

Molslinjen A/S

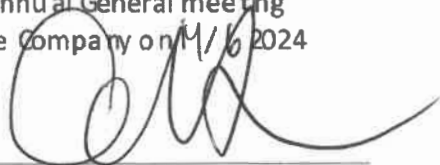
Færgevej 7A, 8000 Aarhus C

CVR-no. 17 88 12 48

Annual Report 2023

(Period Jan 1st 2023-Dec 31st 2023)

The Annual Report was
presented and adopted at
the Annual General meeting
of the Company on 11/6 2024



As chairman of the meeting

CATHARINA ACTHIMI

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Corporative Information

Corporation

Molslinjen A/S
Færgevej 7A
8000 Aarhus C
CVR-no. 17 88 12 48
Municipality of reg. office: Aarhus

Phone 70 10 14 18

Internet www.MOLSLINJEN.dk

Email MOLSLINJEN@MOLSLINJEN.dk

Board of directors

Carsten Grøne Jensen, Chairman

Kristian Durhuus

Flemming Kristensen

Poul Jacobsen

Anders Teglgård Sørensen

Jacob Schødt Larsen

Marianne Væver

Executive Committee

Kristian Durhuus, CEO

Auditor

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

Management report

Molslinjen A/S 2023

Molslinjen A/S is part of Nordic Ferry Infrastructure Holding AS, which is the Norwegian parent company for all activities. In addition to Molslinjen's activities, the activities in 2022 also include Torghatten AS (Norwegian ferry company) - from 2023 the activities also include the activities of Øresundslinjen AB (Swedish ferry company formerly known as ForSea AB).

Molslinjen delivered moderate growth in volumes and revenues during 2023 compared to prior year where all main categories of different customers on the ferries grew from 2022 to 2023.

Revenue in 2023 was a total of 2.133 million DKK, representing an increase of 86 million DKK compared to 2022.

The income statement shows that earnings before interests and depreciation (EBITDA) was 646 million DKK which is an increase of 46 million DKK from 2022 to 2023.

The main challenges for Molslinjen in 2023 was the continued high energy prices that increased the costs of oil and electricity to the ferries.

Below are the main points for the company's development in 2023.

Ferry services in the Kattegat corridor in 2022

The operation of high-speed ferries on Kattegat saw a positive development in 2022.

The number of passenger cars transported during 2023 represents an increase of 0,2% compared to 2022.

Number in pcs.	2023	2022	Changes
Departures	8,676	8,688	-0.2%
Passenger Cars	1,319,415	1,316,556	+0.2%
Passengers	3,355,517	3,267,165	+2.7%
Trucks/Lorries	10,730	12,129	-11.5%

Ferry services in the Bornholm corridor in 2023

The ferry service on Bornholm, consisting of the routes Rønne-Ystad, Rønne – Køge and Rønne – Sassnitz, saw positive development in the Bornholm corridor in 2023, with significant traffic during the summer and autumn period. Overall, the number of passenger cars in 2023 was 2,4% higher relative to 2022.

The total numbers of trucks and trailers decreased with 4,4% in 2023.

Number in pcs.	2023	2022	Changes
Departures	4,721	4,945	-4.5%
Passenger Cars	583,943	573,126	+1.9%
Passengers	1,993,966	1,948,140	+2.4%
Trucks/Trailers	45,345	47,443	-4.4%

Ferry services in the West corridor in 2023

The four ferry routes of the West corridor Spodsbjerg-Taars, Kalundborg-Ballen, Bøjden-Fynshav and Esbjerg-Fanø all delivered decreases in total traffic during 2023. The Langelandlinjen and the Alslinjen decrease with 3,3% and 5,9% of transported passenger cars compared to 2022, while Samsølinjen decreased with 3,4% and Fanølinjen experienced a decrease in the number of passenger cars of approx. 6%.

Number in pcs.	2023	2022	Changes
Departures	54,600	55,439	-1.5%
Passenger Cars	840,999	887,681	-5.3%
Passengers	2,966,384	3,070,154	-3.4%
Trucks/Lorries	42,998	47,407	-10.1%

Molslinjen's Investments

Molslinjen is continuously assessing its need for additional capacity to serve transport demand across all of its routes. In the Bornholm corridor, following sold-out departures during the high season of the Rønne - Ystad route, Molslinjen management has been preparing for adding capacity. In October 2019, Molslinjen entered into an agreement with the Ministry of Transport and Construction to facilitate the deployment of the world's largest fast ferry on the Rønne - Ystad route. The new high-speed ferry, "Express 5", was delivered in April 2023.

In the West corridor, Molslinjen won tenders for the ferry routes of Alslinjen and Samsølinjen for the next 10-year periods. The tenders was organized by the Ministry of Transport and included demand for zero or close to zero CO₂ emissions from the ferry operations. The tender for Alslinjen covers the period September 2024 – August 2034 and the tender for Samsølinjen covers the period January 2025 – December 2034.

Molslinjen invests steadily maintaining and improving its asset base. On all the company's ferry routes, there has been, and remains a strong focus on delivering the best possible product with high availability,

regularity and high satisfaction among customers. Investments ensure that the company continues to operate with modern and energy efficient technology.

Expectations for 2024

The result for 2023 shows Molslinjen's robustness with record high oil prices, which together with the liquidity position per 31.12.2023 will ensure the company's future operations.

Molslinjen management has a positive outlook on trading for the coming year.

Improved mobility in Denmark and the surrounding region is expected to lead to increased traffic volumes across the route network combined with the effects of bigger capacity on Bornholm and increased initiatives on Kattegat.

The company therefore expects an improved result for 2024 compared to 2023. Revenue is expected to be 2,100 – 2,400 MDKK and EBITDA is expected to be 650 – 750 MDKK.

In General

Molslinjen's management team wishes to thank their employees for a positive and engaged effort.

The company's key figures and key ratios

In 2021, there was a restructuring of Molslinjen A/S, which included, among other things, mergers with Molslinjen A/S's parent companies. According to current IFRS rules, these mergers mean that only figures from the merger date must be included in the income statement.

These special accounting rules mean that a full comparison with the last 5 years is not relevant. The overview below therefore only shows 3 years of comparative figures. The figures for 2021 are shown as a pro forma income statement, shown as if the restructuring did not take place.

	2023	2022	2021
	MDKK	MDKK	MDKK
Key figures			
Income statement			
Revenue	2,133.5	2,047.5	1,808.6
Other operating income	15.4	0.0	8.0
Total costs	1,503.2	1,447.1	1,169.0
EBITDA	645.7	600.3	647.6
Depreciations	382.6	351.0	328.5
Operating results (EBIT)	262.9	249.3	319.1
Result of financial items	(132.2)	(150.8)	(156.5)
Annual Profit	130.8	98.3	162.4
Balance sheet per 31 December			
Goodwill	4,087.2	4,143.6	4,200.1
Ships	2,776.4	2,456.0	2,589.8
Other non-current assets	887.8	1,409.9	1,088.6
Current assets	338.7	217.7	625.5
Assets total	8,090.1	8,227.2	8,504.0
Equity	5,691.1	5,607.1	5,553.5
Non-current liabilities	1,099.6	1,126.8	2,268.8
Current liabilities	1,299.4	1,493.3	681.7
Liabilities total	8,090.1	8,227.2	8,504.0
Cash flow statement			
Cash flows from operations	490.8	402.1	373.1
Cash flows. investments. net	(521.2)	(481.9)	(5,041.4)
Cash flow. financing	115.5	(316.6)	4,768.5
Changes in liquidity	85.1	(396.4)	100.2
Cash and cash equivalents as of 31.12	125.6	40.5	436.9
Other key figures			
Average number of full-time employees	858	835	780

Management report

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Key figures			
Operation-related key figures			
Return on equity (%)	2.3	1.8	-
Profit margin (EBITDA margin) (%)	30.3	29.3	35.8
Return on invested capital (ROIC) (%) *	3.4	3.1	4.1
Equity ratio (%)	70.3	68.2	65.3
Net interest-bearing debt (MDKK)	1,133.1	1,451.6	2,256.8

Definitions and calculation formulas

Key figures and ratios have been prepared in accordance with the Danish Society of Financial Analysts' "Recommendations & Key Ratios 2015".

Profit margin (%)	$\frac{\text{Operating result} \times 100}{\text{Net sales}}$
Return on equity (%)	$\frac{\text{Result} \times 100}{\text{Average equity}}$
Return on invested capital (ROIC) (%)	$\frac{\text{EBITA (EBIT)} \times 100}{\text{Invested capital}}$
Invested capital	$\text{Net Working Capital (NWC)} + \text{tangible fixed assets} + \text{intangible fixed assets} - \text{other long-term operational liabilities}$
Net Working Capital (NWC)	$\text{Inventories} + \text{receivables} + \text{other current assets} - \text{accounts payable and other liabilities} - \text{other current current liabilities}$
Equity ratio (%)	$\frac{\text{Equity end} \times 100}{\text{Total assets at the end}}$

Financial report

The financial statements are presented in accordance with International Financial Reporting Standards as approved by the EU.

Revenue

The company revenue in 2023 is calculated at 2,133.5 MDKK compared to a turnover in 2022 of 2,047.5 MDKK, which is an increase of 86 MDKK compared to 2022.

The turnover of Molslinjen's catering department in 2022 was 256.8 MDKK compared to 241.1 MDKK in 2022. The catering concept is constantly undergoing changes with several new offers on food and beverages.

Costs

The company's total costs amounted to 1,518.8 MDKK in 2023, compared to 1,447.1 MDKK in 2022.

Costs for oil consumption increased from 501.2 MDKK in 2022 to 514.8 MDKK in 2022, primarily due to higher oil prices. The company has also in 2023 implemented several technical changes, which have improved the average oil consumption per departure.

Employees

Personnel costs in 2023 were 499.9 MDKK compared to 460.6 MDKK in 2022.

The average number of full-time employees in the Molslinjen was 858 employees in 2023 compared to 835 employees in 2022.

Through the year, the permanent staff of employees was supplemented with a number of replacements, primarily in the catering department and in the operations center in connection with busy holiday periods, holidays and its like.

All employees undergo a regularly planned course to ensure that they always live up to Molslinjen's high requirements for safety and service on board the our ferries.

Depreciations

Depreciations of fixed assets in 2023 was 326.4 MDKK compared to 297.2 MDKK in 2022, primarily due to new tonnage and port facilities.

Financial items

Net financing expenses in 2023 were 132.2 MDKK compared to 150.8 MDKK in 2022.

Corporate governance and statement of corporate governance

Corporate social responsibility

Corporate social responsibility is an integral part of the business strategy in Molslinjen A/S. The company has a desire to act responsibly in relation to customers, employees, business partners and the outside world.

According to the Annual Accounts Act §§99a and d (Årsregnskabslovens §§99a og d) the reporting on the work with social responsibility, including the diversity policy and data ethics, has been stated in our progress report, which can be found at:

https://www.molslinjen.dk/media/1070183/molslinjen_baeredygtighedsrapport2023.pdf

Gender composition of management according to the Annual Accounts Act §99b (Årsregnskabsloven §99b)

Board members in Molslinjen A/S are recruited and put together in relation to professional competences, the geographical location and size of the businesses, so that there is the greatest possible diversity. In addition, the aim is to achieve an equal gender distribution on the company's board of directors.

With 0 female and 4 male board members on the board, the female gender makes up 0% of Molslinjen A/S' board. The company's objective is maximum diversity on the board in relation to: geographical location, age composition, turnover, focus on customer segments. The goal is to be 2 women on the board by 2027 at the latest.

The target number has not been met in the financial year, as the entire board of directors has only consisted of men, as it has not been possible to identify the right candidate in the financial year 2023. There is still a search for a candidate from the underrepresented gender who can take up a board position.

2023

Overview of target figures:

Board of directors (highest management level)

Total members	4
Underrepresented gender in percentage	0%
Target percentage	25%
Year for meeting targets	2024

Executive management level

Total members	10
Underrepresented gender in percentage	20%
Target percentage	25%
Year for meeting targets	2024

At Molslinjen, 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.

Diversity

Molslinjen A/S has drawn up a diversity policy. The statement on diversity is also published on the company's website, cf. above.

Data ethics

Molslinjen A/S takes responsibility for storing information about customers and employees in a responsible manner and has prepared a statement on data ethics. The statement on data ethics is also published on the company's website, cf. above.

The main elements of the company's internal control regime and risk management in connection with the financial reporting process

The purpose of the internal control and risk management systems is to ensure that Molslinjen's accounts are presented in accordance with the applicable legislation as relates to accounting and to provide accurate and informative reporting without significant errors and omissions.

The internal control and risk management systems are intended to ensure that significant errors and irregularities in reporting are detected and corrected, but without providing absolute certainty that all errors are detected and corrected.

The systems may be divided into the following areas:

- Controlling environment
- Risk assessment
- Controlling activities
- Information and communication
- Monitoring

Controlling environment

The Board of Directors monitors the presentation of the financial statements and the efficiency of the internal control and risk management systems, and discusses significant estimates and uncertainties in connection with the presentation of the fiscal statements. The Executive Board is responsible for ensuring that risk management systems and controls are efficient, and that the Executive Board has implemented controls to address risks relating to fiscal reporting.

The Board of Directors assesses the company's organisational structure and staffing in significant areas at least once a year, including within areas in connection with the financial reporting process, including IT and tax.

Risk assessment

The Board of Directors, the Audit Committee and the Executive Board continuously make ongoing assessments of the risks that Molslinjen has, including risks in connection with the presentation of the accounts. As part of this, the risk of fraud and irregularities is continuously assessed.

For all significant accounting areas, systems, procedures and control activities to minimize the risk of significant errors and omissions in connection with financial reporting are described and documented.

As part of the risk assessment, the Board of Directors and the Executive Board takes an annual position on the risk of fraud and on the measures to be taken with a view to reducing and/or eliminating such risks. In doing so, the Board of Directors assesses the day-to-day management's ability to override controls and to exercise inappropriate influence on the financial reporting.

Controlling activities

The controlling activities are based on the risk assessment. The goal of the company's control activities is to ensure that the goals, policies, manuals, procedures, etc. set by the management. met in order to prevent, detect and correct any errors, deviations or deficiencies in a timely manner. The control activities are integrated into accounting and reporting systems and include, among other things, procedures for approval and certification, systemic controls, reconciliations and analytical controls.

The Executive Board monitors that any weaknesses in the internal controls are corrected and that any errors and deficiencies are found and reported - and remedied.

Information and communication

The Board of Directors and the Executive Board have an information and communication procedure which, among other things, determines the requirements for the presentation of the accounts and for the external financial reporting in accordance with the legislation and regulations thereof.

The information systems are designed in such a way, to take into account the prescribed confidentiality, continuously at the relevant level, relevant information, reports, etc. are identified, collected and communicated, which enables the individual to perform the tasks efficiently and reliably and to perform checks. The information and transactions that form the base for accounting reports are as such collected and recorded in an integrated accounting and information system according to uniform principles and definitions.

Monitoring

This monitoring takes place through ongoing, periodic assessments and inspections at all levels in the company, including the use of the company's financial and information system to monitor the accounting information. The system makes it possible to identify significant errors and omissions in the fiscal reporting, including significant weaknesses in the internal controls and systems.

The Board of Directors, the Executive Board and the senior executives receive internal financial reporting at regular intervals, which they, among other things, compare with their own knowledge and expectations. This reporting is constantly evolving.

BOARD OF DIRECTORS

Carsten Grøne Jensen

Office: Chairman

Member since: 2021

Born: 1964

Board positions

Chairman in:

Molslinjen Group ApS

Board member in:

The Danish Maritime Fund

Independency

Not considered independent as due to being employed by Molslinjen A/S

Kristian Durhuus

Office: Member

Member since: 2023

Born: 1968

Board positions

Chairman in:

Øresundslinjen Helsingør ApS

Øresundslinjen I/S

Board member in:

Molslinjen Group ApS

The Danish Ferry Association

Independency

Not considered independent as due to being employed by Molslinjen A/S

Flemming Kristensen

Office: Member

Member since: 2023

Born: 1967

Independency

Not considered independent as due to being employed by Molslinjen A/S

Poul Jacobsen

Office: Member

Member since: 2023

Born: 1963

Board positions

Board member in:

Molslinjen Group ApS

Independency

Not considered independent as due to being employed by Molslinjen A/S

Anders Teglgard Sørensen

Office: Member, employee representative

Member since: 2022

Born: 1976

Independency

Not considered independent as due to being employed by Molslinjen A/S

Jacob Schødt Larsen

Office: Member, employee representative

Member since: 2022

Born: 1974

Independency

Not considered independent as due to being employed by Molslinjen A/S

Marianne Væver

Office: Member, employee representative

Member since: 2018

Born: 1984

Independency

Not considered independent as due to being employed by Molslinjen A/S

EXECUTIVE COMMITTEE

Kristian Durhuus

Member: CEO

Member since: 2023

Born: 1968

Board positions

Chairman in:

Øresundslinjen Helsingør ApS

Øresundslinjen I/S

Board member in:

Molslinjen Group ApS

The Danish Ferry Association

Independency

Not considered independent as due to being employed by Molslinjen A/S

Shareholder relations

Share capital

The Molslinjen share has a singular share class that is freely tradeable and which consists of 14,174,347 shares of DKK 20, corresponding to a share capital of DKK 283,486,940.

Major shareholders

The following shareholder owned more than 5% of the company's share capital or voting rights at the time the financial statements were presented:

Molslinjen Group ApS (100%)

Molslinjen Group ApS is a private equity fund-owned company, which is covered by Aktive Ejere's guidelines for responsible ownership and good corporate governance for private equity funds and their controlled companies. Molslinjen A/S must thus either follow Active Owners' recommendations or justify why the recommendations, in whole or in part, are not followed.

It is Molslinjen A/S' opinion that Active Owners' recommendations are complied with. Please refer to <http://www.DVCA.dk>, for further information about the guidelines.

The management's statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of Molslinjen A/S for the financial year 1 January - 31 December 2023.

The Annual Report has been prepared in accordance with IFRS Accounting Standards as approved by the EU and further requirements in the Danish Financial Statements Act. Management's Review has been 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 and cash flows for 2023.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company as well as a description of the most significant risks and elements of uncertainty facing the Company.

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

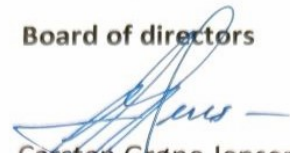
Aarhus, May 28, 2024

Executive Board

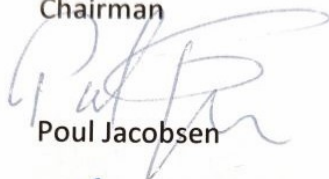


Kristian Durhuus
CEO

Board of directors



Carsten Grøne Jensen
Chairman



Poul Jacobsen



Marianne Væver



Kristian Durhuus



Anders Teglgård Sørensen



Flemming Kristensen



Jacob Schødt Larsen

Independent Auditor's Report

To the Shareholders of Molslinjen 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 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Molslinjen A/S for the financial year 1 January - 31 December 2023, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information ("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 IFRS Accounting Standards as adopted by the EU and further requirements in 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.

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 judgment and maintain professional skepticism 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.

Aarhus, May 28, 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

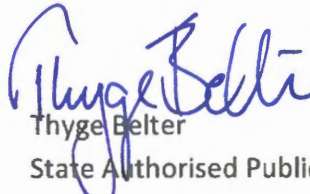
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Claus Lindholm Jacobsen

State Authorised Public Accountant

Mne23328



Thyge Belter

State Authorised Public Accountant

Mne30222

Income statement for 2023

	<u>Note</u>	<u>2023 TDKK</u>	<u>2022 TDKK</u>
Revenue	3	<u>2,133,489</u>	<u>2,047,477</u>
Other operating income	4	<u>30,960</u>	<u>0</u>
Costs:			
The ships' external operating costs	5	655,561	656,917
Other external costs	6	363,329	329,594
Staff costs	7	<u>499,894</u>	<u>460,632</u>
Total costs		<u>1,518,784</u>	<u>1,447,143</u>
Earnings before interest and depreciation (EBITDA)		645,665	600,334
Depreciations	8	382,881	353,656
Loss/gain on sale of fixed assets	12	<u>(165)</u>	<u>(2,630)</u>
Operating profit (EBIT)		262,949	246,308
Financial income	9	3,330	0
Financial expenses	9	<u>(135,561)</u>	<u>(150,799)</u>
Result before taxes		130,718	98,509
Income tax expenses	10	<u>93</u>	<u>(211)</u>
Profit for the year		<u>130,811</u>	<u>98,298</u>

Statement of comprehensive income for 2023

	<u>Note</u>	<u>2023</u> <u>TDKK</u>	<u>2022</u> <u>TDKK</u>
This years result		<u>130,811</u>	<u>98,298</u>
Items that may be reclassified to the income statement:			
Value adjustments of hedging instruments:			
Fair value adjustment of the year		(23,075)	146,120
Value adjustments reclassified to the ships' external operating costs (oil consumption)		(23,728)	(184,754)
Value adjustments reclassified to financial expenses (Interests on bank debt)		0	4,470
Tax effect thereof		<u>0</u>	<u>0</u>
Other comprehensive income after tax		<u>(46,803)</u>	<u>(34,164)</u>
Total comprehensive income		<u>84,008</u>	<u>64,134</u>

Statement of financial position per 31 December 2023
ASSETS

	<u>Note</u>	<u>2023 TDKK</u>	<u>2022 TDKK</u>
Non-current assets			
Goodwill		3,682,402	3,682,402
Brand		231,290	263,564
Know-how		<u>173,468</u>	<u>197,672</u>
Intangible assets	11	<u>4,087,160</u>	<u>4,143,638</u>
Ships		2,562,469	2,455,952
Terminals and port facilities		782,071	685,261
Other fixtures and equipment		73,038	56,540
Assets under construction		<u>228,191</u>	<u>660,546</u>
Tangible assets	12	<u>3,645,769</u>	<u>3,858,299</u>
Investments in subsidiaries and other investments		<u>18,500</u>	<u>7,530</u>
Financial assets	13	<u>18,500</u>	<u>7,530</u>
Total non-current assets		<u>7,751,429</u>	<u>8,009,467</u>
Current assets			
Inventories	14	137,502	109,648
Receivables from sales	15	22,764	15,735
Receivables Intercompany		16,159	0
Other receivables, etc,	16	36,718	51,793
Cash and cash equivalents	17	<u>125,575</u>	<u>40,516</u>
Total current assets		<u>338,718</u>	<u>217,692</u>
TOTAL ASSETS		<u>8,090,147</u>	<u>8,227,159</u>

Statement of financial position per 31 December 2023
LIABILITIES

	<u>Note</u>	<u>2023</u> <u>TDKK</u>	<u>2022</u> <u>TDKK</u>
Equity			
Share capital	18,19	283,487	283,487
Other reserves	20	(31,961)	14,842
Retained earnings		5,439,558	5,308,747
Total equity		<u>5,691,084</u>	<u>5,607,076</u>
Liabilities			
Non-current liabilities			
Lease liabilities	21	822,171	965,884
Credit institutions	22	274,267	157,654
Provision for retirement and anniversary gratuities	23	3,190	3,276
Total non-current liabilities		<u>1,099,628</u>	<u>1,126,814</u>
Current liabilities			
Lease liabilities	21	162,277	368,600
Provision for gratuities at retirement and anniversaries	23	16	107
Intercompany loan		847,911	895,591
Corporate taxes		449	892
Prepaid fares and multi-trip cards	24	46,673	42,831
Accounts payable		103,393	96,884
Other liabilities		138,716	88,364
Total current liabilities		<u>1,299,435</u>	<u>1,493,269</u>
Liabilities in total		<u>2,399,063</u>	<u>2,620,083</u>
TOTAL LIABILITIES		<u>8,090,147</u>	<u>8,227,159</u>
Pledges	25		
Bail and contingent liabilities as well as contingent assets	26		

Please also refer to the note overview page 27.

Statement of changes in Equity 2023

	Share- Capital TDKK	Other reserves (note 20) TDKK	Retained earnings TDKK	Total equity TDKK
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity per 01.01.23	283,487	14,842	5,308,747	5,607,076
Total comprehensive income 2023				
This year's result	<u>0</u>	<u>0</u>	<u>130,811</u>	<u>130,811</u>
Other comprehensive income:				
Value adjustment of hedging instruments:				
This year's fair value adjustment	0	(23,075)	0	(23,075)
Value adjustments reclassified to the ships external operating costs (oil consumption)	<u>0</u>	<u>(23,728)</u>	<u>0</u>	<u>(23,728)</u>
Total other comprehensive income	<u>0</u>	<u>(46,803)</u>	<u>0</u>	<u>(46,803)</u>
Total comprehensive income for the fiscal year 2023	<u>0</u>	<u>(46,803)</u>	<u>130,811</u>	<u>84,008</u>
Equity per 31.12.23	283,487	(31,961)	5,439,558	5,691,084

Dividend per share was in 2023 DKK 0 per share.

Statement of changes in Equity 2022

	Share- Capital TDKK	Other reserves (note 20) TDKK	Retained earnings TDKK	Total equity TDKK
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Equity per 01.01.22	284,100	49,006	5,220,436	5,553,542
Total comprehensive income 2022				
This year's result	<u>0</u>	<u>0</u>	<u>98,298</u>	<u>98,298</u>
Other comprehensive income:				
Value adjustment of hedging instruments:				
This year's fair value adjustment	0	(223,388)	0	(223,388)
Value adjustments reclassified to the ships external operating costs (oil consumption)	0	184,754	0	184,754
Value adjustments reclassified to financial expenses (interests on bank debt)	<u>0</u>	<u>4,470</u>	<u>0</u>	<u>4,470</u>
Total other comprehensive income	<u>0</u>	<u>(34,164)</u>	<u>0</u>	<u>(34,164)</u>
Total comprehensive income for the fiscal year 2022	<u>0</u>	<u>(34,164)</u>	<u>98,298</u>	<u>64,134</u>
Transactions with owners				
Capital reduction – own shares	(613)	0	613	0
Distributed dividend	<u>0</u>	<u>0</u>	<u>(10,600)</u>	<u>(10,600)</u>
Total transactions with owners 2022	<u>(613)</u>	<u>0</u>	<u>(9,987)</u>	<u>(10,600)</u>
Equity per 31.12.22	283,487	14,842	5,308,747	5,607,076

Dividend per share was in 2022 DKK 0.75 per share.

Cash flow statement for 2023

	<u>Note</u>	<u>2023</u> <u>TDKK</u>	<u>2022</u> <u>TDKK</u>
Operating profit (EBIT)		262,949	249,308
Depreciations		382,881	353,656
Loss/gain on sale of fixed assets		(165)	(2,630)
Changes in working capital	27	<u>(22,244)</u>	<u>(47,379)</u>
Cash flow relating to primary operations		623,421	552,955
Financial income received		3,330	0
Fiscal expenses		(135,561)	(150,799)
Paid corporation tax		<u>(350)</u>	<u>(54)</u>
Cash flow relating to operations		490,840	402,102
Investment in ships, excl, financially leased vessels		(264,620)	(433,407)
Investment in terminals and port facilities		(211,779)	(18,865)
Investment in fixed assets and equipment		(34,027)	(25,333)
Sale of tangible assets		165	3,068
Other investment in financial assets		<u>(10,970)</u>	<u>(7,400)</u>
Cash flows relating to investments		(521,231)	(481,937)
Transactions with owners, distributed dividen		0	(10,600)
Installments on debt to credit institutions		116,613	(927,143)
Intercompany loan		(47,680)	895,591
Installments on lease liabilities		<u>46,517</u>	<u>(274,373)</u>
Cash flow related to financing		115,450	(316,525)
This year's cash flow		85,059	(396,360)
Cash per 01.01		40,516	436,876
This year's change in cash		<u>85,059</u>	<u>(396,360)</u>
Cash per 31.12		125,575	40,516
Cash per 31.12:			
Cash and cash equivalents	17	<u>125,575</u>	<u>40,516</u>
Cash per 31.12		125,575	40,516

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1. Accounting policies

Molslinjen is a public limited company registered in Denmark

The financial statements for 2023 for Molslinjen A/S are presented in accordance with International Financial Reporting Standards as approved by the EU. The annual report also complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Molslinjen does not present consolidated accounts, as the activities of the company's only subsidiary are completely insignificant. The subsidiary merely leases port facilities on financial leasing terms to the parent company and does not intend to engage in group external leasing or conduct other business activities. As a result of the accounting recognition as financial leasing in the parent company's annual accounts, and as the subsidiary's result is completely insignificant, the parent company's result and balance sheet alone differ quite insignificantly from the overall group's result and balance sheet.

The accounting figures have been prepared in accordance with the historical cost principle, except where IFRS explicitly requires the use of fair value or other value.

The annual report is presented in Danish kroner (DKK) rounded to the nearest DKK 1,000. The functional currency for the company is Danish Kroner (DKK).

Accounting policies are unchanged from last year.

Implementation of new accounting standards, amendments and interpretations

The following relevant new and amended accounting standards have been implemented as of 1 January 2023:

- Definition of accounting estimates – amendments to IAS 8
- Disclosure of accounting policies – amendments to IAS 1
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12

The adoption of the new and amended accounting standards has not had any material impact on the recognition and measurement in the financial statement.

New accounting standards, amendments, and interpretations

The IASB has issued new or amended accounting standards and interpretations that have not yet become effective and have consequently not been implemented in the financial statement for 2023.

The new or amended standards and interpretations are not expected to have any significant impact on the Company's recognition and measurement in the financial statements.

1. Accounting policy (cont')

Business combinations

Acquisitions are accounted for under the acquisition method. The acquired companies' identifiable assets, liabilities and contingent liabilities other than deferred tax are measured at fair value at the time of acquisition. Identifiable intangible assets are recognized if they can be separated or are contractually or legally based. Deferred taxes are measured in accordance with the requirements of IAS 12, Income taxes.

The cost price of a company consists of the fair value of the consideration transferred. Costs attributable to business combinations are recognized directly in the income statement when incurred. Positive differences between cost and fair value (goodwill) when acquiring subsidiaries are recognized under intangible assets and tested annually for impairment. Upon acquisition, goodwill is attributed to the cash-generating units, which subsequently form the basis for impairment tests.

Acquired companies are recognized from the time of acquisition, while divested companies are recognized up to the time of disposal. The acquisition date is the time when the parent company actually acquires control of the business acquired. If the fair value of acquired assets and liabilities subsequently turns out to deviate from the provisionally calculated values at the time of acquisition, goodwill is adjusted for this until twelve months after the acquisition.

Foreign currency translation

Transactions in a currency other than the company's functional currency are translated on initial recognition at the exchange rate on the transaction date. Receivables, liabilities and other monetary items in foreign currency that have not been settled on the balance sheet date are translated at the exchange rate on the balance sheet date. Exchange rate differences that arise between the exchange rate on the transaction date and the exchange rate on the payment date and the balance sheet date, respectively, are recognized in the income statement as financial items. Tangible assets, inventories and other non-monetary assets purchased in foreign currency are measured on the basis of historical cost prices, ie converted at the exchange rate on the transaction date.

Derivative financial instruments

Derivative financial instruments are recognized from the trading day and measured in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are included under other receivables and other debt in the balance sheet, respectively, and set-off of positive and negative values is only made when the company has the right and intention to settle several financial instruments net. Fair value for derivative financial instruments are calculated on the basis of current market data and recognized valuation methods.

1. Accounting policy (cont')

Cash flow hedging

Changes in the portion of fair value of derivative financial instruments that are classified as and meet the conditions for hedging future cash flows and that effectively hedge changes in future cash flows are recognized in other comprehensive income in a separate reserve for hedging transactions under equity until the hedged cash flows affects the income statement. At this time, gains or losses relating to such hedging transactions are reclassified from other comprehensive income and recognized in the same accounting item as the hedged item.

If the hedging instrument no longer meets the criteria for accounting hedging, the hedging relationship will cease in the future. The accumulated change in value recognized in other comprehensive income is reclassified to the income statement when the hedged cash flows affect the income statement.

If the hedged cash flows are no longer expected to be realized, the accumulated change in value is reclassified to the income statement immediately. The part of the value adjustment of a derivative financial instrument that is not included in a hedging relationship is presented under financial items.

Further derivative financial instruments

Derivative financial instruments that do not meet the conditions for treatment as hedging instruments are considered trading stocks and are measured at fair value with recognition of fair value adjustments on an ongoing basis in the income statement as financial items.

Leases

Molslinjen regularly enters into agreements for the lease of ships, terminals, port facilities, operating assets and equipment. All agreements are reviewed in order to identify payments that relate to a leasing component and that are fixed or variable, but which change in line with fluctuations in an index or an interest rate. Molslinjen has chosen not to recognize payments related to service components as part of the lease liability.

Lease liabilities are at the time of commencement of the leasing agreement measured at the present value of leasing payments including:

- Fixed lease payments less incentives received; Fixed leasing services less incentives received;
- Variable lease payments that vary with an index or installment are recognized based on the level of the index or installment at the time the lease is commenced;
- The purchase price under a call option, if it is deemed reasonably probable that it will be exercised, and
- Compensation to the leaser in the event of an early termination of the leasing agreement, if Molslinjen is expected to utilize such an option

1. Accounting policy (cont')

Molslinjen identifies the expected lease period as being the non-cancellable lease period in the agreement plus periods covered by an extension option that management with reasonable probability expects to exercise, as well as allowances for periods covered by the termination option that management with reasonable probability does not expect to exercise.

For leases of operating equipment and fixtures and fittings, the lease period is expected to be exclusively the non-cancellable lease period in the agreements, as Molslinjen does not have a history of the exercise of extension options in similar agreements. For lease agreements regarding properties (primarily lease of ports), where Molslinjen has entered into a concession which obliges the company to a minimum voyage in one, the lease periods are assessed to follow the sailing periods stipulated in the concessions for the individual routes.

Molslinjen discounts the lease payments at present value via its alternative loan interest rate for loans with a corresponding term, asset type and security

The right of use asset is initially measured at cost and consists of the following:

- The amount of the lease obligation at the time of recognition
- Lease payments paid before or on the day of entry into force of the lease
- Direct costs associated with the leasing agreement
- Estimated obligation to demolish or re-establish the asset after use.

Right of use assets are depreciated on a straight-line basis over the shortest period of either the asset's useful life and the leasing agreement. Leasing payments relating to assets with a term of less than 12 months or with a low value are recognized in the income statement as the costs are incurred.

Taxes

Molslinjen A/S is registered with the Danish tonnage tax scheme with binding effect for a 10-year period, the company is registered as of 2018. In the tonnage tax scheme, the calculation of the taxable income is not based on income and expenses, as in normal corporate taxation. Instead, the taxable income is calculated on the basis of the tonnage used in the period with additions/deductions of taxable profits/losses on disposal of non-tonnage-taxed assets and liabilities calculated in accordance with the general Danish tax rules.

Molslinjen A/S and its Danish subsidiaries are jointly taxed with Float HoldCo DK ApS, which acts as a management company in the joint taxation. The current corporation tax is distributed between the jointly taxed Danish companies in proportion to their taxable income. The company is jointly and severally liable for tax on the group's jointly taxed income, etc.

1. Accounting policy (cont')

The total amount of corporation tax due is stated in the annual report for Float HoldCo DK ApS, which is a management company in relation to joint taxation.

The Group's Danish companies are jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability constituting a larger amount.

The annual taxation is recognized in the income statement, which consists of the current tax that can be attributed to the profit for the year as well as changes in deferred tax relating to non-tonnage taxed assets and liabilities and adjustments relating to previous years. Current or deferred tax related to items in total income/equity items are recognized directly in these statements.

For tonnage-taxed assets and liabilities, deferred tax is recognized to the extent that deferred tax is expected to arise. This based on:

- That Molslinjen A/S' activities are only covered by the tonnage tax scheme
- That there are no plans to withdraw from the tonnage tax scheme
- That the level of activity and investment is expected to be maintained, which means that there is no obligation to settle any deferred tax regarding tax transitional balances

The planned use of ships, etc., or settlement of the recovered depreciation, thus entails - by applying the tonnage tax scheme - a deferred tax liability, which is recognized if there are changes in these assumptions.

On non-tonnage-taxed assets and liabilities, respectively, deferred tax is calculated and recognized according to the balance sheet-based debt method of temporary differences between accounting and tax values. However, deferred taxation is not recognized on temporary differences relating to non-taxable goodwill that have arisen at the time of acquisition without having an effect on profit or loss or taxable income. Deferred tax assets, including the value of any tax losses carried forward, are recognized only to the extent that they can be offset against tax on future earnings.

When calculating current tax and deferred tax, the tax rates and tax rules applicable on the balance sheet date are used.

1. Accounting policy (cont')

The income statement

Net sales

Net revenue in the form of ferry transport of cars, trucks, buses and passengers as well as associated sales of restaurant goods (catering) is recognized in the income statement when the ferry transport has taken place and the restaurant goods have been delivered to the customer.

When selling multi-trip cards, sales are recognized in the income statement proportionately in line with the completion of the crossings to which the multi-trip card entitles, including any bonus crossings that are expected to be utilized.

Costs:

External operating costs of the ships

Includes oil consumption, repair and maintenance as well as other external costs.

Other external operating costs

Costs for terminals and port facilities, consumption of goods in the catering department, administration costs.

Staff costs

Salaries, social security contributions, paid leave and sick leave, bonuses and other monetary and non-monetary benefits, including share-based payment, are recognized in the financial year in which the employees performed the associated benefit. The company only has defined contribution pension plans. Pension costs relating to defined contribution pension plans are recognized in the income statement in the year to which they relate.

Other operating income and operating expenses

Other operating income and operating expenses include income and expenses of a secondary nature in relation to the company's main activity, including gains on the sale of tangible non-current assets if the sale price of the assets exceeds the original cost price.

Financial income and expenses

Financial income and expenses include interest income and expenses, the interest portion of financial leasing services, realized and unrealized capital gains and losses relating to debt liabilities and transactions in foreign currency, amortization surcharges / deductions relating to financial liabilities measured at amortized cost and financial fees, etc.

1. Accounting policy (cont')

Interest income and expenses are accrued on the basis of the principal and the effective interest rate. The effective interest rate is the discount rate that must be used when discounting the expected future payments associated with the financial asset or the financial liability, so that the present value of these corresponds to the carrying amount of the asset or the liability at initial recognition.

Balance sheet

Intangible assets

Goodwill is initially recognized in the balance sheet at cost. As a result, goodwill is measured at a cost less than accumulated impairment losses. The carrying amount of goodwill is allocated to the Group's cash-generating units at the time of acquisition.

The determination of cash-generating units follow the managerial structure and internal financial management.

Goodwill will be assessed annually for impairment.

Other intangible assets comprising brand and know-how acquired as part of the business combination are measured at cost less accumulated amortization. They are amortised on a straight line basis over the expected useful life as follows:

Brand: 10 years

Know-how: 10 years

Tangible assets

Land is measured at cost. Land is not depreciated.

Buildings, terminals and port facilities, ships as well as operating equipment, fixtures and fittings are measured at cost minus accumulated amortization and impairment loss.

Expenses incurred for periodic inspections of ships and ship engines are added to the particular ships' cost price and depreciated on a straight-line basis until the next planned inspection, cf. the description mentioned below. The cost price includes the price of acquisition, costs are directly associated with the acquisition and costs for preparing the asset until the time when the asset is ready to be taken into use. For financially leased assets, the cost price is the somewhat lower than the fair value of the asset and the present value of future lease payments.

1. Accounting policy (cont')

The depreciation basis is the cost price minus the residual value after the end of a useful life. The residual value is calculated at the amount to which the asset is expected to be sold at balance sheet date, if the asset had the age and condition that the asset is expected to have at the end of its useful life, minus costs of disposal.

The cost of a total asset is divided into smaller components, which are depreciated separately should the useful life be different. Linear depreciation is made based on the following assessment of the assets' expected useful lives and residual values:

Ferries: approx. 20-25 years

Periodic inspections, ships 1-10 years

Buildings, terminals and port facilities 5-20 years

Operating equipment and fixtures 3-5 years

Depreciation methods, useful lives and residual values are reassessed annually.

Tangible assets are depreciated to the recoverable amount if this is lower than the carrying amount, cf. The below mentioned.

Periodic inspections, ships

The company's ships undergo planned periodic dockings and inspections. Costs related to periodic dockings and inspections are capitalized and depreciated on a straight-line basis over an expected period until the next inspection. The residual value is then estimated at zero. The life of the assets are reassessed at the end of each accounting period based on current market conditions, regulatory requirements and Molslinjen's business plans.

The cost price of ships, including new constructions, is divided into a cost price for the ship and a cost price of the asset relating to docking and inspection. The two elements are separately recognized and depreciated. When purchasing ships, including new constructions, the cost price of the docking / inspection element is estimated based on the company's experience and history of similar ships and docking / inspection intervals.

Costs for docking and inspection typically consist of external costs for shipyards and repair work, materials used, hiring in of crew and costs for own inspectors and staff during docking / inspection periods.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost price exceeds the recoverable amount of the investment, it will be depreciated to this lower value.

1. Accounting policy (cont')

Impairment of intangible and tangible assets

The carrying amounts of intangible and tangible assets are reviewed above mentioned balance sheet date in order to determine whether there are any indications of impairment. If this is true, the asset's recoverable amount is calculated to determine the need for any impairment loss and its extent. Nevertheless, the recoverable amount of goodwill and intangible assets with an indefinite useful life is always being assessed annually. If the asset does not generate cash flows independently of other assets, the recoverable amount of the smallest cash-generating unit in which the asset is included will be calculated.

The recoverable amount is calculated as the highest value of the asset's cash-generating unit's fair value minus costs to sell and its capital value. For ships, fair value minus selling costs is commonly determined on the basis of estimated sales value on the basis of external broker assessments.

When calculating a ship's capital value, estimated future cash flows are discounted back to present value using a discount rate that reflects both the current market assessments of the time value of money and the special risks associated with the assets or the cash-generating unit that are not adjusted for in they estimated future cash flows.

If the recoverable amount of the asset or the cash-generating unit turns out to be lower than the carrying amount, the carrying amount is written down to the recoverable amount. For cash-generating units, the depreciation is distributed so that any goodwill amounts are written down first, and then any remaining depreciation requirement is distributed proportionally to the other assets in the unit, as the individual assets are not written down to a lower value than its fair value less expected selling costs.

Impairment loss are recognized in the income statement. In the event of any subsequent reversals of depreciation as a result of changes in the assumptions for the calculated recoverable amount, the carrying amount of the asset or the cash-generating unit is then increased to the adjusted recoverable amount, but not to the carrying amount of the asset or the cash-generating unit made.

Inventories

Inventories consisting of oil bunkers, lubricants, ship spare parts and other consumables are measured at cost or net realizable value, whichever is lower. The cost price is valued according to the FIFO method.

Receivables

Receivables are initially measured at fair value and subsequently as amortized cost, which usually corresponds to nominal value less write-downs to meet expected losses.

The company use the simplified method for measuring expected loss on receivables, where the provision is measured at the expected loss throughout the life of the receivable.

1. Accounting policy (cont')

The expected loss percentages are based on the payment profiles on sales over a 36-month period and the corresponding credit loss during this period. The loss percentages are adjusted with the expected development in macroeconomic factors that may affect customers' ability to pay. The company assesses GDP and energy prices as the most relevant factors, and adjusts the historical loss rates with expectations of developments in these factors.

The company has had a total loss of DKK 165 TDKK over the past 36 months, which gives a loss percentage of less than 0.7%. This provision is considered to be insignificant, which is why supplementary information is omitted in note 15 on Receivables from sales.

Impairment of receivables is recognized in the income statement under other external costs.

Prepayments and accrued income

Prepayments and accrued income recognized under assets comprise expenses incurred relating to subsequent fiscal years. Prepayments and accrued income are measured based at cost.

Yield

Dividends are recognized as a liability at the time of adoption by the general meeting. Dividends, which are expected to be paid annually, are disclosed under the proposed profit distribution in connection with the income statement and as a separate element under equity.

Share-based payment

The company's share-based payment is treated in accordance with the rules on equity-based scheme, where fair value is calculated at the time of allotment of the allotted programs on the basis of the Black-Scholes model. This value is expensed over the vesting period for each of the respective programs and offset against equity.

When recognizing, fair value, during the vesting period, the number of employees who are expected to obtain the final right to the programs is taken into account, including the conditions attached to the allocation. This estimate is reassessed at the end of the period so that only the number of rights that are expected to be granted is being recognized.

Provisions for gratuities at resignations and anniversaries

Dismissal liabilities relate to liabilities for the payment of severance pay of 1-3 months' salary to certain employee groups upon resignation after the employee's turned 60, which is recognized over said vesting period. The final provision is calculated as present value of total liabilities, which is calculated on the basis of the scope of employees covered and the empirical probability of times of resignation.

1. Accounting policy (cont')

Anniversary gratuities is paid after an employee's 25th year and 40th year of employment in Molslinjen. The final provision is calculated as the present value of total liability, which is calculated on the basis of the employee seniority and the empirical probability that 25 years and 40 years of employment, respectively, will be achieved.

Prepaid fares and multi-trip cards etc.

Revenue arising from the delivery of future crossings through the sale of multi-trip cards, etc. are recognized proportionately, taking into account the empirical probability that these crossings will actually be utilized. The accrued revenue is calculated on the basis of the price of the multi-trip card, etc. and expenses paid but not yet spent crossings, etc. at the balance sheet date.

Further financial liabilities

Further financial liabilities, including bank debts and accounts payable, are measured on initial recognition at fair value on the settlement date less any transaction costs incurred. Subsequently, liabilities at amortized costs are measured using the effective interest method, so that the difference between the proceeds and the nominal value is recognized in the income statement as a financial expense over the loan period.

The cash flow statement

The cash flow statement shows cash flows relating to operations, investments and financing as well as the cash and cash equivalents at the beginning and end of the year.

Cash flows relating to operating activities are presented according to the indirect method and are calculated as operating profit, adjusted for non-cash operating items and changes in working capital, minus the tonnage tax paid in the financial year attributable to the operating activities.

Cash flow relating to investment activities include payments in connection with purchases, improvements and sales, etc. of tangible and financial assets as well as payments of transaction costs and related taxes.

Cash flow relating to financing activities include changes in the company's share capital and related cost as well as raising and repaying loans, repayments on interest-bearing debt, purchase of own shares and payment of dividends.

Cash and cash equivalents comprise cash and cash equivalents, less any overdraft facilities that are an integral part of liquidity management.

2. Significant accounting estimates

The calculation of the carrying amount of certain assets and liabilities requires assessments, estimates and assumptions about future events.

The estimates and assumptions made are based, among other things, on historical experience and other factors that management deems justifiable according to the circumstances, but which are inherently uncertain - and unpredictable. The assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. Due to the risks and uncertainties which the company is subject to, actual outcomes may deviate from the estimates done. Particular risks for Molslinjen are mentioned in the management's review.

It may be necessary to change previous estimates as a result of changes in the circumstances on which these estimates were based or due to new knowledge or subsequent events.

In preparing Molslinjen A/S' annual report, management therefore makes a number of accounting choices and accounting estimates that form the basis for recognition and measurement of the company's assets and liabilities as well as income and expenses. The most important accounting choices or estimates are described below.

Significant accounting estimates

In connection with the practical application of the described accounting policies, the management has made the following significant accounting assessments, which have had a significant impact upon the annual report:

Impairment test of goodwill

On initial recognition, goodwill is recognized at cost in the balance sheet. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Goodwill is tested for impairment at least once a year and in the event of any indication of impairment. Impairment tests are based on the relevant cash-generating unit. For a more detailed description of the impairment testing of goodwill, please refer to note 11.

Measuring the value of ships

Ships are measured at cost minus accumulated amortization and impairment losses. Cost includes the acquisition price plus costs directly associated with the acquisition until the time when the assets are ready to be taken into use.

2. Significant accounting estimates (cont')

All major components of the vessels, with the exception of periodic inspection costs, are depreciated on a straight-line basis at the expected residual value over the expected useful life, which Molslinjen estimates to be up to 25 years for the ferries.

The residual value is per the balance sheet date estimated as 10% of the cost price. Molslinjen estimates at the end of 2023 that this residual value remain an expression of the vessels' market value at the end of the periods of use, based on current market conditions and the ships' expected condition. The life and residual value of vessels are reassessed as a minimum at the end of each accounting period based on the conditions mentioned.

The company reviews the ships' carrying amounts once a year with a view to assess whether events have occurred that require a correction of the values because the carrying amount of the assets is not expected to be recoverable. In assessment of the recoverable amount, the company includes significant indicators of a possible impairment, such as purchase and sales prices and general market conditions.

Leasing

The company's leasing contracts consist primarily of the leasing of ships, properties and port facilities.

Leases may be complex contracts consisting of both leases and services. In accordance with the accounting policies used, Molslinjen only recognizes the lease payments in the calculation of the lease obligation, as services are recognized in line with their consumption. The assessment of whether something is leasing or service may have an effect on the calculation of the total leasing obligation. Molslinjen therefore conducts a careful examination of whether the contracts contain a service element, including what costs may relate on a day-to-day operation.

Several of Molslinjen's leasing agreements run for periods of 15 years or more, primarily due to expected and estimated useful lives on the company's ships, properties and port facilities as a result of agreements entered into regarding navigation of the company's routes. As a result of the leasing services having to be discounted back, the calculation of the discounting factor may have a significant influence on the size of the leasing liabilities. As a consequence, Molslinjen carefully reviews maturities and alternative interest rates in the calculation.

3. Revenue

	<u>Shipping</u> TDKK	<u>Catering</u> TDKK	<u>In total</u> TDKK
2022			
The Kattegat routes	802,638	117,915	920,553
The Bornholm routes	668,316	97,708	766,024
The Western routes	<u>335,536</u>	<u>25,364</u>	<u>360,900</u>
In total	<u>1,806,490</u>	<u>240,987</u>	<u>2,047,477</u>
2023			
The Kattegat routes	815,668	125,139	940,807
The Bornholm routes	714,491	107,035	821,526
The Western routes	<u>346,559</u>	<u>24,597</u>	<u>371,156</u>
In total	<u>1,876,718</u>	<u>256,771</u>	<u>2,133,489</u>

The most significant part of the company's turnover is paid in advance at ordering. Payment terms for other receivables are on average a fortnight. The Bornholm routes and the Western routes further receive public subsidies totaling DKK 526,397 thousand (2022: 502,766 TDKK), which is calculated into the above mentioned turnover figures.

	<u>2023</u> TDKK	<u>2022</u> TDKK
4. Other operating income		
Covid-19 compensation, cost	521	0
Revenue compensation, late delivery of new build ship	14,893	0
Intercompany, forwarded salary and administration costs	<u>15,546</u>	<u>0</u>
	<u>30,960</u>	<u>0</u>

5. The ships' external operating costs

Maintenance and spare parts, etc.	109,168	120,346
Oil consumption	514,757	501,190
Insurances	22,602	26,169
Further operating expenses	<u>9,034</u>	<u>9,212</u>
	<u>655,561</u>	<u>656,917</u>

The above amounts for oil consumption include accumulated fair value adjustments transferred from equity relating to financial instruments entered into to hedge cash flows of TDKK 23,728 in 2023 and TDKK 184,754 in 2022.

	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
6. Other external costs		
Terminal and port costs	145,845	158,238
Catering department, consumption	94,639	83,659
Catering department, further	14,545	13,646
Sales and administrative expenses	<u>108,300</u>	<u>74,051</u>
	<u>363,329</u>	<u>329,594</u>
	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
7. Staff costs		
Salaries and Wages	448,513	416,003
Contributions for Pensions (defined contribution plans)	43,464	38,099
Expenses towards social security, etc,	<u>7,917</u>	<u>6,530</u>
In total	<u>499,894</u>	<u>460,632</u>
Average number of employees	<u>858</u>	<u>835</u>

Remuneration to the Board of Directors and the Executive Board for 2023 amounts to a total of TDKK 5,456 TDKK against a total of 6,006 TDKK in 2022. Of this, contributions towards pensions for 2023 amount to 311 TDKK against 341 TDKK in 2022. No share-based payment has been paid either in 2023 or 2022.

The company may terminate the director's contract with 12 months' notice, while the director may terminate the director's contract with 6 months' notice. No particular severance pay has been agreed.

Executive Management and certain key employees participate in an indirect share investment programme in the parent company Molslinjen Group ApS. The share investment is subject to customary leaver provisions. Management and key employees together hold an indirect interest of 1%. The participants paid fair value for the shares and has an obligation to sell upon resignation.

	2023	2022
	TDKK	TDKK
8. Depreciations		
Brand	32,273	32,273
Know-how	24,205	24,205
Periodic inspections of ships	51,534	41,975
Ships	156,594	154,612
Terminals and port facilities	100,746	82,442
Fixed assets and inventory	17,529	18,149
	<u>382,881</u>	<u>353,656</u>
9. Financial items, net		
Interest on bank, etc,	2,022	0
Profit on liquidation of subsidiary	1,308	0
Interest on receivables, etc,	0	0
Total financial income	<u>3,330</u>	<u>0</u>
Interest on debt to affiliated companys	(51,991)	(23,438)
Interest on bank debt, etc,	(4,721)	(52,861)
Interest on leases, ships	(49,841)	(49,668)
Further interest on leases,	<u>(23,708)</u>	<u>(20,447)</u>
In total	(130,261)	(146,414)
Price adjustment of financial leasing contract, ships	<u>(1,435)</u>	<u>2</u>
Total expenses on interest	(131,696)	(146,412)
Financial fees, etc	<u>(3,865)</u>	<u>(4,387)</u>
Total financial expenses	(135,561)	(150,799)
Financial items, net	(132,231)	(150,799)

	2023	2022
	TDKK	TDKK
10. Income tax expenses		
Current tax	(449)	(892)
Regulation relating to previous years	542	681
	93	(211)

The company then signed up for a new 10-year period with effect from 2018. As a result of the application of the tonnage tax scheme, it is not relevant to reconcile the effective tax rate. If the shipping company's net investments in ships should fall significantly, the company is liquidated or the company withdraws from the tonnage tax scheme, a contingent tax on ships, etc. is triggered.

11. Intangible assets

	Goodwill	Brand	Know-how	Total
	TDKK	TDKK	TDKK	TDKK
Cost price 01.01.22	3,682,402	322,731	242,048	4,247,181
Other additions	0	0	0	0
Cost price 31.12.22	3,682,402	322,731	242,048	4,247,181
Amortisation 01.01.22	0	26,894	20,171	47,065
Amortisation for the year	0	32,273	24,205	56,478
Amortisation 31.12.22	0	59,167	44,376	103,543
Carrying amount 31.12.22	3,682,402	263,564	197,672	4,143,638
Cost price 01.01.23	3,682,402	322,731	242,048	4,247,181
Other additions	0	0	0	0
Cost price 31.12.23	3,682,402	322,731	242,048	4,247,181
Amortisation 01.01.23	0	59,167	44,376	103,543
Amortisation for the year	0	32,274	24,204	56,478
Amortisation 31.12.23	0	91,441	68,580	160,021
Carrying amount 31.12.23	3,682,402	231,290	173,468	4,087,160

Goodwill arising from an acquisition is allocated at the time of acquisition to cash generating units expected to gain economic benefits from the business combination.

11. Intangible assets (cont')

The carrying amount of goodwill can be specified as follows by cash generating unit:

	2023	2022
	TDKK	TDKK
Ferry-routes:		
Kattegat routes	2,682,402	2,682,402
Bornholm routes	700,000	700,000
Fanø route	300,000	300,000
	<u>3,682,402</u>	<u>3,682,402</u>

Goodwill has been tested for impairment as of 31 December 2023. The impairment test has been performed on the basis of the business unit or segment that represents the lowest level of cash-generating units to which goodwill at the time of acquisition may be attributed with a reasonable accuracy.

The expected cash flows are based on budgets for the years 2024 - 2028. For fiscal years after the budget periods (terminal period), cash flows for the most recent budget periods are adjusted for expected growth rates have been used. The tests used an expected growth in cash flows in the terminal period of 1%. Estimated changes in selling prices, volume and costs for budget and terminal period are based on historic experience and estimated future market developments and maintenance investments.

Cash flows used for calculating the value in use of the cash generating units stem from budgets and forecasts, which all have been approved by Management. The WACC applied is 7.4 percent after tax vs. a WACC of 7.3 percent last year. The calculated WACC reflects assessments of the time value of money, expressed through a risk-free interest rate and specific risk involved in the individual cash generating unit.

Sensitivity analyses have been performed to identify the lowest growth or the largest increase in the discount rate for each cash-generating unit without incurring an impairment loss.

No impairment of goodwill was recognized in 2023 and 2022.

	Average revenue growth 2024-2028	WACC	Growth rate terminal period
2023			
Kattegat routes	5.0%	7.4%	1.0%
Bornholm routes	4.9%	7.4%	1.0%
Fanø route	<u>3.8%</u>	<u>7.4%</u>	<u>1.0%</u>

11. Intangible assets (cont')

	Average revenue growth <u>2023-2027</u>	WACC	Growth rate terminal <u>period</u>
2022			
Kattegat routes	5.0%	7.3%	1.0%
Bornholm routes	5.0%	7.3%	1.0%
Fanø route	3.8%	7.3%	1.0%

12. Tangible assets

	Ships TDKK	Terminals and ports TDKK	Other fixtures and equipment TDKK	Assets under construct. TDKK	Total TDKK
Cost price 01.01.22	2,741,922	818,825	62,927	289,846	3,913,520
Other additions	63,279	18,293	25,333	370,700	477,605
Disposals	0	(15,659)	(174)	0	(15,833)
Cost price 31.12.22	<u>2,805,201</u>	<u>821,459</u>	<u>88,086</u>	<u>660,546</u>	<u>4,375,292</u>
Depreciations 01.01.22	(152,090)	(69,549)	(13,571)	0	(235,210)
This year's depreciations	(196,587)	(82,442)	(18,149)	0	(297,178)
Reversal of depreciation of disposals	0	15,221	174	0	15,395
Depreciations 31.12.22	<u>(348,677)</u>	<u>(136,770)</u>	<u>(31,546)</u>	<u>0</u>	<u>(516,993)</u>
Carrying amount 31.12.22	<u>2,456,524</u>	<u>684,689</u>	<u>56,540</u>	<u>660,546</u>	<u>3,858,299</u>
	Ships TDKK	Terminals and ports TDKK	Other fixtures and equipment TDKK	Assets under construct. TDKK	Total TDKK
Cost price 01.01.23	2,805,201	821,459	88,086	660,546	4,375,292
Other additions	249,054	198,128	34,027	29,217	510,426
Remeasurement	(396,553)	0	0	0	(396,553)
This year's transfer	461,572	0	0	(461,572)	0
Disposals	0	(5,389)	(959)	0	(6,348)
Cost price 31.12.23	<u>3,119,274</u>	<u>1,014,198</u>	<u>121,154</u>	<u>228,191</u>	<u>4,482,817</u>
Depreciations 01.01.23	(348,677)	(136,770)	(31,546)	0	(516,993)
This year's depreciations	(208,128)	(100,746)	(17,529)	0	(326,403)
Reversal of depreciation of disposals	0	5,389	959	0	6,348
Depreciations 31.12.23	<u>(556,805)</u>	<u>(232,127)</u>	<u>(48,116)</u>	<u>0</u>	<u>(837,048)</u>
Carrying amount 31.12.23	<u>2,562,469</u>	<u>782,071</u>	<u>73,038</u>	<u>228,191</u>	<u>3,645,769</u>
Depreciated over	20-25 yrs	5-20 yrs	3-5 yrs		

12. Tangible assets (cont')

Of the above accounting values, the following are:

	Ships TDKK	Terminals and ports TDKK	Other fixtures and equipment TDKK	Assets under construct. TDKK	Total TDKK
Carrying amount of leased assets 01.01.23	742,757	592,076	0	0	1,334,833
Additions	0	102,513	0	0	102,513
Remeasurement of lease liability	(396,553)	67,649	0	0	(328,904)
Disposals	0	(5,389)	0	0	(5,389)
This year's depreciations on leased assets	(36,430)	(81,872)	0	0	(118,302)
Reversal of depreciation of disposals	0	5,389	0	0	5,389
Carrying amount of leased assets 31.12.23	309,774	680,366	0	0	990,140

Information on associated lease liabilities may be found in note 21.

The carrying amount of ships includes right of use assets that relate to leasing of Express 2 and Express 3. The carrying amount of terminals and port facilities includes leased assets that relate to properties and port facilities for use by the company's ferry routes.

Further information concerning leasing (TDKK)	<u>2023</u>
Short-term leases costs (Under 12 months)	276
Costs of low value leases	272
Total payments on leases	199,944

The company's management continuously assess any need for depreciations of the company's ferries and port facilities. Any writedown must be made when the carrying amount is higher than the net sale price or the value on continued operation (value in use). It should be written down to the higher of net sale price and value for continued operations.

At the end of 2023 the company has assessed the need for writedowns and has, on the basis of its utility value, assessed that there was no basis for a further depreciations of the company's ferries.

Profit from the sale of fixed assets in 2023 was 0.2 MDKK against 2.6 MDKK in 2022.

13. Financial assets

	2023	2022
	TDKK	TDKK
Investments in subsidiaries and other investments		
Cost price 01.01.	7,530	130
Disposals (Molslinjen Drift A/S liquidated)	(130)	0
Other additions	11,100	7,400
Cost price 31.12.	18,500	7,530

Molslinjen A/S subsidiaries and other investments are contained by the following:

	Domicile	Owner- shares %	Parts of vote- rights %	Activity
MOLSLINJEN Drift A/S (liquidated in 2023)	Aarhus C	100	100	Leasing: port facilities
WattsUp Power A/S	Hvidovre	4.0	4.0	Develop and sell electromechanical solutions for energy storage

14. Inventories

	2023	2022
	TDKK	TDKK
Oil stocks	14,632	12,657
Uniform warehouse	412	260
Spare part (ships)	115,117	91,601
Inventory, catering	7,341	5,130
	<u>137,502</u>	<u>109,648</u>

In the financial year, 616,276 TDKK from inventories is recognized as an expense (2022: 591,952 TDKK). Out of the above mentioned inventories, 79,944 TDKK is expected to be spent within the next 12 months (2022: 63,848 TDKK).

15. Receivables from sales

Receivables from sales	23,147	16,118
Writedowns	(383)	(383)
	<u>22,764</u>	<u>15,735</u>
This year's realized loss	0	130
This year's downwritings to offset losses	0	35
This year's downwriting losses and realized losses	<u>0</u>	<u>165</u>

A simplified method is used to measure expected loss on receivables, where the provision, based on expected loss percentages, is measured at the expected loss throughout the lifetime of the receivable. Of the above mentioned receivables, 207 TDKK are more than 1 month overdue (2022: 216 TDKK).

16. Other receivables, etc.

Oil-derivatives	276	22,307
Prepayments and accrued income	21,883	13,126
Other receivables	14,559	16,360
	<u>36,718</u>	<u>51,793</u>

17. Cash and cash equivalents

	<u>2023</u> TDKK	<u>2022</u> TDKK
Cash and bank deposits	<u>125,575</u>	<u>40,516</u>

The company's cash and cash equivalents consist primarily of deposits at the Jyske Bank. There is no significant credit risk associated with cash and cash equivalents.

Bank deposits have variable interest rates. The company has unutilized drawing rights on overdrafts for a total of 0 MDKK (31.12.22: 0 MDKK).

18. Share capital

Share capital 01.01	283,487	284,100
Cancellation of own shares	<u>0</u>	<u>(613)</u>
Share capital 31.12	<u>283,487</u>	<u>283,487</u>

The Share capital consists of 14,174,347 share at 20 DKK The shares are fully paid. The shares are not divided in various classes. There are no particular rights tied to the shares.

	Pcs.		Nom. value TDKK		% of share capital	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
19. Own shares						
Own shares 01.01	0	30,653	0	613	0	0.22
Purchases	0	0	0	0	0	0
Cancellation of own shares	<u>0</u>	<u>(30,653)</u>	<u>0</u>	<u>(613)</u>	<u>0</u>	<u>(0.22)</u>
Own shares 31.12	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The company may, in accordance with the resolution of the general assembly, acquire a maximum nom. 28,349 TDKK own shares, corresponding to 10% of the share capital.

	Cash flow hedging reserve TDKK
20. Other reserves	
Reserves 01.01.22	49,006
Fair value adjustment of said financial instruments	<u>(34,164)</u>
Reserves 31.12.22	<u>14,842</u>
Reserves 01.01.23	14,842
Fair value adjustment of said financial instruments	<u>(46,803)</u>
Reserves 31.12.23	<u>(31,961)</u>

The reserves of value adjustment of hedging instruments (oil price contracts and interest rates/ hedging contracts) contains an accumulated net change in fair value of hedging transactions that meet the criteria for hedging future cash flows and where the hedged transaction has not yet been completed.

	Minimum Leasing services (rated value)		In terms of accounting	
	2023 TDKK	2022 TDKK	2023 TDKK	2022 TDKK
21. Lease liabilities				
Lease liabilities all fall due as such:				
Within a year from balance sheet day	202,155	417,764	162,277	368,600
Between one and five years of balance sheet day	582,911	509,125	506,625	368,486
More than five years from balance sheet day	<u>339,764</u>	<u>649,146</u>	<u>315,546</u>	<u>597,398</u>
	<u>1,124,830</u>	<u>1,576,035</u>	<u>984,448</u>	<u>1,334,484</u>
Amortization surcharges for future expense recognition	<u>(140,382)</u>	<u>(241,551)</u>		
	<u>984,448</u>	<u>1,334,484</u>		

21. Lease liabilities (cont')

	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
Lease liabilities, 01.01	1,334,484	1,608,857
Additions	257,886	11,518
Disposal	(155,373)	(163,067)
Remeasurement of lease liability	(328,904)	0
Installments	(125,847)	(123,215)
Price adjustment	2,202	391
	<u>- 984,448</u>	<u>1,334,484</u>
Lease liabilities are due as follows:		
Non-current liabilities	822,171	965,884
Current liabilities	<u>162,277</u>	<u>368,600</u>
	<u>984,448</u>	<u>1,334,484</u>

These leases follow a fixed repayment profile and the agreements do not contain any provisions on contingent lease payments. The leasing agreements may not be cancelled during the agreed leasing period, but may be extended or fulfilled on renewed terms. A leasing contract was reestablished regarding chartering in 2023 of Express 2 for a 5-year period, to which is attached a call option, which is recognized and may be exercised in 2028. A leasing contract was established regarding chartering in 2012 of Express 3 for a 12-year period, to which is attached a call option, which is recognized and may be exercised in 2029.

	<u>currency</u>	<u>expiration</u>	<u>Interest fixed/ Variable</u>	<u>Accounting- related value TDKK</u>
31.12.22				
Lease liabilities	EUR	2023-29	Fxd.	709,705
Lease liabilities	DKK	2022-35	Fxd.	624,779
				<u>1,334,484</u>
31.12.23				
Lease liabilities	EUR	2023-29	Fxd.	265,360
Lease liabilities	DKK	2022-35	Fxd.	719,088
				<u>984,448</u>

Information on associated lease liabilities are found in note 12.

	Accounting- related values	
	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
22. Credit institutions		
Debt to credit institutions, 01.01	157,654	1,084,797
Payout in the year	116,613	0
Installments per year	<u>0</u>	<u>(927,143)</u>
	- 274,267	157,654
 Debt to credit institutions are due as follows:		
Within a year from the balance sheet date	0	0
Between one and five years from the balance sheet date	10,285	1,971
More than five years from balance sheet day	<u>263,982</u>	<u>155,683</u>
	274,267	157,654

	2023	2022
	TDKK	TDKK
23. Provisions for gratuities at retirement and anniversaries		
Resignation liabilities 01.01.	3,145	2,377
Spent this year	(91)	(626)
Reserved this year	(86)	1,394
Resignation liabilities 31.12.	2,968	3,145
Anniversary greetings 01.01.	238	262
Spent this year	(16)	(40)
Reserved this year	16	16
Gratuities for anniversaries 31.12.	238	238
Reserved this year 31.12	3,206	3,383
Provisions are recognized as follows at the balance sheet:		
Non-current liabilities	3,190	3,276
Current liabilities	16	107
Reserved this year 31.12	3,206	3,383

Dismissal liabilities relate to liabilities for the payment of severance pay of 1-3 months' salary to certain employee groups upon resignation after the employee's turned 65. The final provision is calculated as present value of total liabilities, which is calculated on the basis of the scope of employees covered and the empirical probability of times of resignation.

Anniversary gratuities of 8 TDKK is paid after an employee's 25 years and 40 years of employment in Molslinjen. The final provision is calculated as the present value of total liability, which is calculated on the basis of the employee seniority and the empirical probability that 25 years and 40 years of employment, respectively, will be achieved.

24. Prepaid fares and multi-trip cards

	31.12.22	Influx	Use	31.12.23
	TDKK	in 2023	in 2023	TDKK
	TDKK	TDKK	TDKK	TDKK
Prepaid fares	27,988	31,078	(27,988)	31,078
Multi-trip cards	14,843	15,595	(14,843)	15,595
In total	42,831	46,673	(42,831)	46,673

25. Pledges

As security for the commitment with NFI Group, indemnity letters totaling 207 MEUR.

26. Bail and contingency liabilities as well as contingency assets

Contingency liabilities

Molslinjen won the tenders for Alslinjen and Samsølinjen during 2022. The company has entered into an agreement to purchase two new 100% electric ferries with expected delivery during 2024 and 2025. The acquisition price is expected to total approx. 630 MDKK of which 214 MDKK has already been paid and included under assets under construction.

Molslinjen is jointly and severally liable for taxes on the group's jointly taxed income, etc. The total amount of corporation tax due is stated in the annual report for Molslinjen Group ApS, which is a management company in relation to joint taxation. The Group's Danish companies are jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability constituting a larger amount.

	2023	2022
	TDKK	TDKK
27. Changes in working capital		
Changes in inventories	(27,854)	(16,717)
Changes in receivables from sales	(7,029)	1,508
Changes in other receivables, etc	(1,084)	(12,000)
Changes in other debts and periodic delimitation reg, multi-trip cards etc,	7,214	(42,737)
Changes in accounts payable, etc,	6,509	22,567
	<u>(22,244)</u>	<u>(47,379)</u>

28. Oil, currency, interest rate and credit risks as well as the use of derivative financial instruments

Policies for managing financial risks etc.

The company is, as a result of its operations, exposed to changes in oil prices, exchange rates and interest rates.

The company's board of directors and management continuously determine amount limits and periods as well as which derivative financial instruments may be used.

Oil price risks

It is the company's policy to continuously secure a share of the next two years' oil consumption regarding both oil price risk and currency risk. The company does not engage in active speculation within the financial risk market. The hedging is considered to be effective as the hedging is the same as the oil the company consumes.

Within the Kattegat and the western routes, the company's policy is to ensure 50-70% of oil consumption for the next 12 months and to ensure 30-50% of oil consumption for the following 13-24 months. At Bornholm, the company's policy is to ensure 30-50% of oil consumption for the next 12 months and ensure 10-30% of oil consumption for the following 13-24 months. However, 100% may be guaranteed if it may be done at prices below (budgeted prices).

The company basically purchases oil for ships on the spot market in force at any given time. The company's management continuously assess on the basis of current oil prices, expected oil price developments and current CAP and forward prices, whether and, if so, for what period the oil price is hedged. Hedging is done in DKK.

Molslinjen has per 31.12.23 secured a fixed oil price in DKK of 64% of the expected oil consumption in 2024 and 19% of the expected oil consumption in 2025. Volume of oil purchases under forward contracts per 31.12.23 amounts to 59,900 tonnes and expires as follows:

	Expire 2024	Expire 2025
Hedged quantity, tonnes	46,400	13,500
Average guaranteed price in DKK per ton	5,489	4,766

The oil futures contracts entered into relate to bunker oil in DKK, whereby the price of the hedged item and the hedging instrument are fully correlated.

28. Oil, currency, interests and credit risks as well as the use of derivative financial instruments (Cont')

The sensitivity of equity regarding oil price fluctuations per 31.12.23

Impact if the oil price was 10% higher than the actual price: +28,707 TDKK (2022: +41,332 TDKK)

The sensitivity of the result regarding oil price fluctuations per. 31.12.23

Impact if the oil price was 10% higher than the actual price: 0 TDKK (2022: 0 TDKK)

The above comprises the impact from unrealized oil hedging transactions per 31.12.23 would have had on equity and the profit of the year, respectively, should the oil price be 10% higher than the actual oil price per 31.12.23.

Currency risks

The company's currency risks consist solely of payment of charter services in EUR, which are not matched against income in EUR. The following shows what effect it would have had on equity and profit for the year, respectively, if the price had been 1% higher than the actual price per share 31.12.23. Regarding leasing debt, see note 21.

The sensitivity of equity before tax to exchange rate fluctuations per. 31.12.23

Impact if the EUR exchange rate was 1% higher than the actual exchange rate -2,654 TDKK (2022: -7,097 TDKK).

The sensitivity of the result before tax to exchange rate fluctuations per. 31.12.23

Impact if the EUR exchange rate was 1% higher than the actual exchange rate -2,654 TDKK (2022: -7,097 TDKK)

28. Oil, currency, interests and credit risks as well as the use of derivative financial instruments (Cont')

Primary financial instruments, liquidity risks and interest rate risks per 31.12.23

Category	Revaluation / maturity date			In total	Of which fixed interest
	0-1 yrs	1-5 yrs	>5 yrs		
TDKK					
Non-current liabilities	162,277	516,910	579,528	1,258,715	1,258,715
Accounts payable	103,393	0	0	103,393	0
Further debt	138,716	0	0	138,716	0
	404,386	516,910	579,528	1,500,824	1,258,715

Primary financial instruments, liquidity risks and interest rate risks per 31.12.22

Category	Revaluation / maturity date			Total	Of which fixed interests
	0-1 yrs	1-5 yrs	>5 yrs		
TDKK					
Non-current liabilities	368,600	368,486	755,052	1,492,138	1,492,138
Accounts payable	96,884	0	0	96,884	0
Further debt	88,364	0	0	88,364	0
	553,848	368,486	755,052	1,677,386	1,492,138

All of the above primary financial instruments are stated in contractual (undiscounted) cash flows.

Liquidity risks

The company is exposed to liquidity risks, as the company is dependent on always being in possession of the necessary liquidity. The company's liquidity reserves consist of cash and unutilized credit facilities. Undiscounted payment liabilities appear from note 21 "Financial leasing liabilities" and the balance sheet "Short-term debt liabilities".

Credit risks

The company has not provided credit to foreign customers, and nor are domestic receivables hedged. There is limited exposure per customer and usually cash prepayment, which minimizes credit risk.

Methods and assumptions for calculating fair values

Derived financial instruments

Oil price contracts and interest rate contracts are valued according to generally accepted valuation methods based on relevant observable market values for oil prices in DKK.

28. Oil, currency, interests and credit risks as well as the use of derivative financial instruments (Cont')

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

The following is the classification of financial instruments measured at fair value, broken down according to the fair value hierarchy:

- Listed prices in an active market for the same type of instrument (level 1).
- Listed prices in an active market for similar assets or liabilities or other valuation methods, where all significant inputs are based on observable market data (level 2).
- Valuation methods where any significant inputs are not based on observable market data (level 3).

2023	Level 1 TDKK	Level 2 TDKK	Level 3 TDKK	In total TDKK
Derivative financial instruments, liabilities	<u>-</u>	<u>31,961</u>	<u>-</u>	<u>31,961</u>
Financial assets used as hedging instruments	<u>-</u>	<u>0</u>	<u>-</u>	<u>0</u>
2022	Level 1 TDKK	Level 2 TDKK	Level 3 TDKK	In total TDKK
Derivative financial instruments, liabilities	<u>-</u>	<u>0</u>	<u>-</u>	<u>0</u>
Financial assets used as hedging instruments	<u>-</u>	<u>14,842</u>	<u>-</u>	<u>14,842</u>

Capital structure

The company is covered by the capital requirements according to the Danish Companies Act. The company continuously assesses the capital structure, including the need for capital.

28. Oil, currency, interests and credit risks as well as the use of derivative financial instruments (Cont')

Reserves for value adjustment of hedging instruments

	Oil price- agreements TDKK	Interest- SWAP TDKK	In total TDKK
Reserves 01.01.2022	53,476	(4,470)	49,006
Fair value adjustment of derivative fiscal instruments	146,120	0	146,120
Reclassified from the total income to the income statement per year	(184,754)	4,470	(180,284)
Reserves 31.12.2022 (further receivables)	14,842	0	14,842
Reserves 01.01.2023	14,842	0	14,842
Fair value adjustment of derivative fiscal instruments	(23,075)	0	(23,075)
Reclassified from the total income to the income statement per year	(23,728)	0	(23,728)
Reserves 31.12.2023 (further receivables)	(31,961)	0	(31,961)

29. Related parties

Related parties with a controlling influence on Molslinjen A/S: Molslinjen Group ApS.

Ultimate parent entity and controlling party: Nordic Ferry Infrastructure Holding AS

Other related parties with whom MOLSLINJEN A/S has had transactions in 2023 (TDKK):
Molslinjen Drift A/S, Aarhus C – subsidiary – Molslinjen Drift A/S has been liquidated as of 15.12.23, which is why the figures below for 2023 are figures for the period up to the liquidation.

	Molslinjen Drift A/S
2022	
Purchase of services	0
Interest expenditures	(26)
Current interim account	(1,457)
2023	
Purchase of services	0
Interest expenditures	(24)
Current interim account	0

Board of Directors, Executive Board and senior executives

Apart from what follows from the employment relationship and any shareholdings, there have been no transactions with the Board of Directors, the Executive Board or Senior Executives. Remuneration, etc. appears in note 7.

	2023	2022
	<u>TDKK</u>	<u>TDKK</u>
30. Remuneration of the auditor elected by the general meeting		
Statutory audit	585	552
Other statements of assurances	190	128
Tax advice	1,032	271
Further services	<u>1,331</u>	<u>455</u>
	<u>3,138</u>	<u>1,406</u>

31. Events after the balance sheet date

Apart from what is mentioned in the management's review, no significant events have occurred after the balance sheet date, which have any significance for the annual report.

