CLARKSONS

ANNUAL REPORT 2024

CLARKSONS SECURITIES GROUP

CONTENTS

DIRECTORS REPORT

General information about the business

Clarksons Securities AS («the Company») is engaged in investment banking, sales and trading in financial instruments and research services within the Clarksons' Group core sectors shipping, offshore, metals & minerals, renewables and oil and gas exploration & production (E&P). The Company has its office in Oslo and has a wholly owned subsidiary in New York; Clarksons Securities, Inc along with a wholly owned subsidiary in Calgary; Clarksons Securities (Canada), Inc. The Company and its subsidiaries are together called the Group.

The Company is regulated by the Financial Supervisory Authority of Norway (FSA). Clarksons Securities, Inc. is regulated by the Financial Industry Regulatory Authority (FINRA) and Securities Exchange Commission (SEC) in the USA.

The year 2024

2024 was an active year for the Group with over 45 transactions completed with total transaction value of around USD 3,7 billion. In particular, the Group was active in the offshore sector with multiple debt capital market transactions and the restructuring and refinancing of Constellation Oil Services being a landmark transaction for the Group. In addition, the Group was active with multiple block trades across all sectors.

Result for 2024

Result

Consolidated revenues for the Group for 2024 totalled NOK 413,8 million, an increase of 10% compared to NOK 377,1 million in 2023. Consolidated operating costs totalled NOK 375,7 million compared to NOK 344,2 million in 2023. Operating profit for the year 2024 totalled NOK 38,1 million compared to NOK 33,0 million in 2023. Changes in revenues and result are primarily related to increased activity within investment banking and increase in variable compensation cost.

Total revenues for the Company for 2024 totalled NOK 381,3 million, an increase of 13% compared to NOK 336,8 million in 2023. Operating costs totalled NOK 341,3 million compared to NOK 315,4 million in 2023. Operating profit for the year 2024 totalled NOK 40,1 million compared to NOK 21,4 million in 2023.

Balance sheet

Consolidated equity was NOK 210,0 million as of 31. December 2024, compared to NOK 196,7 million at the end of 2023. Company equity was NOK 196,0 million as of 31. December 2024, compared to NOK 185,9 million at the end of 2023. The Board has proposed a NOK 35 million dividend for 2024. Capital adequacy is robust with 21,8% at Group level and 21,5% at Company level, compared to the minimum requirement of 8%.

Cash flow

Consolidated net cashflow from operations for 2024 was NOK 33,6 million, compared to NOK (14,4) million for 2023. Company net cash flow from operations was NOK 20,9 million for 2024 compared to NOK (53,4) million for 2023. The change is primarily related to changes to accounts payable and accounts receivable.

Consolidated net cash flow from investment activities totalled NOK 25,5 million in 2024, compared to NOK (26,0) million in 2023. Company net cash flow from investment activities was zero in 2024, compared to NOK 117,1 million in 2023. Cash flow from investment activities relate to purchase of fixed assets, realization of investment in government bills and investments and repayment of capital from subsidiary at Company level.

Consolidated net cash flow from financing activities totalled NOK (20,7) million in 2024, compared to NOK (2,3) million in 2023. Company net cash flow from financing activities totalled NOK (12,3) million in 2024, compared to NOK 9,7 million in 2023.

The Groups net cash flow for 2024 totalled NOK 38,4 million, compared to NOK (42,7) million in 2023. The Group held cash and cash equivalents of NOK 344,9 million as of 31 December 2024, compared to NOK 306,5 million per 1 January 2024.

The Company's net cash flow for 2024 totalled NOK 8,7 million, compared to NOK 73,4 million in 2023. The Company held cash and cash equivalents of NOK 209,2 million as of 31 December 2024, compared to NOK 200,5 million per 1 January 2024.

Cash and cash equivalents are all held in bank deposits and short-term government bills, and the Group does not hold any long term interest bearing papers. The Company has a credit facility with DNB Bank ASA of NOK 175 million. The Company view the liquidity situation as solid per end of the year and as of the date of the signing of the Annual Report.

Risks

The Company is exposed to counterparty risk, market risk and operational risk in its normal operations.

Counterparty risk

The Company does not have permission to extend credit to clients and does not offer equity forwards or swaps, or other products with credit elements. Counterparty risk is therefore primarily related to payment for ordinary trading in financial instruments and payment for investment banking assignments, in addition to counterparty risk on the Company's bank deposits. The Company seeks to reduce the counterparty risk through daily reporting on clients in default and routines for recovering outstanding balances and potential forced sale. The majority of the Company's clients are institutions with delivery vs payment (DVP) settlement structure where the risk of default historically has been low. Excess cash is placed with larger Nordic financial institutions and in short term Norwegian and US government bills. The Company has not experienced material losses in relation to counterparty risk over the last few years.

Market risk

Market risk relates to potential losses in positions in financial instruments, currency or movements in interest rates.

The Company has permit to engage in own account trading, and the Company will from time to time hold financial instruments in relation to investment banking transactions and as part of secondary trading activities.

The Company generally hold modest balances in other currencies than Norwegian Kroner (NOK). The Company's main exposure to other currencies than NOK is through its investment in the wholly owned subsidiary Clarksons Securities, Inc. in the USA which is viewed as long term.

Most of the Company's costs are in NOK while a material share of revenues are in USD, and in particular linked to larger investment banking transactions. The Company assesses the need for hedging of currency risk on a case-by-case basis.

Excess cash is either placed with larger Nordic financial institutions or in short term Norwegian or US government bills with floating rate interest. The Company has low exposure to movements in interest rates.

Operational risk

Operational risk represents the Company's risk for financial losses or reputational damage as a result of non-compliance or incomplete routines, system- or human errors, economic crime and fraud, and external events linked to network security. Operational risk also includes financial and liquidity risk, along with regulatory risk. Operational risk represents the Company's primary risk and can in extreme instances result in the loss of regulatory permits and/or negatively impact the Company's ability to continue its operations.

Operational risks are reduced through clearly defined responsibilities and tasks between management and employees, established routines and automated tasks and controls, along with manual controls by someone else than the person initiating a task. The Company's risk- and internal control function, along with the internal audit function, perform periodic controls of critical processes and report directly to the Board.

The Company has engaged KPMG as internal auditor. During 2024 KPMG reviewed the following:

- Annual confirmation of compliance with the remuneration regulation
- Annual assessment of the ICAAP/ILAAP
- Annual review of internal control reports
- Equity Research – general review
- Anti Money Laundering routines – follow up of review from 2023
- Employees personal trading in securities – general review
- Review of general routines

In additional the Company has conducted a review and simplification of its routines in light of a changing regulatory environment and to simplify the accessibility for employees. The routines have also been reviewed by a reputable law firm for quality control.

Internal controls have not uncovered material deficiencies or non-compliance with rules and regulations, and there have not been any material events in relation to operational risk. The Company's IT infrastructure and systems have functioned as expected through the period and the Company work continuously with the Clarksons Group's main office in London to develop and improve IT security and third-party surveillance of systems and information to protect these from cyber-attacks.

The Company's revenues vary through the year and the Company seek to maintain solid liquidity and capital buffers for periods with reduced revenues. Financial risk is further reduced through focus on low fixed costs and adjustments to the organization depending on market conditions. The liquidity position is reported regularly. The Company has through the year had a solid liquidity position.

Organization

As of 31 December 2024 the Group had 77 employees, with 70 in the Company, 5 in New York and 2 in Calgary, compared to 72 employees at 31 December 2023, with 65 in the Company, 5 in New York and 2 in Calgary.

Equal rights and non-discrimination

Of the 70 full time employees in the Company, 11 are women, representing 16% of total employees. The Company has 3 voluntary part time employees, 2 men and 1 woman. In addition the Company had 7 interns during the year, 5 men and 2 women. There were no temporary employees. The Company has no women in its management team but 2 women on the board of directors.

The Group is committed to making full use of the talents and resources of our entire workforce, and to create a working environment free from unlawful discrimination, victimisation, and harassment in which all our community is treated with dignity and respect and a culture where a broad range of backgrounds, skills, experience, and perspectives can thrive. Our aim is to provide a diverse, inclusive and equitable workplace where the most talented people in our industry can thrive and develop. We recognise there are challenges to the pace of change to diversity across the industry and the Group aim to be a force of positive change and development.

The Company is focused on ensuring equal pay for equal work among all employees, and that the opportunities for promotion and development are the same for all, and the Company review this as part of an annual review process. There is no material difference between remuneration to women and men in equal positions.

The Company operate within an international market with tough competition and demanding clients, and acknowledge that at times the pressure on employees can be high, but at the same time the Company encourage employees to utilize flexible working hours and the Company providing employees with home office solutions to help facilitate a better work-life balance. The Company has a non-tolerance policy towards harassment, sexual harassment and violence in the workplace.

Annual report according to the Norwegian Transparency Act has been published on the Company's homepage.

Health, environment and security (HES)

The working environment in the Group is viewed as good and the Board does not view that special initiatives are required. The Company and the other Clarksons companies in Oslo have a common work environment committee (AMU) with representatives from staff and management. The working environment committee address issues related to the work environment, security and general welfare, in addition to participate in the planning of the HES work.

Total sick leave among employees in 2024 was 2,1% compared to 2,3% in 2023. There were no personal injuries or harm to the Company's assets. The Group's activities have limited direct impact on the external environment.

Directors and Officers Insurance

The Group is part of Clarksons' group wide Directors and Officers insurance which cover against claims made against individuals and the legal entity. The insurance cover board members, the CEO and the executive management team, along with others in managerial positions within the Group. The insurance covers costs of defence and potential financial loss.

Shareholder matters

As of 31 December 2024 the Company had 8 215 000 shares outstanding, each with a nominal value of NOK 7,50. The Company is wholly owned by Clarksons Norway AS, which again is wholly owned by Clarkson PLC. Clarkson PLC is listed on London Stock Exchange. The Company has declared a dividend of NOK 35 million for 2024.

During 2024 Birger Nergaard retired from the Board of Directors and Elisabeth Roscher and Brita Knutson were appointed as new Board members. Roscher and Knutson bring extensive experience and complementary skills to the Board and the Company is grateful they have accepted the appointment. We would also like to extend our thanks to Nergaard for his exceptional leadership and dedication as a director on our board for close to 15 years. His wisdom, insight, and remarkable business acumen have been invaluable to our organization.

Outlook for 2025

The start to 2025 has been strong with several large investment banking transactions completed and the Group is positive to the outlook for all its core sectors and has a solid pipeline going into 2025.

Going concern

The board is of the opinion that the annual report gives a fair and representative description of the financial position of the Company and the Group. After year end there has been no material events impacting this. The financial statements are prepared on a going concern basis.

The Board propose the following allocation of the Company's result:

All amounts in NOK 1 000

	2024	**2023**
Declared dividend	35 000	30 000
Transferred to/(from) Other equity	10 138	(4 059)
Total allocation	45 138	25 941

Oslo, 26. March 2025

Jørgen Lund Chairman [signed electronically]	Ragnar Horn [signed electronically]	Brita C Knutson [signed electronically]

Elisabeth Roscher [signed electronically]	Erik Helberg Chief Executive Officer [signed electronically]

FINANCIAL STATEMENTS FOR 2024

All amounts in the financial statements and the notes are in NOK 1 000, unless otherwise stated.

Profit and loss

		Company		Group	
	Note	**2024**	**2023**	**2024**	**2023**
Operating income	2	**381 311**	**336 814**	**413 830**	**377 129**
Personnel expenses	3	241 574	224 787	276 015	252 636
Other operating expenses	4	98 103	88 811	97 976	89 628
Depreciation	5	1 576	1 768	1 696	1 911
Total operating expenses		**341 253**	**315 366**	**375 688**	**344 175**
Operating profit		**40 058**	**21 448**	**38 142**	**32 954**
Financial income and expenses					
Financial income		19 178	12 255	10 884	869
Financial expenses		1 440	2 594	1 566	3 166
Net financial income		**17 739**	**9 661**	**9 318**	**-2 298**
Profit before tax		**57 797**	**31 110**	**47 460**	**30 656**
Tax expense	7	12 659	5 169	13 485	6 227
Net profit for the year		**45 138**	**25 941**	**33 975**	**24 429**
Allocation of the net profit for the year:					
Declared dividend		35 000	30 000	35 000	30 000
Transferred to/(from) Other Equity	8	10 138	(4 059)	(1 025)	(5 571)
Total allocations:		**45 138**	**25 941**	**33 975**	**24 429**

Balance sheet

Assets

		Company		Group	
	Note	31.12.24	31.12.23	31.12.24	31.12.23
Non-current assets					
Intangible assets					
Deferred tax	7	697	3 421	697	3 421
Tangible fixed assets					
Property, plant and equipment	5	3 045	4 620	4 551	4 809
Investments and long-term receivables					
Long term receivable from Group companies	9	56 766	-	-	-
Investments in subsidiaries	17	65 017	111 530	-	-
Investments and long-term receivables		**121 783**	**111 530**	**-**	**-**
Total non-current assets		**125 525**	**119 571**	**5 248**	**8 230**
Current assets					
Receivables					
Receivables from customers	6	32 971	15 771	33 307	16 102
Receivables from securities firms		5 841	81 307	5 841	81 307
Receivables from group companies	9	1 326	752	922	1 239
Other receivables		21 621	17 198	25 532	20 321
Total receivables		**61 759**	**115 028**	**65 602**	**118 969**
Market based financial instruments	10, 15	1 133	1 133	1 133	27 972
Bank deposits	11, 12	209 163	200 480	344 865	306 464
Total current assets		**272 054**	**316 640**	**411 599**	**453 404**
Total assets		**397 580**	**436 211**	**416 848**	**461 634**

Equity and Liabilities

	Note	Company		Group	
		31.12.24	**31.12.23**	**31.12.24**	**31.12.23**
Equity					
Paid in capital					
Share capital		61 613	61 613	61 613	61 613
Share premium		104 735	139 735	104 735	139 735
Other paid-in capital		18 783	18 783	18 783	18 783
Total paid-in capital		**185 130**	**220 130**	**185 130**	**220 130**
Other equity		10 943	(34 195)	24 911	(23 456)
Total equity	8	**196 073**	**185 935**	**210 041**	**196 674**
Liabilities					
Long term liabilities					
Deferred tax		-	-	-	-
Other long-term debt		14 452	9 507	14 771	9 528
Total long-term liabilities		**14 452**	**9 507**	**14 771**	**9 528**
Short term liabilities					
Debt to securities firms		6 620	2 892	6 620	2 892
Debt to customers		24 329	87 864	24 329	87 864
Debt to group companies	9	6 550	3 224	3 898	3 787
Accounts payable		6 083	8 438	6 472	14 317
Tax payable	7	9 936	-	10 051	60
Unpaid public duties and other taxes		3 297	5 148	3 334	5 147
Dividend		35 000	30 000	35 000	30 000
Other short-term debt		95 240	103 202	102 331	111 365
Total current liabilities		**187 055**	**240 769**	**192 036**	**255 432**
Total liabilities		**201 507**	**250 276**	**206 806**	**264 960**
Total equity and liabilities		**397 580**	**436 211**	**416 848**	**461 634**

Oslo, 26. March 2025

Jørgen Lund
Chairman
[signed electronically]

Ragnar Horn
[signed electronically]

Brita C Knutson
[signed electronically]

Elisabeth Roscher
[signed electronically]

Erik Helberg
Chief Executive Officer
[signed electronically]

Cash flow statement

		Company		Group	
	Note	**2024**	**2023**	**2024**	**2023**
Cash flow from operating activities					
Profit before tax		57 797	31 110	48 366	30 656
Tax paid		-	(13 035)	(502)	(13 525)
Depreciation	5	1 576	1 768	1 696	1 911
Changes to receivables and payables		(1 146)	(67 309)	(8 963)	(67 133)
Changes to operational investments	10, 15	-	2 557	-	2 557
Net financial income		(17 739)	(9 661)	(9 318)	2 298
Other changes		(19 544)	1 192	2 315	28 828
Net cash flow from operating activities		**20 945**	**(53 378)**	**33 595**	**(14 417)**
Cash flow from investing activities					
Purchase of fixed assets	5	-	(1 276)	(1 351)	(1 276)
Changes to financial investments		-	-	26 839	(24 682)
Investment in subsidiaries		(58 847)	-	-	-
Repayment of capital from subsidiaries		56 847	118 369	-	-
Net cash flow from investing activities		**-**	**117 093**	**25 488**	**(25 958)**
Cash flow from financing activities					
Dividend paid		(30 000)	-	(30 000)	-
Net financial income		17 739	9 661	9 318	(2 298)
Net cash flow from financing activities		**(12 261)**	**9 661**	**(20 682)**	**(2 298)**
Net change in cash and cash equivalents		**8 683**	**73 377**	**38 401**	**(42 672)**
Cash and cash equivalents at 01.01		200 480	127 103	306 464	349 135
Cash and cash equivalents at 31.12	11, 12	**209 163**	**200 480**	**344 865**	**306 464**

NOTES TO THE ACCOUNTS

All amounts in the financial statements and the notes are in NOK 1 000, unless otherwise stated.

Note 1 – Applied accounting policies and principles

The financial statements are prepared in accordance with the Norwegian Accounting Act, the regulation on the annual accounts of investment firms, and generally accepted accounting principles in Norway.

Foreign currency

Transactions in foreign currency are translated into Norwegian Kroner (NOK) at the transaction date. Assets and liabilities denominated in foreign currency are translated to NOK using the rate at the balance sheet date.

Consolidated accounts

Transactions between group companies are eliminated in the consolidated accounts. The consolidated accounts are prepared based on the same principles as the Company accounts. Assets and liabilities are converted at the currency rate at the balance sheet date. Revenues and costs are converted at average currency rate for the year. Translation differences are included in equity.

Subsidiaries

Shares in subsidiaries are valued in accordance with the cost method in the Company's accounts. Subsidiaries are valued at cost unless there has been write downs. Write down to actual value is required when value reduction is viewed as permanent. Write downs are reversed when the justification for the write down no longer exists.

Silent Partnership

The Company is the main partner in Clarksons Securities Indre Selskap ("the Silent Partnership"). Selected employees are silent partners in the Silent Partnership. The Silent Partnership does not appear externally as a company and the Silent Partnership is consolidated into the Company accounts. Fixed and variable remuneration to Silent Partners are classified as personnel costs in the profit and loss account. Silent partners' capital contribution is classified as long-term debt in the Company account. The FSA had instructed the Company to terminate the Silent Partnership but the Company (along with other Norwegian investment banks) challenged the decision in a lawsuit which was lost in the Oslo District Court but won in the Court of Appeal, and hence the instruction to terminate has been reversed. At the date of the financial statements it is uncertain if the Norwegian State will appeal the decision to the Supreme Court. As such, there is uncertainty related to the continued operations of the Silent Partnership. The Company can terminate the Silent Partnership on short notice without material liabilities or costs.

Classification and assessment of balance sheet items

Current assets and short-term debt include items with less than one year to maturity. Other balance sheet items are classified as fixed assets and long-term debt. Current assets are valued at the lowest of cost and fair value. Short term and long-term debt is valued at nominal value.

Use of estimates

Management has used estimates and assumptions which have impacted the result and the valuation of assets and liabilities in accordance with generally accepted accounting principles.

Fixed assets

Fixed assets are recorded at acquisition cost less accumulated depreciation. Depreciation is calculated on a straight-line basis according to the expected economic life.

Revenue and costs recognition

Revenues primarily relate to various types of commissions and are recorded when the performance obligations are met. Performance obligations are typically met on the trade date for secondary trading, and at set criteria or at the point when there is no material uncertainty related to the completion of a transaction, for investment banking revenues. Costs are recorded in the period they relate to.

Deferred tax and tax expense

Deferred tax is calculated based on temporary differences between accounting and taxable values at the end of the year. Deferred tax asset appear when there are temporary differences which result in future tax benefit. Deferred tax liability appear when there are temporary differences which result in future tax liability. Tax expense/income for the period is the sum of current and deferred tax, along with tax payable and corrections from prior periods. Deferred tax is recognized to the extent it is probable it will be utilized in the future. The Company is subject to "finance tax" in Norway and is subject to 25% tax.

Receivables from customers

Receivables from customers and other receivables are recognized at nominal value, net of deduction for accrual for expected losses. Accrual for losses is prepared based on an individual assessment of the receivables. In addition a general accrual for losses is included to capture historical losses.

Financial instruments

Financial instruments traded on active markets are valued at observable market prices at 31 December. Other financial assets are recognized at the lowest of fair value and cost. The Company do not hold any positions as part of a trading portfolio.

Bank deposits

The Company controls its own bank accounts with the exception of restricted cash in accordance with note 11. Client deposits are in accordance with NGAAP recorded net and not included in the balance sheet in accordance with note 12.

Pension costs

The Company has a defined contribution pension plan where the Company pay fixed contributions with no additional liability. The contribution is based on a fixed percentage of monthly salary and the contributions are expensed as they are incurred. Contributions are recognized as an employee benefit at the time of payment. Any prepaid contributions are treated as an asset until it can be refunded or netted against future payment obligations.

Cash flow statement

The cash flow statement is prepared on the indirect method. Cash and cash equivalent includes cash and bank deposits.

Note 2 – Revenues per investment type

Revenues per investment type	**Company**		**Group**	
	2024	**2023**	**2024**	**2023**
Secondary trading in financial instruments	46 552	68 575	61 453	84 589
Issuance of debt and equity	300 492	193 170	309 476	211 165
Advisory and other related services	31 694	73 089	35 960	78 160
Other revenues	2 573	1 981	6 942	3 215
Total revenues	**381 311**	**336 814**	**413 830**	**377 129**

Note 3 – Personnel costs, employees, pension and regulated compensation

Personnel costs comprise of the following:

	Company		**Group**	
	2024	**2023**	**2024**	**2023**
Fixed and variable compensation, including accrual for variable compensation	218 749	201 353	247 084	226 519
Payroll taxes	10 277	11 393	11 285	12 583
Pension costs	4 455	4 117	5 145	4 831
Other benefits and costs	8 093	7 924	12 502	8 704
Total personnel costs	**241 574**	**224 787**	**276 015**	**252 636**
Number of employees per year end	**70**	**65**	**77**	**72**

Certain employees are silent partners in the Silent Partnership. Compensation to the silent partners are reported as part of fixed and variable compensation.

Defined contribution pension scheme

The Company has a defined contribution pension scheme where the Company contributes 5% of salary up to 7,1G and 8% of salary between 7,1 and 12G. In the case of permanent disability employees have coverage up to approximately 66% of salary, capped at 12G. The scheme satisfies the requirements in the Company Pension Schemes Act.

Compensation to CEO

The CEO received the following compensation:

	2024	**2023**
Fixed and variable compensation	11 746	22 504
Pension	101	86
Other compensation	27	33
Total	**11 875**	**22 623**

Variable compensation includes withheld bonus from prior years and is subject to the Regulated Remuneration Scheme.

Board remuneration and other remuneration

During 2024 the Board was paid the following compensation:

	Board remuneration	**Other benefits**	**Shares owned in the Company**
Jørgen Lund, chairman	200	-	-
Ragnar Horn	100	-	-
Brita C Knutson	-	-	-
Elisabeth Roscher	-	-	-
Total	**300**	**-**	**-**

The Company has not given loans or guarantees to board members.

Regulated remuneration

In accordance with Norwegian Regulation of 9 December 2016 number 1502 for Financial Companies and Financial Groups (*Norw: Forskrift om finansforetak og finanskonsern*) chapter 15 ("Remuneration Regulation"), the Company has a remuneration policy approved by the Board ("Remuneration Policy").

The composition of fixed and variable compensation to management and risk takers in the Company follow the Remuneration Regulation. Remuneration to employees in control functions shall not compromise their independence. The remuneration committee has identified eleven employees as management, risk takers and employees in control functions ("Identified Staff").

Fixed remuneration is set based on individual position, competence and the general salary level for comparable positions. Variable compensation is based on performance and is linked to the performance and compliance of the individual, the department and the Group.

The general meeting of the Company has approved that variable compensation to Identified Staff can be up to two times fixed remuneration. For 2024 Identified Staff has been awarded variable compensation of NOK 50,3 million.

The remuneration committee view that the practice of the regulated remuneration is in line with the Remuneration Policy and satisfy the requirements of the Remuneration Regulation.

Note 4 – Other operating costs

Auditor's fees

	Company		Group	
	2024	**2023**	**2024**	**2023**
Compensation for statutory audit	768	847	1694	1 623
Compensation for attestation services	109	67	109	67
Compensation for tax advise	-	-	-	-
Compensation for other services	-	-	-	-
Total compensation to the auditor	**878**	**914**	**1 803**	**1 690**

Cost includes non-deductible VAT.

Leases

The Company leases offices at Munkedamsveien 62C in Oslo. The current lease agreement extends to March 2027. Remaining non-capitalized rental obligations in accordance with the lease agreement are approximately NOK 14 million.

During 2024 Clarksons Securities, Inc. leased offices at 1230 Avenue of the Americas in New York but the lease was terminated end of 2024 and the company has moved into new offices at 104 West 40th Street, New York start of 2025. The new lease agreement is entered into by a sister company of Clarksons Securities, Inc and Clarksons Securities, Inc pay a portion of the rent through a cost sharing agreement.

Note 5 – Fixed assets

Company

	Art	Software	Fixtures and furniture	IT and IT equipment	Total 2024	Total 2023
Cost 01.01.	38	10 368	7 950	1 561	19 917	18 641
Additions	-	-	-	-	-	1 276
Disposals	-	-	-	-	-	-
Cost 31.12.	**38**	**10 368**	**7 950**	**1 561**	**19 917**	**19 917**
Acc. depreciation 01.01.	-	8 889	4 957	1 450	15 296	13 527
Ordinary depreciation	-	654	855	66	1 576	1 768
Depreciation on sale or other						-
Acc. depreciation 31.12.	**0**	**9 543**	**5 813**	**1 516**	**16 872**	**15 296**
Book value	**38**	**825**	**2 137**	**45**	**3 045**	**4 620**
Useful lives	-	3 – 5 yr	3 – 5 yr	3 yr		

Group

	Art	Software	Fixtures and furniture	IT and IT equipment	Total 2024	Total 2023
Cost 01.01.	38	11 337	9 777	5 993	27 145	25 658
Additions	-	-	1 351	0	1 351	1 276
Disposals	-	(167)	(1 074)	(3 213)	(4 453)	-
Revaluation	-	106	230	355	691	211
Cost 31.12.	**38**	**11 276**	**10 286**	**3 135**	**24 734**	**27 145**
Acc. depreciation 01.01.	-	9 851	6 785	5 699	22 336	20 229
Ordinary depreciation		661	875	160	1 696	1 911
Depreciation on sale or other		(167)	(1 074)	(3 213)	(4 453)	-
Revaluation		105	161	338	604	206
Acc. depreciation 31.12.	**-**	**10 451**	**6 747**	**2 985**	**20 183**	**22 336**
Book value	**38**	**825**	**3 539**	**150**	**4 551**	**4 809**
Useful lives	-	3 – 5 yr	3 – 6 yr	3 yr		

Note 6 – Losses on receivables

Specification of receivables considered as at risk and more than 30 days overdue:

	2024	2023
Receivables at risk and more than 30 days overdue	2 591	3 743
The following bad debt accruals have been made:		
Specified bad debt accruals at 1 January	750	600
- Losses in the period	-	-
+ New accruals	50	150
- Reversal of bad debt accruals	-	-
Total bad debt accruals at 31 December	**800**	**750**
Losses on receivables		
New losses	150	-
Reversal of prior losses	-	-
Losses on receivables	**150**	**-**

Note 7 – Taxes

Tax expense comprise of the following:

	Company		Group	
	2024	**2023**	**2024**	**2023**
Tax payable for this year	9 936	-	10 005	1 059
Prepaid tax for this year	-	-	757	-
Change to deferred tax	2 723	4 842	2 723	4 842
Correction from prior years	-	326	-	326
Tax expense	**12 659**	**5 168**	**13 485**	**6 227**

Basis for calculation of deferred tax:

	Company		Group	
	2024	**2023**	**2024**	**2023**
Fixed assets	(989)	270	(1 085)	297
Receivables	(800)	(750)	(800)	(955)
Other temporary differences	(1 000)	(11 024)	(1 851)	(9 119)
Tax loss carry forward	-	(2 178)	(162 090)	(145 875)
Total temporary differences	**(2 789)**	**(13 682)**	**(165 826)**	**(155 651)**
Deferred tax (benefit)	(697)	(3 421)	(49 827)	(47 257)
Deferred tax benefit not recognized	-	-	49 130	43 837
Deferred tax on the balance sheet	**(697)**	**(3 421)**	**(697)**	**(3 421)**

Reconciliation between result before tax and taxable result:

	Company		Group	
	2024	**2023**	**2024**	**2023**
Result before tax per income statement	57 797	31 110	47 460	30 656
Non-deductible entertainment costs	3 622	3 836	4 135	4 205
Non-deductible gifts and other	-	30	-	30
Other non-deductible costs and non-taxable revenues	(9 877)	(15 189)	(9 479)	(16 224)
Change in temporary differences	(8 715)	(21 548)	(8 715)	(21 458)
Other differences	(905)	(417)	(1 400)	(417)
Taxable result before utilization of tax losses	**41 922**	**(2 178)**	**32 001**	**(3 208)**
Utilization of tax losses	(2 178)	-	(2 178)	**-**
Taxable result	**39 744**	**(2 178)**	**29 823**	**(3 208)**
Tax payable				
Tax rate	25%	25%		
Tax payable	9 936	-		

Specification of deviating tax rate

	Company		Group	
	2024	**2023**	**2024**	**2023**
25 % tax on profit before tax	14 449	7 777	12 092	7 664
Foreign subsidiary with tax rate other than 25%	-	-	825	1 080
Permanent differences	(1 564)	(2 831)	794	(2 739)
Correction from prior years	(226)	222	(226)	222
Tax expense	**12 659**	**5 169**	**13 485**	**6 227**
Effective tax rate	21,9%	16,6%	27,9%	20,3%

Note 8 – Equity

Company

	Share capital	Share premium	Other share premium	Other equity	Total equity
Equity per 01.01.	61 613	139 735	18 783	(34 195)	185 935
Profit for the year	-	-	-	45 138	45 138
Declared dividend	-	(35 000)	-	-	(35 000)
Other changes	-	-	-	-	-
Equity per 31.12.	**61 613**	**104 735**	**18 783**	**10 943**	**196 073**

Group

	Share capital	Share premium	Other share premium	Other equity	Total equity
Equity per 01.01.	61 613	139 735	18 783	(23 465)	196 674
Profit for the year	-	-	-	33 975	33 975
Declared dividend	-	(35 000)	-	-	(35 000)
Translation differences	-	-	-	14 401	14 401
Equity per 31.12.	**61 613**	**104 735**	**18 783**	**24 911**	**210 041**

As of 31. December 2024 the Company had 8 215 000 shares outstanding, each with a nominal value of NOK 7,50. The Company is 100 % owned by Clarksons Norway AS. Clarkson PLC is the ultimate parent company and the Company with its subsidiaries are consolidated in the accounts of Clarkson PLC.

	Company		Group	
	2024	**2023**	**2024**	**2023**
Net income as % of the balance sheet	11%	6%	8%	5%

Note 9 – Balances with group companies

	Company		Group	
	2024	**2023**	**2024**	**2023**
Receivables				
Clarksons Securities, Inc	57 791	253	-	-
Clarksons Securities (Canada), Inc	1	-	-	-
Clarksons Norway AS	43	-	43	-
Clarksons Platou Futures Ltd	192	499	192	499
Clarksons Project Finance AS	42	-	42	-
Clarksons Project Finance Shipping AS	22	-	22	-
Clarksons Business Management AS	2	-	2	-
H Clarkson & Company Ltd	-	-	331	444
Clarksons Shipping Services USA LLC	-	-	291	296
Total intercompany receivables	**58 093**	**752**	**922**	**1 239**
Liabilities				
Clarksons Securities, Inc	5 416	238	-	-
Clarksons Securities (Canada), Inc	148	122	-	-
Clarksons Norway AS	16	1 468	16	1 468
H Clarkson & Company Ltd	232	-	299	66
Clarkson PLC	-	839	-	993
Clarksons Deutschland GmbH	630	540	630	540
Clarksons Platou Futures Limited	109	-	109	
Clarksons Shipping Services USA LLC	-	-	2 845	703
Clarksons Project Development AS	-	16		16
Total intercompany liabilities	**6 551**	**3 224**	**3 898**	**3 787**

During 2024 the Company has issued a USD 5 million subordinated loan to the subsidiary Clarksons Securities, Inc. The subordinated loan counts as regulatory capital in Clarksons Securities, Inc and has a three year maturity and an one year auto renewal unless repaid one year prior to the maturity date.

Note 10 – Financial instruments

	Fair value		Cost	
	2024	**2023**	**2024**	**2023**
Market based shares	1 133	1 133	1 133	1 133
Market based fixed income instruments	-	-	-	-
Total market based financial instruments	**1 133**	**1 133**	**1 133**	**1 133**

Positions in currency (in NOK)	**in NOK**	**in USD**	**Total**
Market based shares	1 133	-	1 113
Market based fixed income instruments	-	-	-
Total	**1 113**	**-**	**1 113**

Note 11 – Bank deposits

The Group has the following restricted bank deposits at 31 December:

	2024	**2023**
Tax withholding	1 530	1 581
Margin accounts	6 710	6 587
Total restricted bank deposits in the Company	**8 240**	**8 167**
Restricted bank deposits in subsidiaries	1 135	1 015
Total restricted bank deposits in the Group	**9 376**	**9 183**

The Company has a credit facility for daily operations of NOK 175 million with DNB Bank ASA which was unused at 31 December (see also note 14 below). The credit facility includes multiple covenants, including that equity cannot be lower than NOK 100 million. Restricted cash with subsidiaries are related to security deposits with the settlement agent.

Note 12 – Client funds

	2024	**2023**
Deposits on clients' accounts	8 669	4 281
Liabilities to clients	(7 962)	(3 745)
Surplus (reported as bank deposits of the Company)	707	536

Deposits on clients' accounts and liabilities to clients are netted and not included in the Company's balance sheet. Cash balances in excess of liabilities to clients are reported as cash in the balance sheet. The subsidiaries have no client funds.

Note 13 – Capital adequacy

	Company		Group	
Regulatory capital	**2024**	**2023**	**2024**	**2023**
Reported equity	196 073	185 935	210 041	196 674
Deductions to equity	(1)	(1)	(1)	(1)
Core capital	196 072	185 934	210 040	196 673
Supplementary capital	-	-	-	-
Total regulatory capital	**196 072**	**185 934**	**210 040**	**196 673**

	Company		Group	
Basis for capital requirement	**2024**	**2023**	**2024**	**2023**
Credit and counterparty risk	193 818	191 352	104 627	104 937
Settlement risk	-	-	-	-
Position risk	-	-	-	-
Currency risk	75 753	9 778	160 387	146 453
Operational risk	641 007	603 911	696 268	669 133
CVA risks	-	-	-	-
Basis for capital requirement	**910 578**	**805 041**	**961 282**	**920 523**
Capital adequacy in %	21,5%	23,1%	21,8%	21,4%

	Company		Group	
Basis for operational risk (basic method)	**2024**	**2023**	**2024**	**2023**
Revenues 2024 (including net financial)	399 050		423 148	
Revenues 2023 (including net financial)	346 475	346 475	374 832	374 832
Revenues 2022 (including net financial)	280 086	280 086	316 050	316 050
Revenues 2021 (including net financial)		339 697		379 732
Average last 3 years	**341 871**	**322 086**	**371 343**	**356 871**

Minimum capital adequacy is 8%. Operational risk is calculated on the basic method. The Company performs an internal assessment of the Company's and the Group's capital requirement (Pilar II) considering various risk factors. The assessment concludes that the basic method for calculating the operational risk is satisfactory for capturing the Company's and Group's operational risk.

Note 14 – Pledged assets and guarantees

DNB Bank ASA provide the following guarantee and credit facility:

	Currency	Sum
Credit facility for daily operations	NOK	175 000
Liquidity guarantee for securities settlement Bank of Norway	NOK	40 000

Receivables from customers, bank deposits, VPS accounts and fixed assets are pledged as security for the above guarantee and credit facility. The liquidity guarantee can be terminated with 4 days' notice and changed with zero day notice. The Company is a member of the Norwegian Investor Compensation Scheme (*Norw: Verdipapirforetakenes Sikringsfond*)

Note 15 – Financial market risk and financial derivatives

The Company has license to trade on own account and will from time to time hold financial instruments in connection with primary and secondary trading activities, which may result in a financial loss.

Note 16 – Liquidity risk

Remaining maturity of the Company's current assets and liabilities:

	Current assets		Liabilities	
	2024	**2023**	**2024**	**2023**
Maturity within 1 month	49 377	103 790	46 534	107 696
1 to 3 months	11 025	9 987	90 639	99 598
3 months until 1 year	1 357	1 250	49 265	33 475
1 to 5 years	56 766	-	4 904	2 125
More than 5 Years	-	-	10 165	7 382
Total	**118 525**	**115 028**	**201 507**	**220 276**

Remaining maturity of the Group's current assets and liabilities:

	Current assets		Liabilities	
	2024	**2023**	**2024**	**2023**
Maturity within 1 month	51 171	104 608	45 171	115 199
1 to 3 months	12 847	12 908	96 868	106 706
3 months until 1 year	1 584	1 453	49 380	33 535
1 to 5 years	-	-	5 222	2 146
More than 5 Years	-	-	10 165	7 382
Total	**65 602**	**118 969**	**206 806**	**264 968**

Note 17 – Holdings in subsidiaries and country-by-country reporting

Shares in subsidiaries are valued at cost in the Company accounts.

Company name	Invested capital	Recorded value	Equity in company	Result 2024	Ownership
Clarksons Securities, Inc.	158 526	64 385	76 445	(2 026)	100 %
Clarksons Securities (Canada), Inc.	632	632	1 587	292	100 %

During 2024 Clarksons Securities, Inc paid back USD 5m of capital to the Company and at the same time issued a USD 5 million subordinated loan to the Company. The subordinated loan counts as regulatory capital in Clarksons Securities, Inc and has a three year maturity and an one year auto renewal unless repaid one year prior to the maturity date.

Shares in subsidiaries are valued at cost in the Company accounts unless write downs have been required. Clarksons Securities, Inc. had its offices at 1230 Avenue of the Americas, Suite 1603, New York, NY 10020 during 2024 but have in 2025 moved into new offices at 104 West 40th Street, New York, NY 10020.

Country by country reporting:

Company	Clarksons Securities AS	Clarksons Securities, Inc	Clarksons Securities (Canada), Inc
Operations	Investment banking	Investment banking	Sales/introductions
Geographic reach	Global	North America	Canada
Revenues 2024	381 311	43 145	8 619
Full time employees	70	5	2
Result before tax	57 797	(1 302)	393
Tax expense	12 659	724	102
Government grants	-	-	-

Note 18 – Related party transactions

Revenues

The Company and its wholly owned subsidiary Clarksons Securities, Inc have during the year split revenues on secondary trading and investment banking transactions. The Company will also from time-to-time cooperate with other companies within the Clarksons Group and will in such instances share revenues with other group companies.

Shared services and cost sharing

Companies within the Group and the larger Clarksons group share various services (including but not limited to IT, administration, insurance, etc.) Services provided internally are typically provided at cost plus a margin. Services provided by external parties without any internal work are split based on various allocation keys.

Subordinated loan

At 31 December 2024 Clarksons Securities, Inc has issued a USD 5 million subordinated loan to the Company. The subordinated loan counts as regulatory capital in Clarksons Securities, Inc and has a three year maturity and an one year auto renewal unless repaid one year prior to the maturity date. Clarksons Securities, Inc pay interest on the loan.

Note 19 – Subsequent events

There are no material subsequent events.

AUDITOR'S REPORT FOR 2024

To the General Meeting of Clarksons Securities AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Clarksons Securities AS, which comprise:

- the financial statements of the parent company Clarksons Securities AS (the Company), which comprise balance sheet as at 31 December 2024, profit and loss, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Clarksons Securities AS and its subsidiaries (the Group), which comprise balance sheet as at 31 December 2024, profit and loss, and cash flow statement 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 statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its 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 and the Group as required by 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

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: https://revisorforeningen.no/revisjonsberetninger

Oslo, 26 March 2025
PricewaterhouseCoopers AS

Lars Kristian Jørgensen
State Authorised Public Accountant
(This document is signed electronically)