prior experience from position as Senior Vice President of Vattenfall's Wind business. Special competencies in management of international project businesses with a focus on sustainable energy and technology.

Keith Taylor

Member since 2012. Consultant with a background as Chief Operating Officer of the Technip group's operations in the APAC region and with special competencies in operations management of engineering and project companies in the conventional energy industry.

Jørgen Peter Rasmussen

Member since 2017. Industrial adviser with a background as CEO of i.a. Schlumberger and with special competencies in the fields of strategy, business development and management in the international conventional energy industry.

Susanne Ladegaard

Elected employee representative since 2023. Employed since 1994 at Semco Maritime as Service Coordinator.

Allan Sonnich Thomsen

Elected employee representative since 2014. Employed since 1996 at Semco Maritime as Senior Instrumentation Engineer.

Risks

Being an international engineering and contracting business with project activities in the global energy sector, Semco Maritime is exposed to a number of significant risks. Management continually monitors these risks to maintain the right balance between risk and the Group's overall earnings and development potential.

Anchored in the management team
Risk management is anchored in the day-to-day management, and it is handled by the Executive Board within the general framework and guidelines defined by Semco Maritime's Board of Directors. The responsibilities of the Executive Board comprise the ongoing identification and management of risk and any necessary adjustment and development of the company's processes and activities to mitigate such risks.

In connection with the conclusion of contracts with customers and collaboration partners, Semco Maritime engages its legal department, which is also in charge of the company's insurance programme. Material contracts are subject to a review by the Executive Board and approval according to standardised procedures. Large individual contracts require joint approval by the Executive Board and the Chairman of the Board of Directors, while specific maximum amounts have been defined for contracts that are subject to the approval of the entire Board of Directors.

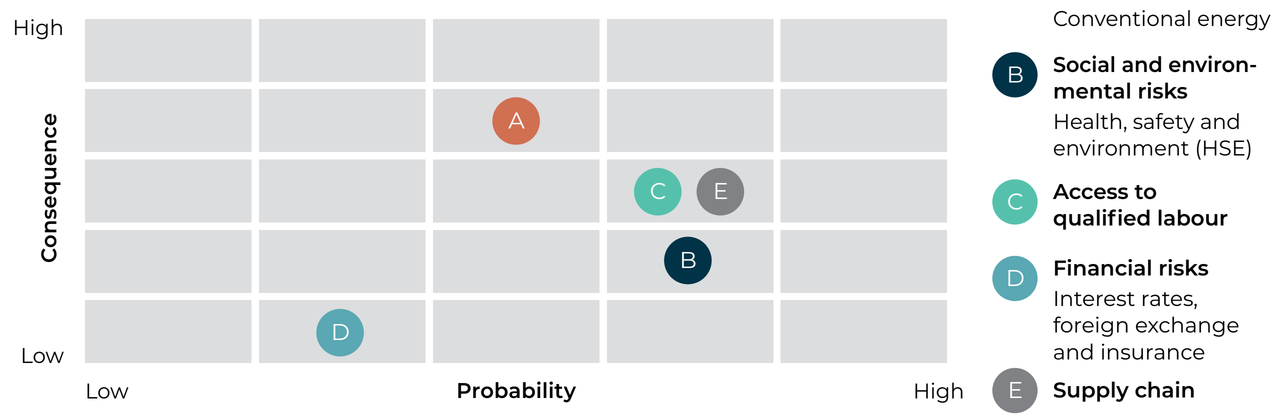
Semco Maritime's business entities regularly monitor developments in health, safety and environment (HSE), which is a key risk area with an important impact on the company's ability to attract and retain customers and employees. The operational responsibility for monitoring, following up and reporting HSE matters to the Executive Board lies with the managers of the individual business entities in cooperation with a dedicated corporate function which maintains statistics in the field and ensures knowledge sharing and consistent follow-up procedures.

The Executive Board reports to the Board in connection with an annual strategic review of Semco Maritime's overall risk profile and risk management, reviewing the conclusions of an external insurance broker's annual review of the company's insurance programme.

Materiality assessment
It is management's assessment that the most significant risks in the upcoming period relate to market developments in the Offshore Wind and the Conventional energy business areas, HSE matters, access to qualified labour, developments in the financial markets and supply chain challenges following Russia's invasion of Ukraine and conflict in the Middle East. These risks are shown in the figure below based on management's combined assessment of the probability that, and the potential business effect of, each individual risk materialising. The risks and the processes for handling them are described in the following pages.

In addition to the risks listed, Semco Maritime has identified other risks, including changes in the balance between conventional energy projects and renewable energy projects as well as IT security and disruption.

Risks



Risks

RISK

A Market risks

Offshore Wind

In recent years, several offshore wind farm projects have been won without subsidy-based financing solutions, and the increasing maturity of the market makes it increasingly competitive. Establishing off-shore wind farms is dependent on efficient political decision-making processes, and long-winded case handling and detailed requirements on the use of local labour, etc., may have a negative effect on Semco Maritime's ability to deliver competitive projects to customers.

Conventional energy

The Group's activities and results are influenced by the investment activity in the oil and gas industry, which depends significantly on trends in oil and gas prices as well as in the US dollar exchange rate.

B Social and environmental issues

Health and safety at work

Semco Maritime's activities involve risks of industrial incidents that may result in personal injury and disrupt the operation of customer assets, which in turn may lead to claims for damages or demands that the Group must take preventive and restorative measures.

As a supplier to the oil and gas and the offshore wind industries, Semco Maritime's ability to maintain satisfactory health and safety at work and the required safety certificates is key to the Group's continued success.

Environment

The Group's activities – particularly in the offshore industry – are governed by the legislation and rules applicable to the handling of environmentally harmful substances and preventive measures to avoid discharges into the sea or on land when the Group undertakes assignments. Unintended discharge may harm the environment, equipment and humans, and such discharge may impose a liability on Semco Maritime.

MONITORING AND HANDLING

Offshore Wind

Semco Maritime monitors offshore wind farm auctions all over the world and continues to develop the Group's local presence in the most important markets through the establishment of own offices and by entering into strategic partnerships as well as maintaining close dialogues with customers in order to have an overview of industry developments and outlook. The Group continues to optimise costs and continuously looks for innovative solutions that can supplement Semco Maritime's market-leading service and product offerings to the industry.

Conventional energy

The exposure to fluctuations in oil and gas prices is countered by cost efficiency improvements of existing products and the development of new solutions that reduce customer cost bases. Moreover, Semco Maritime has over a period of time diversified the Group's activities across the Conventional energy and the Renewables business areas.

Health and safety at work

Group entities report observations and the number and type of incidents on a monthly basis. Semco Maritime has also appointed a special team to analyse the background to incidents and introduce measures to reduce the risk of reoccurrences.

Semco Maritime works actively to promote the safety culture of the Group and requires employees to conduct themselves in accordance with the safety policy "Safety is part of our DNA". The Group strives to rank among the absolutely safest workplaces in the industry, and the level of safety is improved on an ongoing basis through global campaigns, training and education of managers and employees as well as safety talks, etc.

Environment

Environmental risks are managed in cooperation with the Group's customers in individual projects and on the basis of clear policies and procedures that are laid down and revised at Group level.

Risks

C Access to qualified labour

RISK

Semco Maritime relies on qualified and competent employees and managers to be able to deliver projects in a satisfactory quality and to continue to grow and develop the Group. Any inability to attract, develop and retain employees and managers may have a negative impact on the Group's overall competencies, growth opportunities and financial results.

MONITORING AND HANDLING

Semco Maritime monitors employee satisfaction on a regular basis through employee satisfaction surveys with the focus on subjects such as management, collaboration and work/life balance. The company also measures employee turnover, sickness absence and results of appraisal interviews, using the results as a basis for targeted efforts to enhance working conditions and offer attractive career opportunities within the Group.

The Group keeps prospective employees and managers informed about development opportunities, work assignments and working conditions with a view to strengthening the recruitment potential. The Group has also established a programme for employees aged under 35 intended to strengthen social cohesion and accelerate the professional development of its younger employees.

D Financial risks

RISK

Interest rates

For its funding, the Group is exposed to changes in interest rates, which may affect customer investment decisions and the Group's financial expenses.

Foreign currency

Semco Maritime's operations are exposed to currency risks. The Group issues invoices in DKK, EUR, GBP, NOK, SGD and USD, whereas a significant proportion of goods purchased are denominated in DKK, EUR, GBP, NOK and USD. In addition to these transaction risks, Semco Maritime is exposed to translation risks arising when the income statements and balance sheets of foreign subsidiaries are translated into the Group's operating currency (DKK).

Insurance

There may be cases when the insurance taken out by the Group does not cover losses or provides only partial cover, and there may be long periods of uncertainty as regards the cover of losses.

MONITORING AND HANDLING

Interest rates

Semco Maritime's treasury function monitors the level of interest rates on an ongoing basis and secures a balanced mix of prepayments, debt and capital structure. In addition, Semco Maritime's focus on efficiency and ongoing cost reduction helps set off increases in the financing expenses of customer projects.

Foreign currency

The Group treasury function enters into forward exchange contracts for the purpose of hedging Semco Maritime's greatest transaction risks at Group level and in individual large-scale projects, and such risks are hedged on an ongoing basis as part of the day-to-day operations as purchases of goods and invoicing are to a large extent denominated in the same currency. Translation risks are not hedged, as translation into the Group's operating currency does not have any material effect on liquidity. Semco Maritime does not make speculative transactions.

Insurance

Semco Maritime has established an extensive insurance programme reflecting the Group's activities. The overall insurance programme is reviewed once a year and comprises, for instance, a contractors all-risk policy, property insurance, third-party liability insurance and other statutory and contractual insurance policies.

Risks

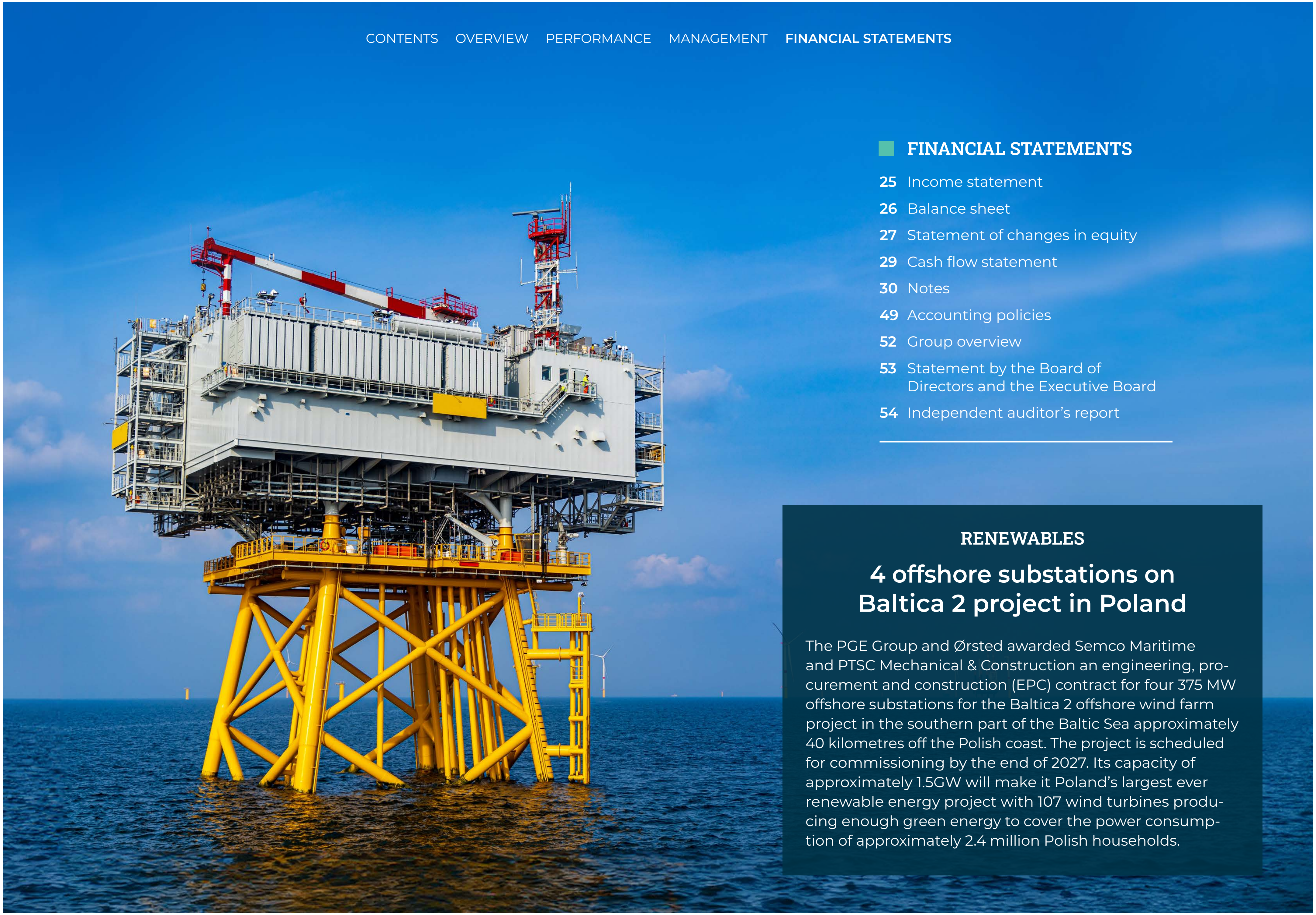
E Supply chain

RISK

A well-functioning supply chain is essential for Semco Maritime's ability to execute and deliver projects in accordance with the plans and budgets agreed with the Group's customers. Challenges arising in the global logistics industry following Russia's invasion of Ukraine and conflict in the Middle East cause uncertainty and reduced transparency in supply chain stability and may result in shortages of materials and components needed for the Group's installations and engineering work. Disruptions may cause challenges or delays to projects, which may have a negative impact on the Group's financial results and reputation.

MONITORING AND HANDLING

Semco Maritime continually stays in touch with business partners, suppliers and customers about the supply situation and in connection with identifying critical materials and components needed to execute the Group's projects. The project managers in charge and the Group's procurement functions work to secure purchases of the necessary materials and components with a view to countering the risk of delays and inefficient project execution.



FINANCIAL STATEMENTS

RENEWABLES

4 offshore substations on Baltica 2 project in Poland

The PGE Group and Ørsted awarded Semco Maritime and PTSC Mechanical & Construction an engineering, procurement and construction (EPC) contract for four 375 MW offshore substations for the Baltica 2 offshore wind farm project in the southern part of the Baltic Sea approximately 40 kilometres off the Polish coast. The project is scheduled for commissioning by the end of 2027. Its capacity of approximately 1.5GW will make it Poland's largest ever renewable energy project with 107 wind turbines producing enough green energy to cover the power consumption of approximately 2.4 million Polish households.

Income statement

		Group		Parent Company	
DKK'000	Note	2023	2022	2023	2022
Revenue	2	5,028,583	3,410,291	3,290,467	2,227,372
Cost of sales		(2,773,940)	(1,577,628)	(1,977,344)	(1,183,116)
Gross profit		**2,254,643**	**1,832,663**	**1,313,123**	**1,044,256**
Other operating income/expenses	3	20,382	6,352	17,204	6,369
Staff costs	4	(1,748,425)	(1,476,375)	(1,018,168)	(803,406)
Other external costs	5	(237,795)	(166,116)	(137,605)	(127,335)
Profit/loss before depreciation		**288,805**	**196,524**	**174,554**	**119,884**
Depreciation and impairment of non-current assets	9, 10	(30,516)	(30,985)	(17,205)	(25,355)
Operating profit/loss		**258,289**	**165,539**	**157,349**	**94,529**
Profit/loss from investments in group enterprises	11	-	-	82,788	59,744
Profit/loss from investments in associates	12	3,866	558	-	-
Financial income	6	14,951	9,181	12,020	7,782
Financial expense	6	(5,745)	(10,337)	(6,238)	(9,968)
Profit/loss before tax		**271,361**	**164,941**	**245,919**	**152,087**
Tax on the profit/loss for the year	7	(61,912)	(31,829)	(36,470)	(18,975)
PROFIT/LOSS FOR THE YEAR		**209,449**	**133,112**	**209,449**	**133,112**

Balance sheet

ASSETS

DKK'000	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Non-current assets					
Goodwill		106,555	40,217	18,354	20,717
Patents and licenses		22,822	11,442	20,083	11,066
Development projects		10,840	14,096	10,840	14,096
Intangible assets	**9**	**140,217**	**65,755**	**49,277**	**45,879**
Land and buildings		13,438	12,999	10,820	12,999
Leasehold improvements		17,869	14,515	8,354	7,809
Plant and machinery		6,566	5,262	2,301	1,837
Other fixtures and fittings, tools and equipment		42,972	13,410	13,905	12,329
Assets under construtio n		21	-	-	-
Property, plant and equipment	**10**	**80,866**	**46,186**	**35,380**	**34,974**
Investments in group enterprises	11	-	-	432,487	357,225
Investments in associates	12	11,357	3,909	-	-
Other financial assets	13	9,855	8,934	9,855	8,934
Receivables from group enterprises		-	-	272,930	12,375
Financial assets		**21,212**	**12,843**	**715,272**	**378,534**
Total non-current assets		**242,295**	**124,784**	**799,929**	**459,387**
Current assets					
Inventories	14	25,364	16,334	12,816	12,961
Inventories etc.		**25,364**	**16,334**	**12,816**	**12,961**
Trade receivables		590,663	539,619	333,255	361,846
Contract work in progress	15	437,072	332,687	251,186	190,306
Receivables from group enterprises		-	-	1,780	4,249
Deferred tax assets	7	1,151	1,175	-	-
Income tax receivable	7	11,690	23,684	12,111	21,634
Other receivables		28,355	44,105	33,381	27,299
Prepayments	16	34,027	23,989	12,643	9,063
Receivables		**1,102,958**	**965,259**	**644,356**	**614,397**
Cash and cash equivalents		558,389	241,821	520,617	222,339
Total current assets		**1,686,711**	**1,223,414**	**1,177,789**	**849,697**
TOTAL ASSETS		**1,929,006**	**1,348,198**	**1,977,718**	**1,309,084**

LIABILITIES AND EQUITY

DKK'000	Note	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Equity					
Share capital		28,753	28,753	28,753	28,753
Reserve for development costs		8,455	2,488	8,455	2,488
Hedging reserve		4,321	(845)	4,321	(845)
Foreign currency translation reserve		(10,361)	(2,606)	-	-
Reserve for net revaluation according to the equity method		-	-	98,006	19,332
Retained earnings		411,866	308,957	303,499	287,019
Proposed dividend		100,000	-	100,000	-
Total equity		**543,034**	**336,747**	**543,034**	**336,747**
Deferred tax	7	117,824	62,255	110,071	60,820
Warranty commitments	17	38,171	34,478	28,905	27,480
Other provisions	18	1,102	1,210	1,749	369
Total provisions		**157,097**	**97,943**	**140,725**	**88,669**
Due to mortgage credit institutions	19	-	660	-	660
Deferred income	19	-	1,139	-	-
Other non-current liabilities	19	58,162	57,120	58,162	57,120
Total non-current liabilities		**58,162**	**58,919**	**58,162**	**57,780**
Current portion of non-current liabilities	19	660	635	660	635
Advance payments from customers	15	468,337	361,791	387,200	326,577
Trade payables		372,260	235,047	335,584	179,176
Amounts owed to group enterprises		-	899	348,918	198,114
Tax payables	7	10,867	12,088	-	-
Other payables		318,589	244,129	163,435	121,386
Total current liabilities		**1,170,713**	**854,589**	**1,235,797**	**825,888**
TOTAL EQUITY AND LIABILITIES		**1,929,006**	**1,348,198**	**1,977,718**	**1,309,084**

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Statement of changes in equity

Group

DKK'000	Note	Share capital	Reserve for development costs	Reserve for hedging transactions	Reserve for foreign currency transactions	Retained earnings	Proposed dividend for the financial year	2023	2022
Equity at 1 January 2023		**28,753**	**2,488**	**(845)**	**(2,606)**	**308,957**	**-**	**336,747**	**207,890**
Exchange rate adjustment of subsidiaries		-	-	-	(10,377)	-	-	**(10,377)**	**(8,007)**
Changes in derivative financial instruments		-	-	6,624	-	-	-	**6,624**	**2,980**
Exchange rate adjustment of loans to finance investments in subsidiaries		-	-	-	2,622	-	-	**2,622**	**1,831**
Retained earnings		-	7,650	-	-	101,799	100,000	**209,449**	**133,112**
Tax for the year on equity entries		-	(1,683)	(1,458)	-	1,110	-	**(2,031)**	**(1,059)**
Equity at 31 December 2023		**28,753**	**8,455**	**4,321**	**(10,361)**	**411,866**	**100,000**	**543,034**	**336,747**

Parent Company

DKK'000	Note	Share capital	Reserve for development costs	Reserve for hedging transactions	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	2023	2022
Equity at 1 January 2023		**28,753**	**2,488**	**(845)**	**19,332**	**287,019**	**-**	**336,747**	**207,890**
Exchange rate adjustment of subsidiaries		-	-	-	(10,377)	-	-	**(10,377)**	**(8,007)**
Changes in derivative financial instruments		-	-	6,624	-	-	-	**6,624**	**2,980**
Exchange rate adjustment of loans to finance investments in subsidiaries		-	-	-	-	2,622	-	**2,622**	**1,831**
Retained earnings	23	-	7,650	-	89,051	12,748	100,000	**209,449**	**133,112**
Tax for the year on equity entries		-	(1,683)	(1,458)	-	1,110	-	**(2,031)**	**(1,059)**
Equity at 31 December 2023		**28,753**	**8,455**	**4,321**	**98,006**	**303,499**	**100,000**	**543,034**	**336,747**

Statement of changes in equity

Latest five year changes in share capital may be specified as follows:

DKK'000	2023	2022	2021	2020	2019
Balance at 1 January	**28,753**	**28,753**	**28,753**	**28,753**	**28,753**
Cash capital increase	-	-	-	-	-
Balance at 31 December	**28,753**	**28,753**	**28,753**	**28,753**	**28,753**

The share capital consists of:
28,752,500 shares of DKK 1.

The share capital is distributed as follows:
28,588,000 A shares and 164,500 B shares

Consolidated cash flow statement

DKK'000	Note	2023	2022
Cash flows from operating activities			
Profit/loss before amortisation and depreciation		288,805	196,524
Other operating income/expenses		(36)	(124)
Net financials		9,206	(1,156)
Changes in provisions, etc.		3,585	7,210
Foreign exchange adjustments		(5,865)	(4,455)
Taxes paid		2,445	18,107
Total before change in working capital		**298,140**	**216,106**
Change in inventories		9,665	(3,245)
Change in current receivables and contract work in progress		(91,622)	502,643
Change in prepayments and other current liabilities		230,723	(560,302)
Change in working capital		**148,766**	**(60,904)**
Total cash flows from operating activities		**446,906**	**155,202**
Cash flows from investing activities			
Investment in intangible assets		(14,111)	(13,418)
Investment in property, plant and equipment		(25,559)	(10,272)
Business acquisitions		(110,081)	-
Investment in financial assets		(405)	(3,715)
Change of long term receivables		-	-
Sale of property, plant and equipment		42	141
Total cash flow from investing activities		**(150,114)**	**(27,264)**
Cash flows before financing activities		**296,792**	**127,938**
Cash flows from financing activities			
Repayment of long-term loans		(798)	(120)
Change in cash pool arrangement		-	89,916
Total cash flows from financing activities		**(798)**	**89,796**
Total cash flows		**295,994**	**217,734**
Cash and cash equivalents at 1 January		241,821	24,087
Cash from business acquisition		20,574	-
CASH AND CASH EQUIVALENTS AT END OF YEAR		**558,389**	**241,821**

Notes

1. Accounting estimates and judgments

The determination of the carrying amounts of certain assets and liabilities relies on judgments, estimates and assumptions about future events.

The estimates and assumptions applied are based on historical experience and other factors that management considers reasonable, but which are inherently uncertain and unpredictable as unexpected events or circumstances may occur.

In addition, Semco Maritime is subject to risks and uncertainties that may cause actual outcomes to deviate from such estimates. Risk factors specific to the Semco Maritime Group are described in the “Risks” section on page 19.

Estimates of particular significance to the financial statements mainly relate to contract work in progress, including recognition and measurement of contractual addenda.

Contract work in progress

An essential prerequisite for applying the percentage of completion method on recognition of revenue is that the revenue and costs of construction contracts can be reliably measured. Expected revenue and costs from construction contracts may change during the course of the project period, however. Also, the contractual basis may be amended during the performance of the contract, and assumptions may not be met.

The selling price of contract work in progress is measured by reference to the stage of completion at the reporting date and the total revenue expected from construction contracts. The stage of completion is determined from the input method on the basis of an assessment of the work performed, and will usually be subject to accounting estimates made by management.

Contractual addenda relating to instructions from customers regarding changes in contract scope, specifications, design or duration are recognised in revenue. Add-on orders may be of significant volume, especially in the rig division. Add-on orders are recognised in revenue when they can be reliably measured. At 31 December 2023, a number of add-on orders had been disputed by customers, and the valuation of same under such circumstances is based on legal assessments and statements by other expert advisers. The Semco Maritime Group’s business procedures and management structure in combination with project managers’ know-how and experience contribute to the reliable accounting treatment of current contract work in progress in accordance with the accounting policies applied.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
2. Revenue				
Sales value of completed contracts	3,603,426	2,325,143	1,890,093	1,474,109
Sales value of work in progress, 31 December	4,318,206	2,893,049	3,484,395	2,084,021
Sales value of work in progress, 1 January	(2,893,049)	(1,807,901)	(2,084,021)	(1,330,758)
Revenue regarding contracts	**5,028,583**	**3,410,291**	**3,290,467**	**2,227,372**
Segment information				
Geographical markets for continuing operations				
Denmark	1,621,077	1,611,087	1,503,073	1,817,016
International	3,407,506	1,799,204	1,787,394	410,355
Total revenue	**5,028,583**	**3,410,291**	**3,290,467**	**2,227,371**
Business areas				
Renewables	2,406,285	1,178,694	1,991,697	1,156,998
Conventional energy	2,622,298	2,231,597	1,298,770	1,070,373
Total revenue	**5,028,583**	**3,410,291**	**3,290,467**	**2,227,371**
3. Other operating income/expenses				
Rental income	6,276	6,228	6,276	6,228
Salary Reimbursement	13,876	-	10,892	-
Gains/losses on sale of property, plant and equipment	230	124	36	141
	20,382	**6,352**	**17,204**	**6,369**

§ Accounting policies

Revenue

Construction contracts, in which projects are to a large degree individually designed, are included in revenue in proportion to the work completed, so that revenue is matched with the sales value of the work carried out during the year (the percentage of completion method). When the profit or loss from a construction contract cannot be reliably estimated, revenue is recognised only for costs incurred to the extent that it is likely such costs will be recovered.

In relation to the completion of construction contracts, from time to time the Group undertakes to make procurements on behalf of third parties. In situations where the Group does not assume significant rewards and risks relating to the goods, revenue is presented as net figures and measured at fair value of the agreed consideration for the service in question. Revenue is recognised when rewards and risks pass from the supplier to the third party, which is the time when the Group has earned the right to the consideration.

Other income from the sale of goods and services is recognised in the income statement when transfer of risks to the buyer has taken place and provided that the income can be reliably measured and payment is expected to be received.

Segment information

Information is provided about geographical and business markets. The segment information follows the company's accounting policies, risks and in-house financial management.

§ Accounting policies

Other operating income/expenses

Other operating income and expenses comprise items secondary to the company's activities, including gains on disposal of intangible assets and property, plant and equipment.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
4. Staff costs				
Wages	(1,619,710)	(1,375,946)	(925,558)	(730,463)
Pensions	(118,187)	(92,194)	(84,359)	(65,046)
Other social security costs	(10,528)	(8,235)	(8,251)	(7,897)
	(1,748,425)	**(1,476,375)**	**(1,018,168)**	**(803,406)**
Total group remuneration to:				
Parent Company's board of directors	(781)	(750)	(781)	(750)
Parent Company's executive board	(7,715)	(7,946)	(7,715)	(7,946)
Average number of full-time employees	2,036	1,835	1,226	1,069

Share subscription rights
Members of the Executive Board are eligible for a group incentive programme to earn the right to buy a total of 449,114 shares of DKK 1 nominal value in Semco Maritime A/S from the parent company Semco Maritime Holding A/S. The options are earned and awarded with 25% each 30 April in the years 2023 to 2026. The exercise price has been fixed as the value at the date of award until 1 April 2024, after which date it will increase by 5% per annum. The options must be exercised by 31 May 2026.

No costs or liabilities were recognised at 31 December 2023 concerning subscription rights.

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
5. Fees to auditors appointed by the general meeting				
Fee for statutory audit	(850)	(700)	(550)	(350)
Tax consultancy	(1,567)	(623)	(1,502)	(623)
Other services	(691)	(1,248)	(52)	(704)
	(3,108)	**(2,571)**	**(2,104)**	**(1,677)**

§ Accounting policies

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the company's employees. Refunds received from public authorities are deducted from staff costs.

§ Accounting policies

Other external costs

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
6. Financial income and expenses				
Other financial income	14,951	9,181	9,476	7,782
Interest income concerning group enterprises	-	-	2,544	-
	14,951	**9,181**	**12,020**	**7,782**
Other financial expenses	(5,745)	(10,337)	(6,238)	(9,770)
Interest expenses concerning group enterprises	-	-	-	(198)
	(5,745)	**(10,337)**	**(6,238)**	**(9,968)**
7. Tax				
Tax for the year				
Current tax	(6,422)	9,358	12,781	22,693
Deferred tax	(55,490)	(42,708)	(49,251)	(41,569)
Prior-year adjustments	-	1,521	-	(99)
	(61,912)	**(31,829)**	**(36,470)**	**(18,975)**

§ Accounting policies

Financial income and expenses

Financial income and expenses include interest, capital gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax prepayment scheme, etc.

§ Accounting policies

Tax on profit/loss for the year

Semco Maritime A/S is jointly taxed with C.W. Obel A/S and a number of Danish subsidiaries. The current income tax liability is allocated among the jointly taxed Danish companies in proportion to their taxable income (full distribution with refunds for tax losses). The jointly taxed companies are taxed under the Danish tax prepayment scheme.

Tax for the year, comprising current income tax for the year, joint taxation contributions for the year and changes in deferred tax for the year, including such changes as follow from changes in the tax rate, is recognised in the income statement for such part of it as can be attributed to the profit/loss for the year, and directly in equity for such part of it as is attributable to amounts recognised directly in equity.

Current tax receivable and payable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
7. Deferred tax				
Deferred tax assets				
Deferred tax, 1 January	(61,080)	(19,448)	(60,820)	(20,313)
Prior-year adjustments	(116)	1,062	-	1,062
Adjustment of deferred tax, income statement items	(55,490)	(42,708)	(49,251)	(41,569)
Exchange rate adjustments of deferred tax	13	14	-	
Deferred tax at 31 December	**(116,673)**	**(61,080)**	**(110,071)**	**(60,820)**
Breakdown of deferred tax:				
Deferred tax assets	1,151	1,175	-	-
Deferred tax liabilities	(117,824)	(62,255)	(110,071)	(60,820)
	(116,673)	**(61,080)**	**(110,071)**	**(60,820)**
Income tax receivable				
Income tax receivable at 1 January	11,596	20,907	21,634	34,846
Prior-year adjustments	116	459	-	(1,161)
Current tax for the year	(6,422)	9,358	12,781	22,693
Tax on equity items	(2,034)	(1,059)	(2,034)	(1,059)
Exchange rate adjustment of tax payable	12	38	-	-
Tax paid during the year	(2,445)	(18,107)	(20,270)	(33,685)
Tax receivable at 31 December	**823**	**11,596**	**12,111**	**21,634**
Net tax receivable is recognised in the balance sheet:				
Income tax receivable	11,690	23,684	12,111	21,634
Income tax payable	(10,867)	(12,088)	-	-
	823	**11,596**	**12,111**	**21,634**

§ Accounting policies

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as "Income tax receivable" or "Income tax payable", respectively.

Deferred tax is measured in accordance with the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax on temporary differences relating to goodwill which is not deductible for tax purposes and office buildings and other items is not recognised where temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either the profit/loss for the year or the taxable income. In cases where the tax base may be computed according to several sets of tax regulations, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability planned by Management.

Deferred tax assets are recognised at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, are applicable in the relevant countries at the time the deferred tax is expected to crystallise as current tax.

Notes

DKK'000	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
8. Special items				
Special items comprise significant income and expenses of an exceptional nature relative to the Group's earnings-generating operations such as the cost of extensive structuring of processes and basic structural adjustments that over time have a material effect.				
Special items also include other significant amounts of a non-recurring nature which Management considers not to be a part of the Group's primary operations.				
The year's special items are specified below, including in which line in the income statement they are recognised.				
Costs				
Acquisition and integration	(15,763)	-	(1,514)	-
Restructering, UK	-	(4,209)	-	-
Restructuring, SG	-	(3,354)	-	(2,100)
Result of special items	**(15,763)**	**(7,563)**	**(1,514)**	**(2,100)**
Special items are included in the financial statement on the following lines:				
Staff costs	(8,759)	-	-	-
Other external expenses	(7,004)	(5,447)	(1,514)	-
Depreciation and impairment of non-current assets	-	(2,116)	-	(2,100)
Result of special items	**(15,763)**	**(7,563)**	**(1,514)**	**(2,100)**

Notes

DKK'000	Goodwill	Patents and licenses	Development projects	Total
		Group		
9. Intangible fixed assets				
Cost at 1 January 2023	142,192	20,075	22,085	**184,352**
Exchange rate adjustment	(1,955)	(23)	-	**(1,978)**
Additions due to acquisition of subsidiaries	524	2,255	-	**2,779**
Additions during the year	75,425	11,962	-	**87,387**
Disposals during the year	(482)	(3,640)	-	**(4,122)**
Cost at 31 December 2022	**215,704**	**30,629**	**22,085**	**268,418**
Amortisation at 1 January 2023	(101,975)	(8,633)	(7,989)	**(118,597)**
Exchange rate adjustment	723	-	-	**723**
Amortisation for the year	(8,223)	(2,814)	(3,256)	**(14,293)**
Disposals during the year	326	3,640	-	**3,966**
Amortisation at 31 December 2023	**(109,149)**	**(7,807)**	**(11,245)**	**(128,201)**
Carrying amount at 31 December 2023	**106,555**	**22,822**	**10,840**	**140,217**
Carrying amount at 31 December 2022	**40,217**	**11,442**	**14,096**	**65,755**

Goodwill
The Company's investments in subsidiaries are considered to be of strategic importance to the Group. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles. The amortisation period is also determined on the basis of underlying lease agreements.

Development projects
Completed development projects primarily comprise the development and launch of new products and systems in the business areas "Renewables" and "Products & Technology". Costs primarily cover internal costs related to salaries, which are recorded using the Company's in-house project module, and costs from third-party suppliers and consultants in connection with developing, testing and launching products and systems. New products and systems are marketed and used in the ordinary course of business. This is expected to produce significant competitive advantages and, consequently, a higher level of activity and earnings going forward.

Management has not found any evidence of impairment relative to the carrying amount.

§ Accounting policies

Goodwill

Goodwill is amortised over its estimated economic life determined on the basis of Management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over a maximum amortisation period of 20 years, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Impairment of intangible assets

The carrying amount of intangible assets is analysed annually for evidence of impairment in addition to what is reflected by normal amortisation.

If there is evidence of impairment, each asset or group of assets is tested for impairment. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use of an asset. The value in use is determined as the present value of the expected net cash flows from the disposal of the asset or the group of assets after the end of its useful life.

Notes

Parent Company

DKK'000	Goodwill	Patents and licenses	Development projects	Total
9. Intangible fixed assets - continued				
Cost at 1 January 2023	110,624	19,699	22,085	**152,408**
Additions during the year	-	11,450	-	**11,450**
Disposals during the year	-	(3,640)	-	**(3,640)**
Cost at 31 December 2023	**110,624**	**27,509**	**22,085**	**160,218**
Amortisation at 1 January 2023	(89,907)	(8,633)	(7,989)	(106,529)
Amortisation for the year	(2,363)	(2,433)	(3,256)	(8,052)
Disposals during the year	-	3,640	-	3,640
Amortisation at 31 December 2023	**(92,270)**	**(7,426)**	**(11,245)**	**(110,941)**
Carrying amount at 31 December 2023	**18,354**	**20,083**	**10,840**	**49,277**
Carrying amount at 31 December 2022	**20,717**	**11,066**	**14,096**	**45,879**

§ Accounting policies

Patents and licences

Patents and licenses are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, whereas licenses are amortised over the licence period up to a maximum of 5 years.

Gains and losses on the sale of patents and licenses are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Profits or losses are recognised in the income statement under other operating income and expenses, respectively.

Development projects

Development costs comprise costs, salaries, depreciation and amortisation directly or indirectly attributable to development activities.

Development projects which are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or business opportunity can be demonstrated and where the intention is to manufacture, market or utilise the project, are recognised as intangible assets if the cost can be reliably measured and there is sufficient certainty that future earnings can cover production and selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment. After completion of the development work, development costs are amortised on a straight-line basis over the estimated economic life. The amortisation period is usually three to five years.

Notes

Group DKK'000	Land and buildings	Leasehold improve-ments	Plant and machinery	Fixtures and fittings, tools and equipment	Assets under con-struction	Total
10. Property, plant and equipment						
Cost at 1 January 2023	82,671	27,950	68,586	51,774	-	**230,981**
Exchange rate adjustment	(1)	(826)	(1,577)	(1,225)	-	**(3,629)**
Transfers during the year	170	-	-	74	(244)	-
Additions due to acquisition of subsidiaries	2,540	29	80	20,936	191	**23,776**
Additions during the year	304	6,277	3,655	17,548	74	**27,858**
Disposals during the year	-	-	(288)	(212)	-	**(500)**
Cost at 31 December 2023	**85,684**	**33,430**	**70,456**	**88,895**	**21**	**278,486**
Depreciation at 1 January 2023	(69,672)	(13,435)	(63,324)	(38,364)	-	**(184,795)**
Exchange rate adjustment	1	383	1,356	1,164	-	**2,904**
Depreciation during the year	(2,575)	(2,509)	(2,210)	(8,929)	-	**(16,223)**
Disposals during the year	-	-	288	206	-	**494**
Depreciation at 31 December 2023	**(72,246)**	**(15,561)**	**(63,890)**	**(45,923)**	**-**	**(197,620)**
Carrying amount at 31 December 2023	**13,438**	**17,869**	**6,566**	**42,972**	**21**	**80,866**
Carrying amount at 31 December 2022	12,999	14,515	5,262	13,410	-	46,186

§ Accounting policies

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. For assets produced in-house, cost comprises direct and indirect costs of materials, components, third-party suppliers and labour.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Assets are depreciated on a straight line basis over their estimated useful lives based on the following assessment of the expected useful lives of the assets:

Buildings	max. 50 years
Fixtures in buildings	10-25 years
Leasehold improvements	max. 10 years
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Cars	5-7 years
Rental material	10 years

Profits or losses are recognised in the income statement under other operating income and expenses, respectively.

Notes

Parent company

DKK'000	Land and buildings	Leasehold improve-ment	Plants and machinery	Fixtures and fittings, tools and equipment	Total
10. Property plant and equipment - continued					
Cost at 1 January 2023	84,247	14,546	41,426	39,254	**179,473**
Additions during the year	146	1,508	1,233	6,672	**9,559**
Disposals during the year	-	-	(288)	(138)	**(426)**
Cost at 31 December 2023	**84,393**	**16,054**	**42,371**	**45,788**	**188,606**
Depreciation at 1 January 2023	(71,248)	(6,737)	(39,589)	(26,925)	**(144,499)**
Depreciation during the year	(2,325)	(963)	(769)	(5,096)	**(9,153)**
Disposals during the year	-	-	288	138	**426**
Depreciation at 31 December 2023	**(73,573)**	**(7,700)**	**(40,070)**	**(31,883)**	**(153,226)**
Carrying amount at 31 December 2023	**10,820**	**8,354**	**2,301**	**13,905**	**35,380**
Carrying amount at 31 December 2022	12,999	7,809	1,837	12,329	34,974

§ Accounting policies

Impairment of property plant and equipment

The carrying amount of property, plant and equipment is analysed annually for evidence of impairment in addition to what is reflected by normal depreciation charges.

If there is evidence of impairment, each asset or group of assets is tested for impairment. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use of an asset. The value in use is determined as the present value of the expected net cash flows from the disposal of the asset or the group of assets after the end of its useful life.

Notes

	Parent company	
DKK'000	2023	2022
11. Investment in group enterprises		
Cost at 1 January 2023	302,690	302,690
Cost at 31 December 2023	**302,690**	**302,690**
Value adjustment at 1 january 2023	25,595	(24,195)
Disposals during the year	-	6,263
Exchange rate adjustment	(10,377)	(8,007)
Dividends	-	(8,210)
Profit/loss for the year	82,788	59,744
Value adjustment at 31 December 2023	**98,006**	**25,595**
Write-down of receivables and provisions to cover negative net asset value	**31,791**	**28,940**
Carrying amount at 31 December 2023	**432,487**	**357,225**

An overview of investments in subsidiaries and associates is shown on page 52.

§ Accounting policies

Impairment of financial assets

The carrying amount of investments in group enterprises is analysed annually for evidence of impairment over and above what is reflected by normal amortisation and depreciation charges. If there is evidence of impairment, each asset or group of assets is tested for impairment. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount. The recoverable amount is the higher of the net selling price and the value in use of an asset. The value in use is determined as the present value of the expected net cash flows from the disposal of the asset or the group of assets after the end of its useful life.

§ Accounting policies

Profit/loss from investments in group enterprises

Under the equity method, a proportionate share of the profit/loss after tax in the underlying subsidiaries is recognised in the income statement.

The proportionate share of the profit or loss of subsidiaries after tax is recognised in the parent company income statement after full elimination of intra-group gains/losses.

Investments in group enterprises

Investments in subsidiaries are measured in the parent company's financial statements according to the equity method. The parent company has opted to consider the equity method as the method of consolidation.

On initial recognition, investments in subsidiaries are measured at cost. Cost is allocated in accordance with the acquisition method of accounting. See accounting policies regarding the consolidated financial statements.

Cost is adjusted to reflect shares of profits after tax calculated in accordance with the Group's accounting policies with the deduction or addition of unrealised intra-group gains or losses.

Any value added and goodwill relative to the net asset value of the underlying business will be amortised in accordance with the Group's accounting policies. Dividends received are deducted from the carrying amount.

Investments in subsidiaries measured at net asset value are subject to an impairment test requirement in case of evidence of impairment.

Notes

DKK'000	Group 2023	Group 2022
12. Investment in associates		
Cost at 1 January 2023	3,489	-
Additions during the year	3,838	3,489
Cost at 31 December 2023	**7,327**	**3,489**
Value adjustment	420	-
Disposals during the year	-	-
Exchange rate adjustment	69	(138)
Dividends	(325)	-
Profit/loss for the year	3,866	558
Value adjustment at 31 December 2023	**4,030**	**420**
Write-down of receivables to cover negative net asset value	**-**	**-**
Carrying amount at 31 December 2023	**11,357**	**3,909**

An overview of investments in subsidiaries and associates is shown on page 52.

§ Accounting policies

Impairment of financial assets

The carrying amount of investments in associates is analysed annually for evidence of impairment over and above what is reflected by normal amortisation and depreciation charges. If there is evidence of impairment, each asset or group of assets is tested for impairment. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount. The recoverable amount is the higher of the net selling price and the value in use of an asset. The value in use is determined as the present value of the expected net cash flows from the disposal of the asset or the group of assets after the end of its useful life.

§ Accounting policies

Profit/loss from investments in associates

Under the equity method, a proportionate share of the profit/loss after tax in the underlying associates are recognised in the income statement after full elimination of intra-group gains/losses.

Investments in associates

Investments in associates are measured in the financial statements according to the equity method.

On initial recognition, investments in associates are measured at cost. Cost is allocated in accordance with the acquisition method of accounting. See the accounting policies regarding consolidated financial statements.

Cost is adjusted to reflect shares of profits after tax calculated in accordance with the Group's accounting policies with the deduction or addition of unrealised intra-group gains or losses.

Any value added and goodwill relative to the net asset value of the underlying business will be amortised in accordance with the Group's accounting policies. Dividends received are deducted from the carrying amount.

Investments in associates measured at net asset value are subject to an impairment test requirement in case of indications of impairment.

Notes

DKK'000	Group 2023		Group 2022		
	Deposits	Total	Bank deposits	Deposits	Total
13. Other financial assets					
Cost at 1 January 2023	8,934	8,934	-	8,708	**8,708**
Additions	921	921	-	226	**226**
Cost at 31 December 2023	**9,855**	**9,855**	**-**	**8,934**	**8,934**

DKK'000	Parent Company 2023		Parent Company 2022		
	Deposits	Total	deposits	Bank Deposits	Total
13. Other financial assets					
Cost at 1 January 2023	8,934	8,934	-	8,708	**8,708**
Additions	921	921	-	226	**226**
Cost at 31 December 2023	**9,855**	**9,855**	**-**	**8,934**	**8,934**

Deposits relate to the head office in Esbjerg, Denmark.

Bank deposits comprise prepayments related to contract work in progress.
Prepayments are deposited in a deposit account and released in step with project execution.

	Group		Parent Company	
DKK'000	2023	2022	2022	2022
14. Inventories				
Finished goods	25,364	16,334	12,816	12,961
	25,364	**16,334**	**12,816**	**12,961**

§ Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to such lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and any development in the expected selling price.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
15. Contract work in progress				
Sales value at 31 December	4,318,206	2,893,049	3,484,395	2,084,021
Progress billings to customers	(4,349,471)	(2,922,153)	(3,620,409)	(2,220,292)
	(31,265)	**(29,104)**	**(136,014)**	**(136,271)**
Recognised in the balance sheet				
Contract work in progress	437,072	332,687	251,186	190,306
Advance payments	(468,337)	(361,791)	(387,200)	(326,577)
	(31,265)	**(29,104)**	**(136,014)**	**(136,271)**

§ Accounting policies

Construction contracts

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the individual contracts.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet under either receivables or payables. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds progress billings. Net liabilities are determined as the sum of construction contracts where progress billings exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as and when incurred.

16. Prepayments and accrued income

Prepayments and accrued income include advance payments regarding rent, IT licenses, rentals, etc.

§ Accounting policies

Prepayments

Prepayments under current assets comprise costs incurred relating to subsequent financial years.

Notes

Warranty commitments

DKK'000	Group	Parent company
17. Warranty commitments		
Carrying amount at 1 January 2023	34,478	27,480
Additions during the year	7,957	5,689
Expenditure for the year	(4,264)	(4,264)
Carrying amount at 31 December 2023	**38,171**	**28,905**
Expected maturity:		
Within 1 year	38,171	28,905
	38,171	**28,905**

Other provisions

DKK'000	Group	Parent company
18. Other provisions		
Carrying amount at 1 January 2023	1,210	369
Additions during the year	73	1,380
Expenditure for the year	(181)	-
Carrying amount at 31 December 2023	**1,102**	**1,749**
Expected maturity:		
Within 1 year	1,102	-
After 1 year	-	1,380
	1,102	**1,380**

Other provisions include retirement benefit obligations.

§ Accounting policies

Provisions

Provisions comprise expected expenses relating to warranty commitments, restructuring, etc. Provisions are recognised when the Group has a legal or constructive obligation that arises from past events and it is probable that an outflow of financial resources will be required to settle the obligation.

Provisions are measured at net realisable value or fair value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Warranty commitments comprise obligations to perform repair work within a warranty period of from one to five years. Provisions are measured at net realisable value and recognised on the basis of experience from warranty work. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at the average bond yield.

Notes

Group

DKK'000	Total payables	Payable next year	Non-current liabilities	Outstanding debt after five years
19. Non-current debt commitments				
Due to mortgage credit institutions	660	660	-	-
Other non-current liabilities	58,162	-	58,162	-
	58,822	**660**	**58,162**	**-**

Deferred income recognised under non-current liabilities relates to prepayments from customers concerning revenue in subsequent financial years. Other liabilities include payable frozen holiday funds.

Parent Company

DKK'000	Total payables	Payable next year	Non-current liabilities	Outstanding debt after five years
Due to mortgage credit institutions	660	660	-	-
Other non-current liabilities	58,162	-	-	-
	58,822	**660**	**58,162**	**-**

Other liabilities include payable frozen holiday funds.

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
20. Mortgages				
Consisting of:				
As security for mortgage loans	660	1,295	660	1,295
Properties have been mortgaged at a carrying amount of:	13,438	12,999	10,820	12,999

§ Accounting policies

Liabilities

Financial liabilities are recognised at the time a loan is raised in the amount of the proceeds less any transaction costs incurred. In subsequent periods, the financial liabilities are measured at amortised cost, equivalent to the capitalised value when the effective rate of interest is used, so that the difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Other payables are measured at net realisable value.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
21. Contingent and other liabilities				
Semco Maritime has guaranteed or stands surety for guarantees issued by subsidiaries to their clients and contractual business partners for a total amount of:	-	-	168,587	166,267
On a regular basis, Semco Maritime becomes part of jointly-managed companies or consortia etc., in which Semco Maritime is liable for or provides guarantees in respect of the other partners' deliveries to the joint customers. Such liabilities and guarantees amount to a total of:	5,983,229	3,008,512	5.983,229	3,008,512
Lease obligations (operating leases)				
< 1 year	41,365	38,985	28,022	25,555
1 - 5 years	116,283	129,370	95,433	92,837
> 5 years	44,022	64,393	44,021	64,393
	201,669	**232,748**	**167,477**	**182,785**
In connection with a head office lease contract, the parent company has entered into a subletting agreement with a third party.				
Subletting receivables amount to:				
< 1 year	5,353	3,681	5,353	3,681
1 - 5 years	4,735	3,063	4,735	3,063
	10,088	**6,744**	**10,088**	**6,744**

§ Accounting policies

Leases

On initial recognition, leases of non-current assets under which the company has all material risks and rewards of ownership (finance leases) are initially measured in the balance sheet at the lower of the fair value and the present value of future lease payments. For the calculation of the net present value, the interest rate implicit in the lease is used as the discount rate. Assets held under finance leases are subsequently depreciated like the company's other non-current assets.

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

All other leases are operating leases. Payments under operating leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in contingent liabilities, etc.

§ Accounting policies

Joint arrangements

Joint arrangements are activities or businesses of which the Group has joint control with one or more third parties through a cooperation agreement. Joint control means that decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures. Joint operations are arrangements whereby the participants have direct rights to the assets, and obligations for the liabilities, relating to the arrangement, whereas joint ventures are arrangements whereby the participants have rights to the net assets. The Group's activities in joint operations are consolidated on a line-by-line basis.

Notes

DKK'000	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
21. Contingent and other liabilities - continued				
The parent company is jointly taxed with C.W. Obel A/S and other Danish group companies. The companies subject to joint taxation have unlimited joint and several liability for Danish income taxes and withholding taxes on dividends, interest and royalties				
The Company has entered into a cash pool arrangement with its subsidiaries in Norway, Germany and the UK.				
The company has issued letters of support towards a few of the subsidiaries.				
Due to the nature of its business, the Group is inherently involved in various disputes and pending lawsuits, the outcome of which, in Management's opinion, is not expected to have a material negative effect on the Group's financial position. There is a risk that foreign tax authorities may raise a claim against the parent company. Semco Maritime A/S considers the potential claim to be unjustified and will, if such claim is raised, contest it.				
Financial instruments				
In order to secure debtors and creditors in foreign currencies and future transactions for signed sale agreements, the Group has entered into forward contracts in USD, NOK, GBP, CHF, SGD and EUR.				
The countervalue at 31 December 2023 was:	534,770	191,612	534,770	191,612
Fair value of forward contracts recognised as other receivables	5,726	-	5,726	-
Fair value of forward contracts recognised in other payables	-	1,051	-	1,051
The future transactions are expected to be effected in 2023.				

Accounting policies

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised under other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised as other receivables or payables and in equity. If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability respectively. If the expected future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged transaction affects the income statement.

For derivatives that do not qualify for hedge accounting, changes in fair value are recognised in the income statement as they occur.

Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are recognised directly in equity.

Notes

	Group		Parent Company	
DKK'000	2023	2022	2023	2022
22. Related parties				

The Company's related parties are the major shareholder Semco Maritime Holding A/S, Copenhagen, the Company's Executive Board and its Board of Directors.

Semco Maritime A/S is consolidated in the consolidated financial statements of C.W. Obel A/S (smallet group) and Det Obelske Familiefond (largest group).

Transactions with related parties are made on an arm's length basis.

Pursuant to section 98C of the Danish Financial Statements Act, the Company has opted to disclose transactions not carried out on an arm's length basis, of which there were none in the reporting year.

All transactions were carried out on an arm's length basis.

DKK'000	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
23. Appropriation of profit/loss				
Proposed profit appropriation				
Transferred to reserves under equity			96,701	28,635
Retained earnings			12,748	104,477
Ordinary dividend for the financial year			100,000	-
			209,449	**133,112**

Accounting policies

The annual report of Semco Maritime A/S has been prepared in accordance with the provisions applying to large reporting class C enterprises under the Danish Financial Statements Act.

The accounting policies applied in the preparation of the financial statements are consistent with those of last year.

The sections on accounting policies next to the notes form an integral part of the overall accounting policies.

Foreign currency translation
On initial recognition, transactions denominated in foreign currency are translated at the exchange rates at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currency are translated at the exchange rates ruling at the balance sheet date. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the date when the receivable or payable arose or was recorded in the most recent financial statements is recognised in the income statement under financial income or expenses.

Foreign subsidiaries are considered independent entities. Income statements are translated at average exchange rates for the month, while balance sheet items are translated at year-end rates. Foreign exchange adjustments arising on translation of foreign subsidiaries' opening equity at the exchange rates at the balance sheet date and on translation of income statement items from average exchange rates to the exchange rates at the balance sheet date are taken directly to equity.

Foreign exchange adjustments of intra-group balances with independent foreign subsidiaries which are considered part of the investment in the subsidiaries are recognised directly in equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

On recognition of foreign subsidiaries, monetary items are translated at the exchange rates at the balance sheet date.

Non-monetary items are translated at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset.

Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Derivative financial instruments – see note 20

Consolidated financial statements
The financial statements consolidate the parent company, Semco Maritime A/S, and subsidiaries in which Semco Maritime A/S directly or indirectly holds more than 50% of the voting rights or in other ways exercises a controlling interest.

On consolidation, intra-group income and expenses, equity investments, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated entities are eliminated.

Investments in subsidiaries are eliminated at the proportionate share of the subsidiaries' fair value of net assets and liabilities at the date of acquisition. Jointly managed joint ventures are consolidated pro rata.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Enterprises divested or wound up are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated to reflect acquisitions, divestments or companies wound up.

Acquisitions are accounted for using the acquisition method, according to which the identifiable assets and liabilities of companies acquired are measured at fair value at the time of acquisition. A provision is recognised for costs relating to scheduled and announced restructuring in the acquired company in connection with the acquisition. The tax effect of revaluations is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill)

Accounting policies

is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the economic life of the asset. Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Positive and negative goodwill from acquired businesses may be adjusted until the end of the year after the acquisition.

Joint arrangements – see note 21

Income statement

Revenue – see note 2

Segment information – see note 2

Cost of sales
Cost of sales includes costs such as direct and indirect costs of raw materials and consumables incurred in generating the revenue for the year. Provisions for losses on construction contracts are also recognised.

Other operating income/expenses – see note 3

Other external costs – see note 5

Profit/loss from investments in group enterprises – see note 11

Profit/loss from investments in associates – see note 12

Financial income and expenses – see note 6

Tax on profit/loss for the year – see note 7

Balance sheet

Intangible assets

Goodwill – see note 9

Patents and licences – see note 9

Development projects – see note 9

Property plant and equipment – see note 10

Leases – see note 21

Investments in group enterprises – see note 11

Investments in associates – see note 12

Impairment of non-current assets – see notes 9, 10, 11 and 12

Inventories – see note 14

Receivables
Receivables are measured at amortised cost. If there is objective evidence that a receivable or a portfolio of receivables is impaired, an impairment loss is recognised. If there is objective evidence that an individual receivable may be impaired, an impairment loss is recognised on an individual level. In the event there is no objective evidence of individual impairment, receivables are tested for objective indications of impairment on a portfolio level. Portfolios are primarily based on debtors' registered office and credit ratings in accordance with the Company's and the Group's credit risk management policy. The objective indicators used for portfolios are fixed on the basis of historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of receivables and the present value of expected future cash flows, including the realisable value of any collateral provided. The discount rate used is the effective interest rate for the individual receivables or portfolios.

Contract work in progress at cost – see note 15

Prepayments – see note 16

Equity

Dividends
Proposed dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the declaration date). Dividend expected to be paid in respect of the financial year is stated as a separate line item under equity.

Reserve for development costs
Reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised

Accounting policies

development costs are no longer part of the Company's operations

Hedging reserve
The hedging reserve contains the accumulated net change in the fair value of hedging transactions that qualify as hedges of future cash flows and for which the hedged transaction has yet to be realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedge is no longer effective. As the reserve does not represent a legally binding amount, it may be negative.

Foreign currency translation reserve
The foreign currency translation reserve in the consolidated financial statements comprises foreign exchange adjustments arising on the translation of the financial statements of foreign entities from their functional currencies into the Group's presentation currency (Danish kroner).

Tax and deferred tax – see note 7

Provisions – see note 17

Liabilities – see note 18

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group'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 Group's share of profit or loss, adjusted for non-cash operating items, changes in working capital and income tax paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments made in connection with the acquisition and disposal of companies and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Financial ratios

The ratios listed in the key figures and ratios section were calculated as follows:

Profit margin
$$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Equity ratio
$$\frac{\text{Equity at year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity
$$\frac{\text{Profit on ordinary activities after tax x 100}}{\text{Average equity}}$$

Group overview

Semco Maritime A/S, Esbjerg, Denmark

Semco Maritime Inc., Houston, USA

Semco Maritime Renewables LLC, USA
- (Bladt Semco Renewables LLC, USA (50%) (joint operation))

Semco Maritime Renewables II LLC

Semco Maritime Renewables Holding US LLC
- Semco Maritime Renewables III LLC
- Semco Maritime Offshore Services LLC

Protobase Ltd, Norwich, UK (dormant)

Semco Maritime AS, Stavanger, Norway
- Semco Maritime Drift AS, Stavanger, Norway

Seguco S.A., Guatemala City, Guatemala

Semco Maritime El Salvador S.A., San Salvador, El Salvador

Semco Maritime Pte Ltd., Singapore

Semco Maritime LLC, Taipei, Taiwan ROC

Semco Maritime Vietnam JSC, Vung Tau City, Vietnam

Semco Institute A/S, Esbjerg, Denmark

Semco Maritime Energy Infrastructure Tanzania Ltd., Tanzania

Semco Maritime UK Ltd., Aberdeen, UK
- CPower Energy Ltd., UK (20%)
- Semco Maritime Namibia Ltd., Namibia

Semco Maritime Panama S.A., Panama

Semco Maritime GmbH, Germany
- WM Holding GmbH, Germany
- Wind Multiplikator QHSE GmbH, Germany
- Wind Multiplikator Ltd. United Kingdom
- Wind Multiplikator Atheleon Offshore GmbH, Germany (50%)
- WM Offshore GmbH, Germany
  - Wind Multiplikator GmbH, Germany

Seguco S.A., Guatemala

Compania de Servicios y Combustion Industrial S.A. (C2SI), Guatemala

Semco Maritime Sp. z.o.o., Gdynia, Poland
- Semco ETP Renewables Sp. z.o.o., Gdynia, Poland (50%)

The Alliance JV, Rambøll-Semco, Joint Venture in Denmark

Semco Maritime Middle East Ltd. (< 49%)

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the annual report of Semco Maritime A/S for the period 1 January to 31 December 2023.

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

In our opinion, the consolidated financial statements and the financial statements of the parent company give a true and fair view of the Group's and the company's assets and liabilities and financial position at 31 December 2023 and of the results of the Group's and the company's operations and the Group's cash flows for the financial year 1 January to 31 December 2023.

Furthermore, in our opinion, the Management's review includes a fair review of developments in the operations and financial position of the Group and the parent company, the financial results for the year and the Group's and the parent company's financial position.

We recommend the annual report for adoption at the annual general meeting.

Esbjerg, 15 April 2023

Executive Board:

Steen Brødbæk, CEO

Martin Oehlenschlæger, CFO

Board of Directors:

Anders Christen Obel, Chairman

Gunnar Groebler

Jørgen Peter Rasmussen

Keith Taylor

Allan Sonnich Thomsen
(employee representative)

Susanne Ladegaard
(employee representative)

Independent auditor's report

To the Shareholders of Semco Maritime Group:

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of the Semco Maritime Group for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement 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 Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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

Independent auditor's report

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 judgment and maintain professional skepticism 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 de-tecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent 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.

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

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

Esbjerg, 15 April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Jacob Fromm Christiansen
State authorised public accountant
Mne18628

Lars Almskou Ohmeyer
State authorised public accountant
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We share our latest stories on
social media throughout the year