



2024 ANNUAL REPORT



TRUE.
BLUE.
TRANSITION.

Regarding useful lives for vessels in operation, they are usually aligned with the lease period. Useful lives and methods of depreciation are reviewed at least annually and adjusted if needed.

The assets' residual values are reviewed and adjusted, if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is higher than its estimated recoverable amount.

Gains and losses arising on disposals or retirement of assets are determined by comparing any sales proceeds and the carrying amount of the asset. These are reflected in the income statement in the period that the asset is disposed of or retired.

Right-of-use assets, related to the Company's lease contracts in which the Company is a lessee, are included in Property, plant and equipment. Right-of-use assets and corresponding liabilities are recognized when the leased asset is available for use by the Company. Right-of-use assets are measured at cost, comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs; and
- Restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized, on a straight-line basis, as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(h) Intangible assets

Intangible assets, acquired separately, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost, less any accumulated amortization and accumulated impairment losses.

Software is recognized at historical cost and is amortized, on a straight-line basis, over its useful life. The useful life of software is generally between 3 and 5 years, dependent on the type of software.

Research costs are expensed when incurred. In compliance with IAS 38, development costs are capitalized if all the following criteria are met:

- The projects are clearly defined.
- The Company is able to reliably measure expenditures incurred by each project during its development.
- The Company is able to demonstrate the technical feasibility of the project.
- The Company has the financial and technical resources available to achieve the project.
- The Company can demonstrate its intention to complete, to use or to commercialize products resulting from the project.
- The Company is able to demonstrate the existence of a market for the output of the intangible asset, or, if it is used internally, the usefulness of the intangible asset.

When capitalized, development costs are carried at cost, less any accumulated amortization and impairment losses. Amortization begins when the project is complete and available for use. It is amortized over the period of expected future benefit, which is generally between 3 and 5 years.

(i) Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the first-in first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. Inventories comprise semi-finished, finished products and the Company's Fast4Ward® Multi Purpose Floater ('MPF') valued at cost, including attributable overheads and third-party financial costs during construction and spare parts stated at the lower of purchase price or market value. MPFs under construction are accounted for as inventories until they are allocated to awarded projects and then reclassified from inventories to contract assets.

(j) Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within a maximum of 90 days and are therefore all classified as current. Trade