FORSEA Helsingør ApS

Færgevej 8, DK-3000 Helsingør

Annual Report for 2022

CVR No. 33 26 00 40

The Annual Report was presented and adopted at the Annual General Meeting of the company on 12/5 2023

Jens Ole Gravlund Hansen
Chairman of the general meeting

Contents

Management's statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of FORSEA Helsingør ApS for the financial year 1 January - 31 December 2022.

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 2022 of the Company and of the results of the Company operations for 2022.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Helsingør, 12 May 2023

Executive Board

Jens Ole Gravlund Hansen

Board of Directors

Kristian Durhuus Chairman	Åsa Maria Linde Tornée	Peter Kesting
Jesper Skarby Mikkelsen	Søren Dag Sturm	

Independent Auditor's report

To the shareholder of FORSEA 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 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of FORSEA Helsingør ApS for the financial year 1 January - 31 December 2022, 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, 12 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Company information

The Company	FORSEA Helsingør ApS Færgevej 8 DK-3000 Helsingør Telephone: + 45 3315 1515 Email: Info@forsea.com Website: www.forsea.dk CVR No: 33 26 00 40 Financial period: 1 January - 31 December Municipality of reg. office: Helsingør
Board of Directors	Kristian Durhuus, chairman Åsa Maria Linde Tornée Peter Kesting Jesper Skarby Mikkelsen Søren Dag Sturm
Executive board	Jens Ole Gravlund Hansen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Financial Highlights

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

	2022	2021	2020	2019	2018
	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK	Mil. DKK
Key figures					
Profit/loss					
Revenue	485	380	329	489	497
Gross profit/loss	296	194	178	229	256
Profit/loss of ordinary primary operations	118	44	27	86	117
Profit/loss before financial income and expenses	142	63	49	89	127
Profit/loss of financial income and expenses	-31	-9	3	-6	-7
Net profit/loss	106	51	48	75	117
Balance sheet					
Balance sheet total	742	668	740	716	651
Investment in property, plant and equipment	4	29	8	26	18
Equity	637	488	485	512	452
Number of employees	270	199	220	240	250
Ratios					
Gross margin	61.0%	51.1%	54.1%	46.8%	51.5%
Profit margin	29.3%	16.6%	14.9%	18.2%	25.6%
Return on assets	19.1%	9.4%	6.6%	12.4%	19.5%
Solvency ratio	85.8%	73.1%	65.5%	71.5%	69.4%
Return on equity	18.8%	10.5%	9.6%	15.6%	29.2%

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 Denmark and Sweden, owned by the parent company Forsea 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.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 106,226, and at 31 December 2022 the balance sheet of the Company shows equity of TDKK 637,018.

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

During 2022 appr. 6.1 mill. passengers, 1.0 mill. passenger cars and 7.300 busses traveled the route. Compared to 2021 this is an increase of 56% in numbers of passengers and 44% number of cars.

The number of lorries transported increased during 2022 by 2% adding up to appr. 456.900 units.

The years result is a strong recovery from the Covid-19 pandemic affected years in 2020 and 2021.

The increase in earnings from 2021 to 2022 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 99,8% was maintained in 2022.

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, oil, and electricity.

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

Targets and expectations for the year ahead

According to the financial statement for 2021, management expected that the result of 2022 would be better than in 2021. The result for 2021, highly affected by travel restrictions related to the COVID-19 pandemic, was 51 mDKK and 106 mDKK in 2022, thus the expectations were met. Year 2022 includes a onetime effect of 21 mDKK regarding a profit due to a termination of a leasing contract.

The company will continue its primary activities and expect higher travel volumes in 2023, thus a revenue in the range of DKK 520-540 million and a net result in the range of DKK 90-100 million is expected for 2023.

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.forsea.dk/globalassets/blocks/arsredovisning/hallbarhet/baeredygtighedsrapport_2022-dk.pdf).

Data ethics report

ForSea Helsingør A/S is subject to the ForSea's Group's policies for GDPR, IT security and the use of data. We assess that these policies cover risks for the use of data in an ethically sound manner, which is why a policy for data ethics has not been drawn up in 2022.

Statement of corporate social responsibility

ForSea's overall business objective - which has been integrated into vision and business model - is to conduct a sustainable business with the least possible environmental impact. Since 2016, the business has been environmentally certified according to ISO-14001: 2015. The management system provides a systematic approach to work with continuous improvement. The sustainability and safety work is closely integrated and coordinated through the Department of Health, Environment and Security. Certain sustainability issues are handled by special working groups over the departmental boundaries, such as the ECO-driving group, the Energy saving group and the Chemicals Council. Within the framework of ISO-14001: 2015, two annual internal audits are done of the environmental work and an external environmental audit. The results of the audits are used in the improvement work.

We refer to our the sustainability report regarding Statement of Corporate social responsibility according to Danish Financial Statement Act § 99a, which has been prepared by the Swedish parent company ForSea AB for of the ForSea Group companies.
(https://www.forseaferries.com/globalassets/blocks/arsredovisning/hallbarhet/forsea_sustainability_report_2022.pdf).

Statement on gender composition

The company has as a target to increase its share of women on the Board of Directors of ForSea Helsingør ApS to the 33/66 ratio from 2015 to 2020. In 2015 the company had zero women in the Board of Directors. The company's target to increase its share of women on the board of directors was achieved in 2018 since 2 out of 4 board members are women. The gender composition of 50/50 remains by the end of 2022 in compliance with target.

The company's goal for management levels corresponds with the group's goal of having at least 25% women in the company's management. The outcome by the end of 2022 is that 2/7 (29%) are women, which was also the outcome for 2021. The long-term goal is to have 40-60% women in company management by 2025. In order to reach this goal, the company contributes with education and active work at universities and social media.

The company's policy is to increase the participation of the underrepresented gender on the management level in the Group Companies. The company seeks to always select the best qualified candidate for the job and to do this in a non-discriminatory manner with respect to gender, age, religion etc. A special effort is made to increase the number of applications from the underrepresented gender in the recruiting process.

Uncertainty relating to recognition and measurement

There are no particular uncertainties or unusual circumstances are related to recognition and measurement with the presentation of the annual report.

Management's review

Unusual events

With financial effect from 1 January 2022 the company ForSea Management A/S and the company ForSea Øresund A/S are both merged with ForSea Helsingør ApS as a part of the reorganization of the group, where ForSea Helsingør ApS is the continuing company

Except from the merger no significant unusual events which have been affected to the financial position at 31 December 2022 of the Company and the results of the activities of the Company for the financial year for 2022.

Subsequent events

Please refer to note 1 "Subsequent events".

26 January 2023 were all shares in ForSea AB acquired by EQT Infrasctructure 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 ForSea AB.

Except from this no significant subsequent events have occurred.

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue	2	484,681	379,808
Other operating income	3	24,097	18,265
Other external expenses		-212,502	-204,261
Gross profit		**296,276**	**193,812**
Staff expenses	4	-117,939	-87,103
Depreciation and impairment losses of property, plant and equipment	5	-36,639	-44,111
Profit/loss before financial income and expenses		**141,698**	**62,598**
Income from investments in participating interests		126	0
Financial income	6	491	261
Financial expenses	7	-31,406	-9,296
Profit/loss before tax		**110,909**	**53,563**
Tax on profit/loss for the year	8	-4,683	-2,698
Net profit/loss for the year	9	**106,226**	**50,865**

Balance sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Acquired licenses		8,332	7,653
Intangible assets	10	**8,332**	**7,653**
Land and buildings		40,074	42,445
Other fixtures and fittings, tools and equipment		125,009	124,176
Vessels		147,213	178,891
Property, plant and equipment in progress		11,032	3,645
Property, plant and equipment	11	**323,328**	**349,157**
Investments in subsidiaries	12	0	2,982
Fixed asset investments		**0**	**2,982**
Fixed assets		**331,660**	**359,792**
Inventories	13	**786**	**997**
Trade receivables		22,510	20,030
Receivables from group enterprises		352,013	233,101
Other receivables	14	129	0
Prepayments	15	1,900	1,542
Receivables		**376,552**	**254,673**
Cash at bank and in hand		**32,604**	**52,880**
Current assets		**409,942**	**308,550**
Assets		**741,602**	**668,342**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital		40,100	40,000
Retained earnings		496,918	373,081
Proposed dividend for the year		100,000	75,000
Equity		**637,018**	**488,081**
Lease obligations		0	60,839
Other payables		0	4,295
Long-term debt	16	**0**	**65,134**
Lease obligations	16	0	7,348
Trade payables		49,292	9,400
Payables to group enterprises		2,229	36,642
Corporation tax		6,028	6,103
Other payables	16	11,148	13,247
Deferred income		35,887	42,387
Short-term debt		**104,584**	**115,127**
Debt		**104,584**	**180,261**
Liabilities and equity		**741,602**	**668,342**

Subsequent events	1
Contingent assets, liabilities and other financial obligations	17
Related parties	18
Fee to auditors appointed at the general meeting	19
Accounting Policies	20

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	40,000	0	373,081	75,000	488,081
Capital increase	100	117,611	0	0	117,711
Ordinary dividend paid	0	0	0	-75,000	-75,000
Net profit/loss for the year	0	0	6,226	100,000	106,226
Transfer from share premium account	0	-117,611	117,611	0	0
Equity at 31 December	**40,100**	**0**	**496,918**	**100,000**	**637,018**

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

Capital increase is related to the merger with Forsea Øresund A/S

Notes to the Financial Statements

1. Subsequent events

26 January 2023 were all shares in ForSea AB acquired by EQT Infrasctructure 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 ForSea AB.

Except from this no significant subsequent events have occurred.

2. Revenue

	2022 TDKK	2021 TDKK
Geographical segments		
Revenue, Denmark	484,681	379,808
	484,681	**379,808**
Business segments		
Ferry transport	341,184	252,621
Retail and catering on board	143,497	127,187
	0	0
	484,681	**379,808**

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

3. Other operating income

	2022 TDKK	2021 TDKK
Rental income	1,173	811
Fixed costs compensation (Covid-19 goverment grants)	0	14,128
Other income	22,924	3,326
	24,097	**18,265**

Other income 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

	2022	2021
	TDKK	TDKK

4. Staff Expenses

	2022	2021
Wages and salaries	101,014	73,989
Pensions	11,837	9,017
Other social security expenses	2,093	1,663
Other staff expenses	2,995	2,434
	117,939	**87,103**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

	2022	2021
Average number of employees	**270**	**199**

	2022	2021
	TDKK	TDKK

5. Depreciation and impairment losses of property, plant and equipment

	2022	2021
Depreciation of property, plant and equipment	36,639	44,111
	36,639	**44,111**

	2022	2021
	TDKK	TDKK

6. Financial income

	2022	2021
Interest received from group enterprises	276	41
Other financial income	127	0
Exchange currency adjustments	88	220
	491	**261**

Notes to the Financial Statements

7. Financial expenses

	2022	2021
	TDKK	TDKK
Other financial expenses	223	4,379
Exchange adjustments, expenses	31,183	4,917
	31,406	**9,296**

8. Income tax expense

	2022	2021
	TDKK	TDKK
Current tax for the year	4,728	3,384
Adjustment of tax concerning previous years	-45	-686
	4,683	**2,698**

9. Profit allocation

	2022	2021
	TDKK	TDKK
Proposed dividend for the year	100,000	75,000
Retained earnings	6,226	-24,135
	106,226	**50,865**

Notes to the Financial Statements

10. Intangible fixed assets

	Acquired licenses
	TDKK
Cost at 1 January	14,586
Additions for the year	2,902
Cost at 31 December	17,488
Impairment losses and amortisation at 1 January	6,933
Amortisation for the year	2,223
Impairment losses and amortisation at 31 December	9,156
Carrying amount at 31 December	**8,332**
Amortised over	3-7 years

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	244,535	762,409	3,645
Net effect from merger and acquisition	0	105	64,738	8,692
Additions for the year	0	7,829	33,991	3,946
Disposals for the year	0	0	-120,084	-5,251
Cost at 31 December	125,452	252,469	741,054	11,032
Impairment losses and depreciation at 1 January	83,007	120,359	583,518	0
Net effect from merger and acquisition	0	16	53,834	0
Depreciation for the year	2,371	7,085	35,866	0
Reversal of impairment and depreciation of sold assets	0	0	-79,377	0
Impairment losses and depreciation at 31 December	85,378	127,460	593,841	0
Carrying amount at 31 December	**40,074**	**125,009**	**147,213**	**11,032**
Amortised over	5-50 years	4-50 years	2-30 years	

Notes to the Financial Statements

	2022	2021
	TDKK	TDKK
12. Investments in subsidiaries		
Cost at 1 January	2,982	0
Additions for the year	0	2,982
Disposals for the year	-2,982	0
Cost at 31 December	0	2,982
Carrying amount at 31 December	**0**	**2,982**

	2022	2021
	TDKK	TDKK
13. Inventories		
Finished goods and goods for resale	786	997
	786	**997**

	2022	2021
	TDKK	TDKK
14. Other receivables		
Other receivables	129	0
	129	**0**

15. Prepayments

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

16. 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:

	2022	2021
	TDKK	TDKK
Lease obligations		
After 5 years	0	27,584
Between 1 and 5 years	0	33,255
Long-term part	0	60,839
Within 1 year	0	7,348
	0	**68,187**
Other payables		
After 5 years	0	0
Between 1 and 5 years	0	4,295
Long-term part	0	4,295
Within 1 year	0	0
Other short-term payables	11,148	13,247
	11,148	**17,542**

17. Contingent assets, liabilities and other financial obligations

	2022	2021
	TDKK	TDKK
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Vessel	147,213	132,077

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.

Negative pledges of respectively TDKK 253.721 are issued on the vessel M/V Tycho Brahe and TDKK 52.883 are issued on the vessels M/V Mercandia IV and M/V Mercandia VIII in respect of facilities agreement with SEB AB.

18. Related parties and disclosure of consolidated financial statements

Basis

Related parties

ForSea Helsingør ApS 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

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

Name	Place of registered office
FS Infrastructure S.á.r.l.	6 Rue Jean Monnet, Luxembourg, Luxembourg
Forsea AB	Bredgatan 5, Helsinborg, Sweden

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

6, Rue Jean Monnet
Luxembourg, 2180
Luxembourg

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

Bredgatan 5
Helsingborg
Sweden

19. 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 ForSea AB Group, in which the Company is fully consolidated.

Notes to the Financial Statements

20. Accounting policies

The Annual Report of FORSEA Helsingør ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

Apart from pooling of interests the accounting policies applied remain unchanged from last year.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the three enterprises (Forsea Helsingør ApS, Forsea Øresund A/S and Forsea Management A/S) are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

The Financial Statements for 2022 are presented in TDKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2022 of ForSea AB, the Company has not prepared consolidated financial statements.

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.

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.

Notes to the Financial Statements

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.

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

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

Income statement

Net sales

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.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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 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.

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 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.

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.

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	40 years
Habour facilities and installations	3-40 years
Vessels	11-30 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.

Notes to the Financial Statements

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.

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, including the tax base of tax loss carry-forwards, 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

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.

Notes to the Financial Statements

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	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Return on assets	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity