Frey A/S

Soren Frichs Vej 40 E, St., DK-8230 Abyhoj

(CVR. No. 40 10 17 72)

Annual Report for 1 January – 31 December 2024

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8 April 2025.

Jacob Ramsgaard Nielsen
Chairman of the General Meeting

Contents

Name	Frey A/S
Address, zip code, city	Soren Frichs Vej 40 E, St., DK-8230 Abyhoj
CVR no.	40 10 17 72
Established	13 December 2018
Financial Year	1 January - 31 December
Board of Directors	Jørgen Balle (Chairman) Liezel du Toit Tommy Gade Jensen Jens-Jacob Aarup Christian Jensen-Gaard
Executive Board	Jeff Løcke Laursen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup, Denmark

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

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

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

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

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

Abyhoj, 8 April 2025

Executive Board

Jeff Løcke Laursen

Board of Directors

Jørgen Balle
Chairman

Liezel du Toit

Tommy Gade Jensen

Jens-Jacob Aarup

Christian Jensen-Gaard

To the Shareholders of Frey A/S

Opinion

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

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

Basis for opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

• Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

• Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup,
8 April 2025
PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob Brinch State Authorised Public Accountant mne35447	Christian Møller Gyrsting State Authorised Public Accountant mne 44111

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

	2024	2023	2022	2021	2020
Key figures	USD '000	USD '000	USD '000	USD '000	USD '000
Operational					
Shipped volumes (MT)	1,055,258	680,271	449,437	206,109	127,977
Profit/Loss					
Revenue	410,477	324,091	248,063	105,231	*
Gross profit/loss	5,886	6,935	7,284	2,270	235
Profit/loss before financial items	351	2,796	3,373	142	-1,197
Net financials	-224	693	-227	-523	-99
Profit/loss before tax	127	3,489	3,146	-380	-1,296
Net profit/loss for the year	-72	3,489	3,146	-380	-1,296
Balance sheet					
Balance sheet total	91,374	80,566	59,408	33,387	20,030
Total Equity	44,763	44,410	40,829	2,809	2,930
Investment in property, plant and equipment	0	0	0	0	0
Average number of employees	46	33	25	15	12
Ratios					
Return on assets	0.4%	3.5%	5.7%	0.4%	-6.0%
Solvency ratio	49.0%	55.2%	68.7%	8.4%	14.6%
Return on equity	-0.2%	8.2%	14.4%	-13.3%	-38.0%

* With reference to section 32 of the Danish Financial Statements Act revenue is not disclosed for 2020

Financial Highlights

Explanation of financial ratios

Return on assets $$\frac{\text{Profit before financial items x 100}}{\text{Total assets}}$$

Solvency ratio $$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$$

Return on equity $$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$$

Our Business Model
Frey A/S is a global trading company specializing in the containerized trade of agricultural and soft commodities. We are sourcing, moving and marketing raw materials in a way that opens doors to global commodity trading. With a strong focus on technology and logistics, the company ensures reliable and flexible supply chain solutions for partners worldwide.

Reflections on 2024
During 2024 we delivered on our no. 1 strategic target of 1,000,000 MT shipped volumes, which is one year ahead of the strategy. The volume growth of 55% is therefore in line with and slightly exceeding expectations for 2024.

At the same time, 2024 was a challenging year with significant external events impacting the financial results that ended with a net profit before tax of KUSD 127. Firstly, the bridge collapse in Baltimore caused the re-direct of containers to other ports. Later during autumn, the port strike on the US East Coast resulted in additional delays and redirects. Even though mitigating actions limited the impact, these events negatively impacted the result in 2024.

During 2024, we expanded into new products and regions which include Coffee, Black Sea as well as expanding our value chain in core markets. This expansion required investments in technology and organizational capabilities that are expected to contribute to the future growth of the company.

The Board of Directors and management sincerely thanks all employees for their hard work and unwavering dedication to achive the strategic target of 1,000,000 MT and look forward to achieving more together.

Development in activities and financial position
Despite facing challenging market conditions, shipped volumes increased by 55% during 2024. Lower commodity prices resulted in a revenue increase of 27%. The financial results of the year shows a gross profit of KUSD 5,886, and a profit for the year before tax of KUSD 127. The balance sheet statement shows an equity of KUSD 44,763. Measured in revenue and traded volumes the Company sustained growth for the fifth consecutive year, in line with the company's accelerated growth strategy.
Considering the significant external events, management deems the financial results acceptable.

In April 2024, the company structure changed from a partnership (P/S) to a limited company (A/S).

Expectations for 2025
In 2025, the main focus is to grow profitably through lean and efficient trade execution that brings gross profit back to industry levels. Compared to previous years, the expected volume growth is more moderate at 20% driven by expanded sales in core markets while venturing into new markets and product verticals.

Risks
The Company operates under risk policies and mandates approved by the Board of Directors.

The Board of Directors has approved written principles for the overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, long/short positions, hedging activities etc.

As a general rule the Company does not enter into contracts with a speculative element that might expose the Company to an unhedged risk. The Company mainly enters into contracts that are back-to-back on all significant elements. All risk exposures when not trading back-to-back are hedged to the best possible extent.

For hedges of foreign currency purchases, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item.
Derivatives are only used for cash-flow hedging purposes and not as speculative investments.

Current geopolitical uncertainly and trade wars are expected have an impact on 2025. However the negative effects are mitigated by increased diversification and a flexible business model, enabling us to navigate a volatile market.

Sustainability reporting

An independently limited assured Sustainability Report for 2024 is published which provides detailed information on the A.P. Moller – Maersk's (Company reg. no. 22756214) sustainability performance and sustainability strategy. The report serves as compliance with the requirements of Section 99a of the Danish Financial Statements Act *(Årsregnskabsloven)* on corporate social responsibility and reporting on the gender composition of management. The report is available on:
https://www.maersk.com/sustainability/reports-and-resources

Account and gender composition of Board of Directors
By 31 December 2024, the Board of Directors had a composition of 4 men and 1 woman. The underrepresented gender made up 20% of the Company's Board of Directors. During 2024, there has been no changes to board members nor board composition.

The Board of Directors has defined the Company's policy to increase the share of the underrepresented gender to reach the 40/60% ratio by 2026.

Supreme governing body (Board of directors)

	2024	2023
Members, total	5	5
Underrepresented gender, %	20	20
Target number, %	40	40
Year for meeting targets	2026	2026

Account and gender composition of other management levels
By 31 December 2024, other Management levels comprised 3 men and 2 woman. During 2024, there has been a change in the Management composition, which enables the company in reaching the target of 40% for 2024 in accordance with the Danish business authorities guidance on the area.

It is the company's policy to provide equal rights and opportunities for all and to maintain a balanced representation of genders with a 40/60% ratio.

Other Management levels

	2024	2023
Members, total	5	5
Underrepresented gender, %	40	20
Target number, %	40	40
Year for meeting targets	2026	2026

Data ethics
The responsible use of data is a critical enabler for the group business model. In line with regulatory requirements of Section 99d of the Danish Financial Statements Act (Årsregnskabsloven), A.P. Moller – Maersk (Company reg. no. 22756214) has established a data ethics policy, with accompanying governance measures. Please refer to:
https://www.maersk.com/sustainability/our-esg-priorities/data-ethics

Uncertainty relating to recognition and measurement
Recognition and measurement in the Annual Report have not been subject to any significant uncertainties.

Events after the balance sheet date
There has been no significant events after the balance sheet date.

Amount in USD '000

	Note	2024	2023
Revenue	1	410,477	324,091
Cost of sales		-401,951	-315,226
Other external expenses		-2,640	-1,930
Gross profit/loss		**5,886**	**6,935**
Staff costs	2	-5,512	-4,139
Depreciations, amortisations and impairment losses		-23	0
Operating profit/loss		**351**	**2,796**
Other financial income	3	334	1,294
Other financial expenses	4	-558	-601
Profit/loss before tax		**127**	**3,489**
Tax on profit/loss for the year	5	-199	0
Profit/loss for the year	6	**-72**	**3,489**

Frey A/S
Balance Sheet 31 December

Amount in USD '000

Assets	**Note**	**2024**	**2023**
Completed development projects	8	443	0
Development projects in progress	8	372	283
Intangible assets	7	**815**	**283**
Investments in subsidiaries		2,500	0
Deposits		98	120
Financial assets	9	**2,598**	**120**
Fixed assets		**3,413**	**403**
Raw materials and consumables		8,768	15,166
Prepayments for goods		255	1,970
Inventories		**9,023**	**17,136**
Trade receivables		59,571	54,747
Receivables from group enterprises		5,886	4,376
Deferred tax		5	0
Other receivables		4,656	630
Prepayments	10	25	43
Receivables		**70,143**	**59,796**
Cash		**8,795**	**3,231**
Total current assets		**87,961**	**80,163**
Total assets		**91,374**	**80,566**

Frey A/S
Balance Sheet 31 December

Amount in USD '000

Liabilities and equity	**Note**	**2024**	**2023**
Share capital	11	762	762
Reserve for development costs		635	283
Retained earnings		43,366	43,365
Total equity		**44,763**	**44,410**
Other payables		585	793
Total non-current liabilities	12	**585**	**793**
Prepayments received from customers		478	130
Trade payables		19,449	13,203
Payables to group enterprises		24,908	20,906
Joint taxation contribution payable		483	0
Other payables		708	1,123
Total current liabilities		**46,026**	**35,362**
Total liabilities		**46,611**	**36,155**
Total liabilities and equity		**91,374**	**80,566**

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Frey A/S
Statement of Changes in Equity

Amount in USD '000

	Share capital	Reserve for development costs	Retained earnings	Total
1 January 2024	762	283	43,365	44,410
Cash flow hedge reserve, 1 Jan	0	0	-564	-564
Cash flow hedge reserve, 31 Dec	0	0	1,268	1,268
Tax on equity	0	0	-279	-279
Development costs for the year	0	352	-352	0
Profit/Loss of the Year	0	0	-72	-72
31 December 2024	**762**	**635**	**43,366**	**44,763**

Amount in USD '000

1 Segment information

The Company's revenue segments and customers operate in the following geographical destination areas:	2024	2023
Europe	769	0
Asia	409,708	324,091
	410,477	**324,091**

2 Staff expenses

	2024	2023
Wages and salaries	5,361	4,018
Pensions	9	81
Other social security expenses	142	40
	5,512	**4,139**
Including remuneration to the Executive Board and Board of Directors	**236**	**550**
Average number of employees	**46**	**33**

According to section 98b, paragraph 3, no. 2 of the Danish Financial Statements Act, information on management remuneration is presented collectively, as the Executive Board consists of only one person.

3 Other financial income

	2024	2023
Financial income from group enterprises	0	722
Other interest income	165	112
Exchange rate adjustments	169	460
	334	**1,294**

4 Other financial expenses

	2024	2023
Financial income from group enterprises	150	0
Other interest expenses	174	30
Exchange rate adjustments	234	571
	558	**601**

5 Tax on profit/loss for the year

	2024	2023
Current tax	-204	0
Change in deferred tax	5	0
	-199	**0**

6 Proposed distribution of profit and loss

	2024	2023
Retained earnings	-72	3,489
	-72	**3,489**

Amount in USD '000

7 Intangible assets

Development projects comprise software systems and can be specified as follows:	Completed development projects	Development projects in progress
Cost at 1 January	0	283
Transfers	283	-283
Additions for the year	183	372
Cost at 31 December	**466**	**372**
Amortisation at 1 January	0	0
Amortisation for the year	23	0
Amortisation at 31 December	**23**	**0**
Carrying amount at 31 December	**443**	**372**

8 Development projects

The Company's development projects relate to development of new platforms and processes including automatization of tasks, herunder contract and transportation management, to streamlining core processes. We are leveraging technologies to help streamline business operations and to optimise the entire value chain understanding that cost is the main factor when trading commodities.

All projects are approved by Management before they are initiated. Development projects are recognised in the balance sheet when it is assessed that the products derived from the project will yield a future financial benefit.

The projects and their values are assessed on a continuous basis, and no indication of impairment of the carrying amount is found to exist.

9 Financial assets

	Investments in subsidiaries	Deposits
Cost at 1 January	0	120
Additions for the year	2,500	0
Disposals for the year	0	-22
Cost at 31 December	**2,500**	**98**
Carrying amount at 31 December	**2,500**	**98**

Investments in subsidiaries

Name	Owner-ship	Place of registered office	Corporate form	Equity	Result for the year
Frey Australia Pty Ltd.	100%	Victoria, Australia	Ltd	36,411	15,199
Frey Commodities Inc	100%	Philadelphia, USA	Inc	2,529,402	29,402

The company has granted a tax-free capital contribution of USD 2,500,000 to Frey Commodities Inc

Amount in USD '000

10 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions etc.

11 Share capital

Total share capital consists of 5.000.002 shares with total nominal value of DKK 5.000.002 equal to USD 761.610 applying the exchange rate at incorporation, 13 December 2018, and the capital increases, 8 November 2019 and 31 March 2022 respectively.

No Shares have special rights.

12 Non-Current liabilities

There are no non-current liabilities due after more than 5 years.

13 Derivative financial instruments

At 31 December 2024 the financial instruments consists of commodity futures and foreign exchange currency contracts that are part of the Company's ordinary business activity and hedging strategy. The fair value amount in "Other receivables" and "Other Payables" can be specified as follows:

	2024	2023
Currency Forward Contracts - Cash flow hedges, assets	0	252
Currency Forward Contracts - Cash flow hedges, liabilities	-393	-5
Commodities Futures - Cash flow hedges, assets	2,558	1,094
Commodities Futures - Cash flow hedges, liabilities	-349	-777
Fair value of derivative financial instruments, net	***1,816***	***564***

The financial instrument contracts have an expiry period of 1-8 months

14 Contingent liability	**2024**	**2023**
Lease obligation	97	190

As a wholly owned subsidiary the company shall be liable jointly with the other companies in the joint taxation of Danish withholding taxes on dividends, interest and royalties within joint taxation group of A.P. Møller Holding A/S.

Amount in USD '000

15 Related parties with controlling interest
Maersk A/S, Esplanaden 50, DK-1098 Copenhagen K., holds 90-99.99% of the company capital and thus has controlling influence over it.

16 Non-arm's length related party transactions
Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

17 Group Relations
Name and registered office of the Parent preparing consolidated financial statements for the largest group:
A.P. Møller - Mærsk A/S, DK-1098 Copenhagen K.

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

The Annual Report of Frey A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class C large enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

The functional currency of the Company is USD and the Financial Statements for 2024 are presented in USD. At 31 December 2024 the exchange rate USD/DKK is 7.14 (2023: USD/DKK 6.74).

Consolidated financial statements

With reference to section 112(1) of the Danish Financial Statements Act and to the consolidated financial statements of A.P. Møller - Mærsk A/S, DK-1098 Copenhagen K (CVR No. 22756214), the Company has not prepared consolidated financial statements.
The Annual Report of A.P. Møller - Mærsk A/S is available at: http://investor.maersk.com/financials.cfm

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial stements of A.P. Møller - Mærsk A/S (CVR No. 22756214), the company has not prepared a cash flow statement.

Recognition and measurement in general

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

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.
Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.
Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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

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

Foreign currency translation

Transactions in other currency than the functional currency are translated at the exchange rate on the date of the transaction. Monetary items in foreign currency that are not settled on the balance sheet date are translated at exchange rate on the balance sheet date. Foreign exchange rate gains and loss are included in the income statement as financial items. The functional and presentation currency is USD.

Derivatives and hedging activities
Derivatives are initially recognised at cost on the date a derivative contract is entered into, and they are subsequently remeasured at their fair value. Positive and negative fair values of derivatives are classified as other receivables or other payables as appropriate.

Changes in the fair value of derivative financial instruments are recognized in the income statement, unless the derivatives meets the criteria for accounting hedging, cf. below

Cash flow hedges that qualify for hedge accounting
The Company hedges the particular risk associated with the cash flow of highly probable forecast transactions.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item expires.

Income statement

Revenue
Revenues are recognised when the performance obligation has been satisfied, which happens upon the transfer of risk and benefits to the customer at an amount that reflects the consideration to which the Company expects to be exchanged for the goods and services.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:
- delivery has been made before year end
- a binding sales agreement has been made
- payment has been received or may with reasonable certainty be expected to be received

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

Cost of sales
Cost of sales includes the purchase of goods for resale and transportation thereof incurred to achieve revenue for the year. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of goods.

Other external costs
Other external expenses comprise other operating expenses, including expenses for premises, marketing and office expenses, etc.

Fees to statutory auditor
In accordance with the Danish Financial Statements Act section 96(3), fees to statutory auditors is not disclosed as the information is disclosed in the Annual Report for the A.P. Møller - Mærsk A/S, in which the Company is fully consolidated.

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation and amortisation for the financial year.

Other financial income
Other financial income comprises interest income, including interest from group entities as well as net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest from group entities as well as net capital or exchange losses on securities, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year
Company is tax transparent entity under which the income or expense of the participants under the transparency principle. Income is taxed at the level of the owners rather than at the level of the entity.

Balance Sheet

Intangible fixed assets
Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributale to the Company's development activites.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution or redution of administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses, if any or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 years.

Financial assets
Financial assets comprise of rent and other deposits.

Investment in subsidiaries
Investments in subsidiaries are recognised and measured at cost.
If cost exceeds the net realizable value, a write-down to this lower value will be performed.

Inventories
Inventories are measured at the lower of cost according to the FIFO method and net realisable value.
The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations less selling expenses. The net realisable value is determined allowing for marketability and development in expected sales. Inventories mainly comprise grains, feed and oilseeds.

Receivables
Receivables are measured in the balance sheet at amortised cost less the expected credit losses.
Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash and cash equivalents
Cash comprise deposits on demand which are subject to an insignificant risk of change in value.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Global Minimum Taxation (OECD Pillar Two)
In an effort to end tax avoidance and to address concerns about the erosion of the global corporate tax base, a global framework for corporate taxation has been formed by the OECD/G20 Inclusive Framework. One of the key elements is to introduce a global minimum tax rate of 15%, based on group accounting income per jurisdiction.

The minimum tax rules are designed as a hierarchy of the right to claim income tax. If the income is not subject to a minimum effective tax rate of 15% in the country where it is earned, then the remaining tax payment (top-up tax) can be picked up by another jurisdiction where the Group is active. For the Group, Denmark will add top-up tax if not applied locally as the ultimate parent entity of the Group, A.P. Møller Holding A/S, is incorporated in Denmark.

The Danish implementation of Council Directive (EU) 2022/2523 of 14 December 2022 is effective from 1 January 2024.

This means that Maersk's income is subject to the minimum tax rules for all jurisdictions via Danish implementation for the financial year 2024 and onwards.

Because the Danish implementation covers the Group’s global activities, it is not expected that other national implementations will have a significant additional impact to the global tax payments of the Group. It may, however, have an impact on the location where potential top-up taxes will be paid.

During 2024-2026 a set of Transitional Safe Harbour rules apply, according to which if one of three tests can be fulfilled on a jurisdictional level, the Pillar Two Top-up Tax for the year will be deemed to be nil.

A.P. Møller Maersk A/S and A.P. Møller Holding A/S have prepared a Safe Harbour analysis on consolidated level, which shows that the Danish jurisdiction fulfills one of the three tests.

Based on the full Pillar Two GloBE Income calculations prepared by A.P. Møller Maersk Group for the Danish jurisdiction it has been estimated that no significant Pillar Two Top-up Tax will be payable for FY 2024.

Tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Segment information
Segment information is provided on geographical markets. The segment information is in line with the Company's accounting policies, risks and internal financial management.