
Forsea Øresund A/S

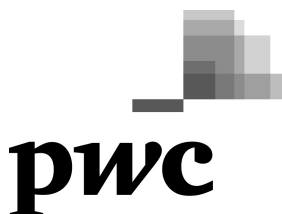
Færgevej 8, DK-3000 Helsingør

Annual Report for 1 January - 31 December 2020

CVR No 19 75 22 83

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/05 2021

Jens Ole Gravlund Hansen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Forsea Øresund A/S for the financial year 1 January - 31 December 2020.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

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

Helsingør, 20 May 2021

Executive Board

Jens Ole Gravlund Hansen

Board of Directors

Kristian Durhuus
Chairman

Peter Kesting

Martin Alexis Johnson

Åsa Maria Linde Tornée

Jens Høgh Larsen
Staff Representative

Benny Pedersen
Staff Representative

Independent Auditor's Report

To the Shareholders of Forsea Øresund A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Forsea Øresund A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

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

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

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

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

Hellerup, 20 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

René Otto Poulsen

statsautoriseret revisor

mne26718

Company Information

The Company

Forsea Øresund A/S
Færgevej 8
DK-3000 Helsingør

Telephone: + 45 +46 42 26 01 55

Website: www.forsea.com

CVR No: 19 75 22 83

Financial period: 1 January - 31 December

Municipality of reg. office: Helsingør

Board of Directors

Kristian Durhuus, Chairman
Peter Kesting
Martin Alexis Johnson
Åsa Maria Linde Tornée
Jens Høgh Larsen
Benny Pedersen

Executive Board

Jens Ole Gravlund Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

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

	2020 TDKK	2019 TDKK	2018 TDKK	2017 TDKK	2016 TDKK
Key figures					
Profit/loss					
Gross profit/loss	35.780	60.796	58.995	68.386	65.904
Operating profit/loss	18.729	27.129	28.073	26.363	22.833
Profit/loss before financial income and expenses	21.605	27.129	28.073	26.363	22.833
Net financials	3.243	1.145	-984	10	24
Net profit/loss for the year	24.792	27.720	26.127	26.392	22.789
Balance sheet					
Balance sheet total	111.045	112.928	107.577	83.727	58.947
Equity	96.948	97.156	84.436	73.310	46.918
Investment in property, plant and equipment	5.327	1.461	15.669	2.365	10.679
Number of employees	30	63	73	92	87
Ratios					
Return on assets	19,5%	24,0%	26,1%	31,5%	38,7%
Solvency ratio	87,3%	86,0%	78,5%	87,6%	79,6%
Return on equity	25,5%	30,5%	33,1%	43,9%	49,5%

Management's Review

Key activities

The company's key activities consist of time charter of the Vessels Mercandia IV and Mercandia VIII on the route Helsingør - Helsingborg.

Development in the year

The income statement of the Company for 2020 shows a profit of TDKK 24,792, and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 96,948.

The past year and follow-up on development expectations from last year

The result and activity for the year are in line with management's expectations for 2020. There have been no activity in the company in addition to the main activity described above.

Operating risks

The company's operations depend highly on reliability in the fleet. Damage to the vessels due to accidents or mechanical problems can be costly. The company therefore invests considerable resources in keeping the vessels in very good condition. To minimize costs caused by this type of problem, comprehensive marine insurances are in place.

Targets and expectations for the year ahead

The company will continue its primary activities. Management expect the same level of activities in 2021 as in 2020, and expect the Company's revenue as well as net profit for 2021 at the same level as in 2020.

External environment

The business's impact on the external environment and the strategy and preventive actions to minimize this are presented in the sustainability report (https://www.forseafferries.com/globalassets/blocks/arsredovisning/hallbarhet/forsea_sustainability_report_2020.pdf).

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 have not been affected by any unusual events.

Income Statement 1 January - 31 December

	Note	2020 TDKK	2019 TDKK
Gross profit/loss		35.780	60.796
Staff expenses	1	-11.792	-28.881
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2.383	-4.786
Profit/loss before financial income and expenses		21.605	27.129
Financial income	2	3.486	1.257
Financial expenses	3	-243	-112
Profit/loss before tax		24.848	28.274
Tax on profit/loss for the year	4	-56	-554
Net profit/loss for the year		24.792	27.720

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	25.000
Retained earnings	24.792	2.720
	24.792	27.720

Balance Sheet 31 December

Assets

	Note	2020 TDKK	2019 TDKK
Ships		18.709	18.891
Property, plant and equipment in progress		3.575	448
Property, plant and equipment	5	22.284	19.339
Fixed assets		22.284	19.339
Trade receivables		2	2
Receivables from group enterprises		84.014	80.649
Other receivables		284	43
Prepayments		490	482
Receivables		84.790	81.176
Cash at bank and in hand		3.971	12.413
Currents assets		88.761	93.589
Assets		111.045	112.928

Balance Sheet 31 December

Liabilities and equity

	Note	2020 TDKK	2019 TDKK
Share capital		1.000	1.000
Retained earnings		95.948	71.156
Proposed dividend for the year		0	25.000
Equity		96.948	97.156
Other payables		410	654
Long-term debt	6	410	654
Trade payables		769	714
Payables to group enterprises		357	400
Corporation tax		56	554
Other payables	6	12.505	13.450
Short-term debt		13.687	15.118
Debt		14.097	15.772
Liabilities and equity		111.045	112.928
Contingent assets, liabilities and other financial obligations	7		
Related parties	8		
Accounting Policies	9		

Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Proposed dividend for the year TDKK	Total TDKK
2020				
Equity at 1 January	1.000	71.156	25.000	97.156
Ordinary dividend paid	0	0	-25.000	-25.000
Net profit/loss for the year	0	24.792	0	24.792
Equity at 31 December	1.000	95.948	0	96.948
2019				
Equity 1. januar	1.000	68.436	15.000	84.436
Ordinary dividend paid	0	0	-15.000	-15.000
Net profit/loss for the year	0	2.720	25.000	27.720
Equity at 31 December	1.000	71.156	25.000	97.156

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
1 Staff expenses		
Wages and salaries	9.488	24.713
Pensions	1.665	3.024
Other social security expenses	364	687
Other staff expenses	275	457
	11.792	28.881
Average number of employees	30	63
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial income		
Interest received from group enterprises	212	180
Exchange gains	3.274	1.077
	3.486	1.257
3 Financial expenses		
Other financial expenses	51	112
Exchange loss	192	0
	243	112
4 Tax on profit/loss for the year		
Current tax for the year	56	554
	56	554

Notes to the Financial Statements

5 Property, plant and equipment

	Ships TDKK	Property, plant and equipment in progress TDKK	Total TDKK
Cost at 1 January	163.338	448	163.786
Additions for the year	54	5.274	5.328
Transfers for the year	2.147	-2.147	0
Cost at 31 December	165.539	3.575	169.114
Impairment losses and depreciation at 1 January	144.447	0	144.447
Depreciation for the year	2.383	0	2.383
Impairment losses and depreciation at 31 December	146.830	0	146.830
Carrying amount at 31 December	18.709	3.575	22.284
Depreciated over	2-20 years		

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020 TDKK	2019 TDKK
Other payables		
Between 1 and 5 years	410	654
Long-term part	410	654
Other short-term payables	12.505	13.450
	12.915	14.104

Notes to the Financial Statements

	2020 TDKK	2019 TDKK
7 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Vessels	18.709	18.891

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

A negative pledge of TDKK 52.883 is issued on the vessels.

8 Related parties

ForSea Øresund A/S immediate parent undertaking is ForSea AB. First State European Diversified Infrastructure Fund FCP-SIF, an investment fund managed by First State Investments Fund Management S.à r.l., is considered the ultimate parent undertaking.

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

ForSea AB
Bredgatan 5
Helsingborg
Sweden

Consolidated Financial Statements

Notes to the Financial Statements

8 Related parties (continued)

The company is included in the consolidated report for the parent company

Name	Place of registered office
FS Infrastructure S.à r.l.	43, Avenue J.F. Kennedy, Luxembourg, Luxembourg
ForSea AB	Helsingborg, Sweden

The Group Annual Report of FS Infrastructure S.à r.l. may be obtained at the following address:

43, Avenue J.F. Kennedy
Luxembourg, L-1855
Luxembourg

The Group Annual Report of Forsea AB may be obtained at the following address:

Bredgatan 5
Helsingborg
Sweden

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Forsea Øresund A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of ForSea AB, the Company has not prepared a cash flow statement.

Recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Other operating income consists of government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant. The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

9 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Notes to the Financial Statements

9 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$