

Financial Statements

MacGregor Norway AS

2023

MacGregor Norway AS

Profit and loss statement

All figures in NOK 1000

NOTE	OPERATING REVENUE AND OPERATING EXPENSES	2023	2022
2, 3, 4	Revenue	1 464 555	866 434
2, 4	Other operating revenue	87 299	88 567
	Total operating revenue	1 551 854	955 000
4	Cost of sales	1 406 134	509 788
5, 14	Payroll and related costs	604 859	600 151
7, 8	Depreciation and amortisation of fixed and intangible assets	6 525	10 943
4, 5, 16, 21	Other operating expenses	336 372	625 991
	Total operating expenses	2 353 889	1 746 872
	Operating profit/(loss)	-802 035	-791 872
FINANCIAL INCOME AND FINANCIAL EXPENSES			
9	Income from subsidiaries and associated companies	53	110 747
4	Interest received	9 803	3 177
4, 6	Other financial income	201 941	70 441
	Interest cost	-773	-2 221
4	Interest paid to group companies	-3 904	-3 717
4, 6	Other financial expenses	-163 819	-65 727
	Financial items, net	43 301	112 700
	Profit/(loss)before taxation	-758 734	-679 172
15	Income tax	-1 517	2 196
	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	-757 217	-681 367

MacGregor Norway AS

Balance sheet at 31 December

All figures in NOK 1000

NOTE	ASSETS	2023	2022
	Non-current assets		
	Intangible assets		
7	Research and development	25 923	11 919
	Total intangible assets	<u>25 923</u>	<u>11 919</u>
	Tangible fixed assets		
8	Area and buildings	25 076	27 115
8	Machinery and plant	0	43
8	Fixtures and fittings	9 043	8 186
	Total tangible fixed assets	<u>34 119</u>	<u>35 344</u>
	Total non-current assets	<u>60 042</u>	<u>47 263</u>
	Current assets		
11	Inventories	<u>225 326</u>	<u>309 818</u>
	Receivables		
4	Accounts receivable	27 488	340 748
	Other receivables	30 457	32 999
4, 17	Receivables group companies	485 774	348 744
3, 4	Project in progress	<u>247 460</u>	<u>536 328</u>
	Total receivables	<u>791 178</u>	<u>1 258 819</u>
	Current investments		
4, 10	Other current financial instruments	<u>25 659</u>	<u>33 193</u>
	Total current investments	<u>25 659</u>	<u>33 193</u>
	Total current assets	<u>1 042 163</u>	<u>1 601 831</u>
	TOTAL ASSETS	<u>1 102 206</u>	<u>1 649 094</u>

MacGregor Norway AS
Balance sheet at 31 December

All figures in NOK 1000

NOTE	SHAREHOLDERS EQUITY AND LIABILITIES	2023	2022
	Shareholders equity		
	Paid-in equity		
12, 13	Share capital	10 206	303 424
13	Unregistered capital increase	200 000	350 000
	Total paid-in equity	210 206	653 424
	Retained earnings		
13, 23	Uncovered losses	-285 389	-678 200
	Total retained earnings	-285 389	-678 200
	Total shareholders equity	-75 183	-24 776
	Liabilities		
	Provisions for liabilities and charges		
14	Pension obligations	13 590	14 185
	Total provisions for liabilities and charges	13 590	14 185
	Current liabilities		
4	Accounts payable	188 105	218 541
4, 17	Liabilities to group companies	64 710	57 381
17	Other taxes and withholdings	20 998	27 178
4,16,17,18,21	Other current liabilities	889 985	1 356 584
	Total current liabilities	1 163 799	1 659 684
	Total liabilities	1 177 388	1 673 870
	TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	1 102 206	1 649 094

Kristiansand, 28.06.2024
Board of MacGregor Norway AS

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Leif Eric Bystrom
Chairmen of the board
DocuSigned by:

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Karin Helene Jensen
Board Member

DocuSigned by:

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Pasi Antero Lehtonen
Bord Member/Managing Director
DocuSigned by:

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Hugo Strandli
Board Member

DocuSigned by:

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Pasi Antero Lehtonen
Board Member
DocuSigned by:

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Werner Stenfeldt Dale
Board Member

MacGregor Norway AS

Notes to the accounts, year ended 31 December 2023

Note 1 Accounting policies

The financial statements have been prepared in accordance with the Norwegian Accounting Act of 1998 and generally accepted accounting principles in Norway. All figures in NOK 1000 if nothing else is stated.

Revenue

Sales of goods and sales of services

Revenue from sales of goods is recognized at the time of delivery. Revenue from the sales of services is recognized when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue and is recognized as revenue at the time of execution.

Long term contracts

Work in progress on long-term fixed-price contracts is valued according to the percentage of completion (POC) method. The degree of completion is calculated on the booked cost relative to the total estimated cost for each project.

The progress and total expenses are reviewed on a regular basis. If estimated total expense exceeds total revenue, the entire estimated loss is taken into profit and loss at the time of the estimate. These estimates reflect a high degree of uncertainty and the reported loss on projects will be subject to this. Projects not completed by year end are presented as projects in progress.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Intangible fixed assets

Expenses relating to the development of intangible assets, including research and development expenses, are capitalized when it becomes probable that the future economic benefits arising from the assets will accrue to the company, and the cost of the assets can be reliably measured.

Intangible assets that are acquired separately, are recognized at historical cost. Intangible assets acquired in a business combination, are recognized at historical cost when the criteria for balance sheet recognition has been met.

Intangible assets with a limited economic life are amortized on a systematic basis. Intangible assets are written down to the recoverable amount if the expected economic benefits are not covering the carrying amount and any remaining development costs.

Fixed assets are carried at historical cost, but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule. Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

Leasing agreements

Fixed assets leased on conditions which mainly transfer economic risk and control to the company (financial leasing) are considered as fixed assets in the balance sheet. The accompanying leasing obligation is included under interest-bearing long-term liabilities and valued at present value of the leasing payments.

The fixed assets are depreciated on a systematic basis, and the liability is reduced with the paid leasing amount less the calculated interest costs.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognized as other financial income. The same applies for investments in associates. Subsidiaries Rapp Marine UK and Rapp Marine US were liquidated by the end of 2022.

Other shares classified as non-current assets

Other non-current investments in shares and in general and limited partnerships, in which the company does not have significant influence, are carried at cost. The investments are written down to fair value if a decline in the value is expected to be permanent. Dividends received from these companies are recognized as financial income.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date. Currency forward contracts are valued in the balance sheet at fair value on the balance sheet date.

Forward contracts

Receivables and liabilities in foreign currencies which are not secured through forward contracts, are taken to income at the exchange rate on the balance sheet date. Exchange gains and losses in relation to sales and purchases in foreign currencies are recognized in income statement.

The company use forward contracts for foreign currencies to secure a future exchange rate on existing (balance sheet) assets/liabilities on estimated future transactions in foreign currencies (cash flow hedging). For accounting purposes, the forward contracts are classified as hedging instruments.

Assets/liabilities secured through forward contracts are reflected in the balance sheet at forward exchange rate and the value change is taken to income. Profit or loss on hedging of transactions which result in balance sheet recognition of a non- financial assets (for instance inventories) are included in purchase costs.

Forward contracts which secure future transactions are not recognized

Inventories

Inventories are recognized at the lower of cost in accordance with the FIFO method and net realizable value. For raw materials and work in progress, the net realizable value is based on estimated selling price of finished goods, less the remaining production and sales costs. Self-produced goods are recognized at the lower of full production cost and fair value.

Receivables

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable. In addition, for the remainder of the receivables, a general provision is made based on estimated expected losses.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other monetary instruments with a maturity of less than three months at the date of purchase.

Pensions

The company has various pension schemes. The pension schemes are financed through payments to insurance companies, except for the early retirement pension scheme (AFP). The company has both defined contribution plans and defined benefit plans.

Defined contribution plan

With a defined contribution plan, the company pays contribution to an insurance company. After the contribution has been made, the company has no further commitment to pay. The contribution is reflected as an asset (pension fund) to the degree the contribution can be refunded or will reduce future payments.

Defined benefit plan

The liability recognized in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair

Income taxes
Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution is recognized directly in equity.
Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet

Guarantee commitments
Estimated costs for future guarantee work related to sales/completed projects have been expensed and recognized as a provision in the balance sheet. The amount of the provision is estimated based on historical figures for guarantee work.

Cash flow statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits, and other short-term highly liquid investments with maturities of three months or less from the purchase data.

Note 2 Sales revenue

	2023	2022
Sales revenue	1 464 555	866 434
Other operating revenue	87 299	88 567
Total	1 551 854	955 000
Per geographic market:	2023	2022
Oceania	32 055	11 362
Asia Pacific	503 951	276 735
Central & South America	26 639	17 853
North America	92 918	92 325
Middle East	4 880	2 290
Africa	21 659	51 746
EU	437 604	71 332
Rest Europe	432 146	342 791
Total Sales Revenue	1 551 854	866 433

Note 3 Construction contracts

	2023	2022
Earned income not invoiced	2 187 238	1 915 219
Retained payments according to contract	-1 939 779	-1 378 890
Work in progress	247 460	536 328
Advances received, end of period	71 172	144 242
Profit and loss items relating to long term contracts	2023	2022
Income in the income statement current year	323 621	383 059
Total income in the income statement	1 964 815	1 915 219
Total costs in the income statement	2 963 602	2 358 792
Estimated contract profit	-998 788	-443 573
Loss contracts	2023	2022
Total estimated project cost of contract	2 143 884	2 441 643
Total estimated remaining project cost of contract	300 887	821 174
-Remaining revenue	250 206	-821 174
=Total estimated loss on contracts	551 094	-
Number of projects	32	39

In the past years, the company has experienced cost overruns and losses in several projects. Estimates of cost to complete the ongoing projects are considered to be significant. Key assumptions in the assessment are related to estimating cost of material, manufacturing and engineering, which together represent approximately 90% of the total projects cost. We have made an evaluation of historical accuracy of the estimates, reassessed the status and the future outlook of the project portfolio, resulting in additional provisions for future cost which have been included in the financial statements.

Project cost estimates are made by each operational department in collaboration with the sales department. Systematic tracking of involvement and approvals from the function managers is maintained.

Continuous updates are communicated from the project fulfilment organisation to project managers and financial forecasts amended as needed.

The risks related to the completion of the projects in the current order book are being monitored individually per project and reviewed on a monthly basis by management in cooperation with the operational organisation. Risks are specified and maintained in a separate risk register, and reviewed regularly and frequently. Mitigating actions are continuously reviewed and appropriate risk contingencies are being maintained in the financials.

Management considerations to the risks in the project portfolio includes all known aspects of the project statuses. The company has performed sensitivity analysis for the project portfolio both related to risks in cost development, project fulfilment and liquidity forecast. The overall level of completion in the portfolio is 80%. The cost remaining to complete the project portfolio is approximately 412 million NOK. This cost estimate includes significant uncertainty. An increase of cost in excess of current risk contingencies corresponding to 10% would have a negative profit and equity effect of approximately 41 million NOK. The main risks analysed are materials, manufacturing and engineering cost which together represent approximately 90% of total project cost.

Remaining uncertainty in the market and economy, such as general inflation and salary increases, is considered in the project cost forecasts and additional risks are considered to be covered by the

Note 4 Related party transactions and balances**Related party transactions, profit and loss**

Transaction/transaction type	Belongs to P&L line	Relationship to the counterpart	2023	2022
Sales of goods and services	<i>Revenue</i>	Group entities	28 304	36 860
Recharged costs to group entities	<i>Other operating revenue</i>	Group entities	88 877	88 567
Purchases of equipment and components	<i>Cost of sales</i>	Group entities	104 856	13 135
Subcontracted work	<i>Cost of sales</i>	Group entities	11 627	10 459
Other purchases of technical services	<i>Cost of sales</i>	Group entities	5 144	-
Bank charges related to contracts	<i>Cost of sales</i>	Group entities	-	-
Other cost of sales	<i>Cost of sales</i>	Group entities	542	41
Training	<i>Payroll and related costs</i>	Group entities	-	-
Purchase of sales and marketing support services	<i>Other operating expenses</i>	Group entities	-	-
Management fee	<i>Other operating expenses</i>	Cargotec Oyj	124 316	86 150
Service center fee	<i>Other operating expenses</i>	Cargotec Oyj	76 999	34 436
Royalty expense	<i>Other operating expenses</i>	MacGregor Pte. Ltd.	24 527	9 840
Other cost and integration cost	<i>Other operating expenses</i>	Group entities	51 400	64 995
Adm.services and recharge	<i>Other operating expenses</i>	Group entities	3 172	1 349
Income from subsidiaries and associated companies	<i>Income from subsidiaries and associated companies</i>	TTS Marine Services LLC	53	110 747
Other financial income	<i>Other financial income</i>	Group entities	0	3 725
Other financial expenses	<i>Other financial expenses</i>	Group entities	3 891	3 983
Other financial income	<i>Other financial income</i>	Cargotec Oyj	41 003	12 535
Other financial expenses	<i>Other financial expenses</i>	Cargotec Oyj	4 976	8 571
Interest income	<i>Interest received</i>	Cargotec Oyj	8 984	2 896
Interest cost	<i>Interest paid to group companies</i>	Cargotec Oyj	3 904	3 745

Counterpart	Liabilities to group companies		Receivables group companies	
	2023	2022	2023	2022
Group company, Cargotec	64 710	57 381	485 774	400 037
Total	64 710	57 381	485 774	400 037

Counterpart	Accounts receivables		Current financial investment	
	2023	2022	2023	2022
Group company, Cargotec	3 910	28 549	25 659	33 193
Total	3 910	28 549	25 659	33 193

Counterpart	Accounts payable		Other current liabilities	
	2023	2022	2023	2022
Group companies, Cargotec	25 217	46 204	56 999	99 721
Total	25 217	46 204	56 999	99 721

Note 5 Payroll costs, number of employees, benefits, loans to employees etc.

Payroll costs	2023	2022
Wages and salaries	409 991	416 214
Social security tax	59 395	54 453
Pension costs	32 023	35 997
Other benefits	103 451	93 487
Total	604 859	600 151
Average number of employees during the year	348	441

Directors' remuneration	Salaries, fees	Pensions	Other benefits
Managing Director/Chief Executive Officer	-	-	-

For all of 2023 the general manager has been employed by MacGregor Finland Oy, and his costs have been recharged to MacGregor Norway AS

The company is obligated to follow the Act on Mandatory Occupational Pensions and has a scheme that meets the requirements of the law
No loans/sureties have been granted to the general manager, board chairman or other related parties

There has been no remuneration to the board in 2023

Auditor

Remuneration to auditor and their associates is as follows:

	2023	2022
Audit EY	3 463	1 476
Audit PWC	-	225
Tax counselling	80	-
Other services	117	178
<i>Sum</i>	3 661	1 879

Note 6 Financial income and expenses

Financial income	2023	2022
Currency gains	196 965	66 083
Other financial income	4 976	4 359
Total	201 941	70 441

Financial expenses	2023	2022
Currency losses	163 819	65 727
Other financial expenses	-	-
Total	163 819	65 727

Note 7 Intangible assets

	R&D	Total
Cost at 1 January 2023	190 232	190 232
Reclassification	-	-
Additions	17 008	17 008
Reclassification	-	-
Disposals	-	-
Cost at 31 December 2023	207 240	207 240
Acc. at 1 January 2023	178 313	178 313
Reclassification	-	-
Depreciations current year	3 003	3 003
Impairment current year	-	-
Disposals current year	-	-
Accumulated and reversed amortization and impairment at 31 Dec. 2023	181 316	181 316
Balance at 31 December 2023	25 923	25 923

Current year amortization	3 003	3 003
Current year impairment	-	-

Economic life	10 years
Amortization method	straight-line

Note 8 Property, plant and equipment

	Land & buildings	Machinery and Plant	Fittings and fixtures	Total
Cost at 1 January 2023	47 076	4 190	48 156	99 422
Reclassification	-	-	-	-
Additions	-	-	3 149	3 149
Disposals	-2 281	-	-	-2 281
Cost at 31 December 2023	44 795	4 190	51 305	100 290
Acc. depreciation at 1 January 2023	19 961	4 147	39 971	64 078
Reclassification	-	-	-	-
Depreciations current year	1 188	43	2 291	3 522
Disposals current year	-1 429	-	-	-1 429
Accumulated depreciation and impairment at 31 Dec. 2023	19 719	4 190	42 262	66 171
Balance at 31 December 2023	25 076	0	9 043	34 119

Current year amortization charge	1 188	43	2 291	3 522
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Economic life	3-10 years	3-5 years	10-25 years
Depreciation method	straight-line	straight-line	straight-line

Note 9 Investments in subsidiaries

Company	Date of acquisition	Registered office	Voting share	Ownership share
Rapp Marine Mechanical Design doo Kragujevac	2019	Serbia	100 %	100 %

Company	Booked value	Financial year	Equity latest financial statements	Profit/loss latest financial statements
Rapp Marine Mechanical Design doo Kragujevac	-	2023	-346	285

Note 10 Derivative financial instruments

	2023	2022
Currency contracts unrealized gain/loss(-)	33 814	10 124
Currency contracts unrealized gain/loss booked directly in equity	-37 892	-16 434
Total	-4 078	-6 310

	2023	2022
NOK/CNH	-2 031	-36 561
NOK/EUR	-36 067	-46 062
NOK/GBP	-355	185
NOK/PLN	432	444
NOK/SGD	1 971	4 796
NOK/USD	-29 524	-31 930
USD/KRW		

The financial derivative are traded in an active market and their fair value is based on general marked assumptions.

The derivatives are used for hedging purposes. The derivatives are classified as a current asset, since the maturity are less than 12 months.

Note 11 Inventories

	2023	2022
Raw materials	39 423	49 139
Work in progress	163 309	261 124
Finished goods	73 796	70 047
Obsolescence	-51 202	-70 492
Total	225 326	309 818

Note 12 Share capital and shareholder information

The share capital in the company at 31 December 2023 consists of the following classes:

	Number of shares	Nominal amount	Carrying value
A-shares*	275 840	37,50	10 344 000
Total	275 840		10 344 000

* The share capital was increased 20.12.2023 by the General Assembly, but not formally registered in the Company Register before the end of the financial year. Note 13 shows the share capital registered in the company Register at year end.

Ownership structure

Largest shareholders as of 31 December 2023:

	Shares	Total	Ownership share	Voting share
Cargotec Oyj	275 840	275 840	100 %	100 %
Total number of shares	275 840	275 840	100 %	100 %

The parent company Cargotec Oyj has business in Finland where the consolidated group financial statement can be obtained.
The address is Porkkalankatu 5, 00180 Helsinki, Finland.

Note 13 Equity

Paid-in equity	Share capital	Share premium	Unregistered capital increase	Other equity / Uncovered losses	Total Equity
Equity at 31 December 2022	303 424	-	350 000	-678 200	-24 776
<u>This year's change in equity:</u>					
Capital increase 12.12.22, registered 13.01.2023	28	349 972	-350 000	-	-
Reduce share capital 07.03.2023	-303 176	-	-	303 176	-
Capital increase 07.03.2023	9 792	140 208	-	-	150 000
Capital increase 18.09.2023	138	349 862	-	-	350 000
Capital increase 20.12.2023	-	-	200 000	-	200 000
Change in derivative instruments	-	-	-	-34 687	-34 687
Group contribution	-	-	-	41 497	41 497
Transfer from Share premium to Uncovered loss	-	-840 042	-	840 042	-
Profit and loss of the year	-	-	-	-757 217	-757 217
Equity at 31 December 2023	10 206	0	200 000	-285 389	-75 183

In line with The Norwegian Public Limited Liability Companies Act § 3-4 the Board of Directors will take immediate and appropriate action to ensure that equity and liquidity is adequate in terms of the risk and scope of the company's business. There is a commitment from the company's shareholder to inject the required capital to secure adequate equity.
In addition access to Cargotec cash pool secures adequate liquidity.

Note 14 Pension costs, assets and liabilities

The company is required to have an occupational pension plan in accordance with Norwegian legislation on occupational pensions ("lov om obligatorisk tjenestepensjon"). The company's pension plan meet the requirements of this legislation.

The company has pension schemes which cover a total of 54 persons (49 active and 5 retired). All employees participate in a group pension scheme. The schemes give right to defined future benefits. These are mainly dependent on the number of qualifying employments years, salary level at pension age, and the amount of benefits from the Nation Insurance Scheme. The commitment related to the group pension scheme is covered through an insurance company. The additional pension scheme for the executives is financed from the company's operations.

Additionally, the company has an agreed early retirement scheme (AFP). The new AFP-scheme, in force from 1 January 2011, is a defined benefit multi- enterprise scheme, but is recognized in the accounts as a defined contribution scheme until reliable and sufficient information is available for the group to recognize its proportional share of the pension cost, pension liability and pension funds in the scheme. The company's liabilities are therefore not recognized as debt in the balance sheet.

	2023	2022
Present value of current year service cost	1 290	1 249
Net interest cost	417	201
Net pension expenses	1 707	1 450
Pension expenses (defined contribution plan)	30 316	34 547
Net pension costs	32 023	35 997

Financial assumptions (defined benefit plans)	2023	2022
Discount rate	3,70 %	3,20 %
Expected increase in salaries	3,75 %	3,75 %
Expected increase in pensions	3,45 %	4,00 %

Change in Defined Benefit Obligation	2023	2022
Estimated pension commitment 01.01	24 397	24 094
Present value of pension earned this year	1 268	1 226
Interest expense on the pension commitment	749	352
Acquisition (disposal)	-	-
Payroll tax of the employer contribution	-83	-72
Benefit paid	-2 080	-1 587
Remeasurement loss (gain) against equity	-269	384
Net post-employment benefit obligations	23 982	24 397

Change in plan assets	2023	2022
Fair value of assets 01.01	10 211	9 807
Interest income on the pension fund	310	128
Settlement	-	-
Employer contribution incl. Payroll tax	668	584
Payroll tax of employer contribution	-83	-72
Benefit paid	-423	-432
Remeasurement loss (gain) against equity	-291	196
Net post-employment benefit obligations	10 392	10 211

Reconciliation of net amount recognized in balance sheet	2023	2022
Net liability recognized in the balance sheet 01.01	14 185	14 286
Transition of unrecognized net actuarial (gain) to OCI	-	-
Net periodic pension cost	1 707	1 450
Employer contribution and benefit paid	-2 326	-1 739
Remeasurement loss (gain) against equity	22	188
Net post-employment benefit obligations	13 589	14 186
Net recognized pension assets	-	-
Net post-employment benefit obligations	13 589	14 185

Note 15 Income tax expense

Specification of income tax expense:	2023	2022
Changes in deferred tax	9 783	11 203
Effect of group contribution	-11 704	-9 021
Other effects	404	14
Tax on profit/(loss)	-1 517	2 196

Corporation tax payable	2023	2022
Profit/(loss) before taxation*	-758 734	-679 172
Permanent differences	-54 345	-55 457
Sale of business recorded in equity	-	-
Liquidation of subsidiaries tax exempt due to participation exemption	-	-110 442
Basis for the tax expense of the year	-813 079	-845 071
Changes in net temporary differences	516 957	420 175
Group contributions	53 201	41 003
Limitation interests	-	-
Changes in tax losses carried forward	-	-
Basis for corporation tax	-242 920	-383 892

Specification of the tax effect of temporary differences and losses carried forward:

	2023		2022	
	Benefit	Liability	Benefit	Liability
Fixed assets	15 955	-	18 893	-
Goodwill	1 094	-	1 367	-
Work in progress	219 733	-	97 586	-
Obsolescence, inventory	11 264	-	15 508	-
Debtors / receivables	5 687	-	2 573	-
Financial instruments, gain and loss account	-	33 740	-	42 175
Creditors, accruals, provisions	61 913	-	74 293	-
Pension	2 990	-	3 121	-
Shares	104	-	104	-
Tax loss carry forward	436 449	-	383 007	-
Interest deduction carry forward	80 173	-	80 173	-
Total	835 363	33 740	676 624	42 175
Off-balance sheet deferred tax benefits	801 622	-	634 449	-
Net deferred benefit/liability in the balance sheet				

Note 16 Lease liability

Operating lease liability	2023	2022
1 year	30 332	30 998
1-5 years	66 151	70 666
Above 5 years	42 415	51 653
Total other non-current liabilities	138 898	153 316

The large part of the liability consist of the lease of the premises. Of the KNOK 138 898 total future lease payments above, an amount of KNOK 52 766 regards unutilized premises that already has been provided for, as they are included in the restructuring provision (see note 21)

Note 17 Restricted bank deposits and overdraft facilities

Provisions	2023	2022
Bank overdraft	-	-

The company is included in the group cash pool facility to Cargotec Oyj. This means that MacGregor Norway AS`net deposits/overdraft facility is booked as intercompany with Cargotec Oyj. As of 31.12.2023 a net position of MNOK 360,3 is deposited in the cash pool and is included grossed in receivable og liability against group companies in the balance sheet.

MacGregor Norway AS has a bank guarantee facility of MNOK 35 which cover the commitment regarding withholding payroll tax from employees.

	2023	2022
Guarantee liability	194 970	210 408

Guarantee liability consist of bank guarantee of 35 MNOK related to withholding payroll tax, MNOK 12 related to defined benefit plan; the rest is related to projects/ contracts.

Note 18 Guarantee liability

The company has made a provision of KNOK 81 772 (FY2022 KNOK 65 888) for future guarantee liabilities.

Note 19 Claims

The company has as of 31/12/2023 no ongoing legal disputes.

Note 20 Financial risk

The company’s activities expose it to a variety of financial risk; marked risk (including exchange rates, interest rates- and price risk), credit risk and liquidity risk. The company is sensitive to changes in exchange rates, strong cash flow, low interest rate exposure and models loss on accounts receivables. The company has a policy to manage parts of the foreign exchange risk by using hedging instruments.

Interest rate risk

The company has no interest rate hedging agreement (swaps) to protect against variations in profit. All loans have floating rates of interest and are included in the Group’s credit agreement. Capital gains are also affected by interest rate. The capital is invested on a floating rate of interest.

Credit risk

The company has credit risk in connection with accounts receivables from group companies, other related companies and other accounts receivables. Risk that the opponents do not have the economic ability to fulfill their obligations are present, but there have historically been small losses on accounts receivables. Contracts are mainly secured by prepayments and bank guarantees.

Foreign exchange risk

The company’s foreign exchange exposure is high since the revenue and the cost are not in the same foreign currency. The company tries to manage the risk for the cost by using currency hedging instruments. The company’s customer contracts are mainly in Norwegian kroner, US Dollars and Euros. The contracts are hedged against currency contracts so the company has reduced the risk with revenue in foreign currency.

Price risk

Purchase and production abroad are mainly hedged with general agreements, so that delivery stability and prices are agreed upon for longer periods for strategic products and for the products with the biggest volume where this is possible. Some contracts includes mechanism for price changes based on the changes in the raw materials and the labor costs.

There will nevertheless be a risk that the sub suppliers are not able to fulfill the general agreements.

Liquidity risk

The company’s financing is based on internal financing from the Cargotec group’s treasury through a cash pool arrangement and the company is dependant on this for financing. Cargotec group has formally confirmed that they will supply the financing needed for the company to meet all obligations during 2024 and beyond.

Note 21 Restructuring provision

In connection to closing of some of the locations in Norway there has been reductions in the work force and adjustments to the operations and the company has made a deposition for restructuring costs. The main provision is related to the rent of offices that are no longer used. The rest is related to reduction in workforce and additional costs for old projects which are not yet fully restructured

	2023	2022
Restructuring provisions 01.01	163 548	337 460
Transferred from 2 mergers	-	-
Adjusted opening balance 01.01	-	-
Reclassification	-8 858	-215 897
Restructuring provisions used during the year	-72 371	-70 961
New restructuring provisions	26 691	112 946
Restructuring provisions 31.12	109 010	163 548
Where of:		
Provisions related to rent of offices no longer used	52 766	59 464
Provisions related to projects	21 832	14 999
Provisions related to personell redundancies	18 279	42 510
Other restructuring provisions	16 133	46 576

Note 22 Subsequent events

Cargotec’s Board of Directors decision to separate its core businesses Kalmar into a standalone, listed company will take effect on July 1st 2024.

This decision has no effect on the company’s Financial Statement.

On May 28, 2024 Cargotec announced settlement of dispute with a monopile installation vessel customer. The settlement is fully accounted for in the 2023 Financial Statement.

At the same time Cargotec also announced the start of the sales process of MacGregor.

Note 23 Going Concern

In accordance with the Accounting Act § 3-3a we confirm that the Financial Statements are prepared according to current accounting standards and on the assumption of going concern. This assumption is based on income and cash flow forecasts for the coming years and the Group’s long-term strategic forecasts

In the past years, the company has had an intense workload in the execution of customer projects and continues to experience cost overruns and losses in several projects. Considerable effort is given to reassessing the status and future outlook of the project portfolio. The assessment has also in 2023 resulted in additional provisions for future costs which have been included in the financial statements. The company continuously performs sensitivity analysis for the project portfolio both related to risk in cost development, project fulfilment and liquidity forecast (see note 3). The settlement of the monopile installation project with the vessel customer has had a negative effect on 2023 performance, which show a considerable loss and negative equity. There is a commitment from the company’s shareholder to inject the required capita to secure adequate equity (see note 13).

After 2023 the restructuring, process improvements and redefined offering scope are expected to bring substantial improvements to the company’s performance and in the long term the company expects both result and cash flow to be positive over the business cycle. The company has implemented strong actions to improve the projec profitability by establishing a new project approval and bidding process

MacGregor Norway AS

Cash flow statement

		2023	2022
Note	CASH FLOW FROM OPERATIONS:		
	Profit/(loss) before taxation	-758 734	-679 172
7, 8	Depreciation and amortisation	6 525	10 943
	loss on sale of fixed assets and intangibles	852	55 861
	Gain on liquidation of investment in shares	0	-110 442
	Change in inventory	84 492	30 068
	Change in trade receivables	313 261	-104 794
	Change in trade payables	-30 436	49 596
	Changes in inter-company balances	-262 348	64 008
	Other accrual accounting items	-160 596	231 125
21	Change in restructuring provisions	-54 538	-173 912
	Net cash flow from operations	-861 523	-626 717
	CASH FLOW FROM INVESTMENT ACTIVITIES:		
7	Outflows due to purchases of fixed assets	-3 149	-9 041
8	Outflows due to purchases of intangibles	-17 008	-7 002
9	Inflows due to sale of "spare part business"		0
	Inflows due to sale of fixed assets		0
	Inflows due to liquidation of shares		111 081
	Net cash flow from investment activities	-20 156	95 038
	CASH FLOW FROM FINANCING ACTIVITIES:		
	Changes in inter-company cash pool balances	181 679	181 679
	Outflow do to inter-company non-current asset / loans		0
13	Paid-in equity	500 000	350 000
	Contribution in kind	200 000	0
	Net cash flow from financing activities	881 679	531 679
	NON CASH TRANSACTION		
	Merger items	0	0
	Net change in bank deposits, cash and equivalents	0	0
	Bank deposits, cash and equivalents at 1 January	0	0
	Bank deposits, cash and equivalents at 31 December	0	0

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INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Macgregor Norway AS

Opinion

We have audited the financial statements of Macgregor Norway AS (the Company), which comprise the balance sheet as at 31 December 2023, the profit and loss statement and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and the general manager) is responsible for the other information. Our opinion on the financial statements does not cover the other information, 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 the other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 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 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 in accordance with ISAs, we exercise professional judgment 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors 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.

Kristiansand, 15 August 2024
ERNST & YOUNG AS

The auditor's report is signed electronically

Espen Fyllingen
State Authorised Public Accountant (Norway)



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"By my signature I confirm all dates and content in this document."

Fyllingen, Espen

Oppdragsansvarlig partner

On behalf of: Ernst & Young AS

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