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# *Øresundslinjen Helsingør ApS*

Færgevej 8, DK-3000 Helsingør

## Annual Report for 2023

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CVR No. 33 26 00 40

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 31/5 2024

Jens Ole Gravlund  
Hansen  
Chairman of the  
general meeting



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# Management's statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Øresundslinjen Helsingør ApS for the financial year 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Helsingør, 31 May 2024

## Executive Board

Jens Ole Gravlund Hansen

## Board of Directors

Kristian Durhuus  
Chairman

Catharina Helena Cecilia Althini

Søren Dag Sturm  
Employee representative

Jesper Skarby Mikkelsen  
Employee representative

# Independent Auditor's report

To the shareholder of Øresundslinjen Helsingør ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Øresundslinjen Helsingør ApS for the financial year 1 January - 31 December 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

## Management's responsibilities for the Financial Statements

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

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

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

Hellerup, 31 May 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

René Otto Poulsen  
State Authorised Public Accountant  
mne26718

Thomas Greve  
State Authorised Public Accountant  
mne49834

## Company information

<b>The Company</b>	<p>Øresundslinjen Helsingør ApS Færgevej 8 DK-3000 Helsingør</p> <p>Telephone: + 45 3315 1515 Email: Info@forsea.com Website: www.oresundslinjen.dk</p> <p>CVR No: 33 26 00 40 Financial period: 1 January - 31 December Municipality of reg. office: Helsingør</p>
<b>Board of Directors</b>	<p>Kristian Durhuus, chairman Catharina Helena Cecilia Althini Søren Dag Sturm, employee representative Jesper Skarby Mikkelsen, employee representative</p>
<b>Executive Board</b>	<p>Jens Ole Gravlund Hansen</p>
<b>Auditors</b>	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup</p>

# Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	500	485	380	329	489
Gross profit	279	296	194	178	229
Profit/loss of ordinary primary operations	111	118	44	27	86
Profit/loss of primary operations	114	142	63	49	89
Profit/loss of financial income and expenses	2	-31	-9	3	-6
Net profit/loss for the year	110	106	51	48	75
<b>Balance sheet</b>					
Balance sheet total	735	742	668	740	716
Investment in property, plant and equipment	77	4	29	8	26
Equity	647	637	488	485	512
Number of employees	268	270	199	220	240
<b>Ratios</b>					
Gross margin	55.8%	61.0%	51.1%	54.1%	46.8%
Profit margin	22.8%	29.3%	16.6%	14.9%	18.2%
Return on assets	15.5%	19.1%	9.4%	6.6%	12.4%
Solvency ratio	88.0%	85.8%	73.1%	65.5%	71.5%
Return on equity	17.1%	18.8%	10.5%	9.6%	15.6%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

# Management's review

## Key activities

The company's activities are to operate Ro-Ro ferries on the route Helsingør – Helsingborg in cooperation with other Group Companies in Sweden, owned by the parent company Öresundslinjen AB in Helsingborg. The ferry route is an important part of the Regional and European infrastructure for transportation of goods and people for business and pleasure.

26 January 2023 were all shares in Öresundslinjen AB (former Forsea AB) acquired by EQT Infrastructure V Fund, through the company Seabridge Bidco AB (org no. 559394-3524) which is part of Nordic Ferry Infrastructure Holding AS together with the sister companies Molslinjen A/S in Denmark and Torghatten AS in Norway. An integration project with Molslinjen has been initiated where a new joint management function has been presented with Kristian Durhuus as CEO for Molslinjen A/S and Öresundslinjen AB.

## Development in the year

The income statement of the Company for 2023 shows a profit of TDKK 110,458, and at 31 December 2023 the balance sheet of the Company shows a positive equity of TDKK 647,476.

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

During 2023 appr. 6.2 mill. passengers, 1.0 mill. passenger cars and 9.200 buses traveled the route. Compared to 2022 this is an increase of 1% in numbers of passengers and a decrease of -1% in number of cars. The number of lorries transported decreased during 2023 by -10% adding up to appr. 410.000 units. The increase in earnings from 2022 to 2023 is satisfactory and in line with the management's expectations.

## Operating risks

### *Risk and uncertainty in the company's operations*

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.

Sailing reliability of 99,6% was maintained in 2023.

### **Risk and uncertainty in the industry**

The company's main customers are in the transport sector. The demand for transport depends on the business cycle, the underlying demand for companies' products and competition from other alternatives.

Passenger traffic is sensitive to business cycles and the outside world, but also subject to competition from other travel alternatives.

## Market risks

The external factors that have the greatest impact on the company are issues concerning the regulation of trade and import regulations in the EU and other countries in northern Europe and the development of energy prices.

Management evaluates that no particular risks are related to recognition and measurement in connection with the presentation of the annual report.



# Management's review

## Targets and expectations for the year ahead

According to the financial statement for 2022 management expected that the result for 2023 would be in the range of DKK 90 - 100 million and that the revenue would be in the range of DKK 520 - 540 million. Increase in net profit from expectations is due to favorable net financials compared to 2022 and decrease in revenues from expectations is due to low volumes in the freight and car segments.

The company will continue its primary activities and expect higher travel volumes in 2024, thus a revenue in the range of DKK 540-560 million and a net result in the range of DKK 110-120 million is expected for 2024.

## External environment

### Statement of corporate social responsibility

The statutory statement is available on the parent Öresundslinjen AB's website cf.

[https://www.oresundslinjen.dk/media/1070185/oresundslinjen\\_sustainability-report\\_2023.pdf](https://www.oresundslinjen.dk/media/1070185/oresundslinjen_sustainability-report_2023.pdf)

### Statement on gender composition

	<u>2023</u>
<b>Top management</b>	
Total number of members	2
Underrepresented gender %	50%
<b>Other management levels</b>	
Total number of members	10
Underrepresented gender %	20%
Target figure %	25%
Year for meeting target	2024

As of Year End the Company have equal gender representation in top management.

At Öresundslinjen, we believe a diverse composition of our organization is required to continue growing successfully. We want to be an openminded and inclusive organization and our ever-growing diverse employee base brings about richer perspectives which results in better-informed decisions, both among employees and at management level.

We support diversity and inclusion, and we always hire the most suitable and competent person for any job. Our talent acquisition process is designed to ensure male and female equal opportunities and we encourage everyone to apply regardless of gender, culture, religion, age etc. This also applies to the election of members in senior management.

We believe that a gender-balanced flow of talents is key to deliver on our ambitions and just as well as diversity is a natural part of any hiring, it will also be a part of reviewing performance and potential from 2023. It has also been anchored in the hiring process for candidates in other management levels in 2023.

### Statement on data ethics

The statutory statement is available on the Company's website cf. <https://www.oresundslinjen.dk/om-os/persondatapolitik>

# Management's review

## Uncertainty relating to recognition and measurement

There has been no uncertainty regarding recognition and measurement in the Annual Report.

## Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities of the Company for the financial year for 2023 have not been affected by any unusual events.

## Subsequent events

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

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	2	500,351	484,681
Other operating income	3	3,012	24,097
Other external expenses		-224,160	-212,502
<b>Gross profit</b>		<b>279,203</b>	<b>296,276</b>
Staff expenses	4	-122,112	-117,939
Depreciation and impairment losses of property, plant and equipment	5	-38,994	-36,639
Other operating expenses		-4,478	0
<b>Profit/loss before financial income and expenses</b>		<b>113,619</b>	<b>141,698</b>
Income from investments in participating interests		0	126
Financial income	6	2,766	491
Financial expenses	7	-529	-31,406
<b>Profit/loss before tax</b>		<b>115,856</b>	<b>110,909</b>
Tax on profit/loss for the year	8	-5,398	-4,683
<b>Net profit/loss for the year</b>	9	<b>110,458</b>	<b>106,226</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Acquired licenses		3,251	8,332
<b>Intangible assets</b>	10	<b>3,251</b>	<b>8,332</b>
Land and buildings		37,738	40,074
Other fixtures and fittings, tools and equipment		129,347	125,009
Vessels		172,039	147,213
Property, plant and equipment in progress		13,358	11,032
<b>Property, plant and equipment</b>	11	<b>352,482</b>	<b>323,328</b>
Investments in subsidiaries	12	0	0
<b>Fixed asset investments</b>		<b>0</b>	<b>0</b>
<b>Fixed assets</b>		<b>355,733</b>	<b>331,660</b>
<b>Inventories</b>	13	<b>606</b>	<b>786</b>
Trade receivables		33,220	22,510
Receivables from group enterprises		292,568	352,013
Other receivables		84	129
Prepayments	14	2,662	1,900
<b>Receivables</b>		<b>328,534</b>	<b>376,552</b>
<b>Cash at bank and in hand</b>		<b>50,570</b>	<b>32,604</b>
<b>Current assets</b>		<b>379,710</b>	<b>409,942</b>
<b>Assets</b>		<b>735,443</b>	<b>741,602</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		40,100	40,100
Retained earnings		497,376	496,918
Proposed dividend for the year		110,000	100,000
<b>Equity</b>		<b>647,476</b>	<b>637,018</b>
Trade payables		24,481	49,292
Payables to group enterprises		4,790	2,229
Corporation tax		9,991	6,028
Other payables		15,004	11,148
Deferred income	15	33,701	35,887
<b>Short-term debt</b>		<b>87,967</b>	<b>104,584</b>
<b>Debt</b>		<b>87,967</b>	<b>104,584</b>
<b>Liabilities and equity</b>		<b>735,443</b>	<b>741,602</b>
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Fee to auditors appointed at the general meeting	18		
Accounting Policies	19		

## Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	40,100	496,918	100,000	637,018
Ordinary dividend paid	0	0	-100,000	-100,000
Net profit/loss for the year	0	458	110,000	110,458
<b>Equity at 31 December</b>	<b>40,100</b>	<b>497,376</b>	<b>110,000</b>	<b>647,476</b>

The share capital consists of 40,100 shares of a nominal value of TDKK 1,000. No shares carry any special rights.

# Notes to the Financial Statements

## 1. Subsequent events

No significant subsequent events have occurred.

## 2. Revenue

### Geographical segments

Revenue, Denmark

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	500,351	484,681
	<u>500,351</u>	<u>484,681</u>

### Business segments

Ferry transport

Shops and catering on board

	357,770	341,184
	142,581	143,497
	<u>500,351</u>	<u>484,681</u>

The activity is solely related to the ferry activities till and from Helsingør in Denmark

## 3. Other operating income

Rental income

Other income

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
	1,364	1,173
	1,648	22,924
	<u>3,012</u>	<u>24,097</u>

Other income last year relates to gain from cancellation of a group internal lease arrangement in connection with the merger as at 1 January 2022.

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>4. Staff Expenses</b>		
Wages and salaries	103,906	101,014
Pensions	12,499	11,837
Other social security expenses	2,883	2,093
Other staff expenses	2,824	2,995
	<u>122,112</u>	<u>117,939</u>
<b>Including remuneration to the Executive Board and Board of Directors</b>	<u>3,426,386</u>	<u>3,176,282</u>
<b>Average number of employees</b>	<u>292</u>	<u>270</u>
	2023	2022
	TDKK	TDKK
<b>5. Depreciation and impairment losses of property, plant and equipment</b>		
Depreciation of property, plant and equipment	38,994	36,639
	<u>38,994</u>	<u>36,639</u>
	2023	2022
	TDKK	TDKK
<b>6. Financial income</b>		
Interest received from group enterprises	638	276
Other financial income	1,519	127
Exchange adjustments	609	88
	<u>2,766</u>	<u>491</u>
	2023	2022
	TDKK	TDKK
<b>7. Financial expenses</b>		
Other financial expenses	2	223
Exchange adjustments, expenses	527	31,183
	<u>529</u>	<u>31,406</u>



## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>8. Income tax expense</b>		
Current tax for the year	5,440	4,728
Adjustment of tax concerning previous years	-42	-45
	<u>5,398</u>	<u>4,683</u>

The company has elected to participate in the Danish tonnage tax system which covers the major part of the activities performed by the company. Tonnage tax is a fixed amount which is not based on the actual earnings in the company. Certain services related to sale on board do not fall under the Tonnage tax system and are therefore subject to ordinary income tax based on the income derived from these activities.

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>9. Profit allocation</b>		
Proposed dividend for the year	110,000	100,000
Retained earnings	458	6,226
	<u>110,458</u>	<u>106,226</u>

## 10. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	17,488
Exchange adjustment	-1,317
Disposals for the year	-3,764
Cost at 31 December	<u>12,407</u>
Impairment losses and amortisation at 1 January	<u>9,156</u>
Impairment losses and amortisation at 31 December	<u>9,156</u>
<b>Carrying amount at 31 December</b>	<u><b>3,251</b></u>
Amortised over	<u>3-7 years</u>

# Notes to the Financial Statements

## 11. Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Vessels	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	125,452	252,469	741,053	11,031
Additions for the year	0	12,728	53,389	11,188
Disposals for the year	0	-784	-16,494	-8,861
Transfers for the year	0	332	0	0
Cost at 31 December	125,452	264,745	777,948	13,358
Impairment losses and depreciation at 1 January	85,378	127,459	593,841	0
Depreciation for the year	2,336	7,955	27,848	0
Reversal of impairment and depreciation of sold assets	0	-105	-15,780	0
Transfers for the year	0	89	0	0
Impairment losses and depreciation at 31 December	87,714	135,398	605,909	0
<b>Carrying amount at 31 December</b>	<b>37,738</b>	<b>129,347</b>	<b>172,039</b>	<b>13,358</b>
Amortised over	5-50 years	4-50 years	2-30 years	-

## 12. Investments in subsidiaries

	2023	2022
	TDKK	TDKK
Cost at 1 January	0	2,982
Disposals for the year	0	-2,982
Cost at 31 December	0	0
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

## 13. Inventories

	2023	2022
	TDKK	TDKK
Finished goods and goods for resale	606	786
	<b>606</b>	<b>786</b>

# Notes to the Financial Statements

## 14. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

## 15. Deferred income

Deferred income consists of grants and payments received in respect of income in subsequent years.

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>16. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Vessel	172,039	147,213
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	22,755	22,809
Between 1 and 5 years	42,687	54,749
After 5 years	10,051	20,745
	<u>75,493</u>	<u>98,303</u>

### Other 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.

# Notes to the Financial Statements

## 17. Related parties and disclosure of consolidated financial statements

### Basis

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#### Related parties

Øresundslinjen Helsingør ApS immediate parent undertaking is Øresundslinjen AB. EQT Infrastructure V Fund, an investment fund managed by Nordic Ferry Infrastructure AS 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:

Øresundslinjen AB  
Bredgatan 5  
Helsingborg  
Sweden

#### Consolidated Financial Statements

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

<u>Name</u>	<u>Place of registered office</u>
Hati Holdco AS	Havnegata 40, Brønnøy, Norway
Nordic Ferry Infrastructure AS	Havnegata 40, Brønnøy, Norway

The Group Annual Report of Hati Holdco AS may be obtained at the following address:  
Havnegata 40,  
8900 BRØNNØYSUND  
Brønnøy, Norway

The Group Annual Report of Nordic Ferry Infrastructure AS may be obtained at the following address:  
Havnegata 40,  
8900 BRØNNØYSUND  
Brønnøy, Norway

<u>2023</u>	<u>2022</u>
TDKK	TDKK

## 18. Fee to auditors appointed at the general meeting

In accordance with the Danish Financial Statements Act section 96, paragraph 3, fees to statutory auditors is not disclosed as the information is disclosed in the Annual Report for the Nordic Ferry Infrastructure AS, in which the Company is fully consolidated.

# Notes to the Financial Statements

## 19. Accounting policies

The Annual Report of Øresundslinjen Helsingør ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 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 Nordic Ferry Infrastructure AS, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. 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.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

Information on business segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

### Other external expenses

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.

### Other operating income and expenses

Other operating income primarily consists of rental income and gain from disposals of assets. Other operating expenses primarily consists of losses from disposals of assets.

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### 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. 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 other Danish group companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Balance sheet

### Intangible fixed assets

Software acquired is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

# Notes to the Financial Statements

## 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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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:

Land and buildings	5 - 50 years
Other fixtures and fittings, tools and equipment	4 - 50 years
Vessels	2 - 30 years

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 and investments 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.

## Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, writedown is made to this lower value.

## Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale equals landed cost.

## 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 Dividend item.

# Notes to the Financial Statements

## 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 liabilities

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$