

List of Signatures

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 **The Board of Directors report 2023.pdf**

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ANNUAL REPORT 2023

About Nordic Ferry Infrastructure

Nordic Ferry Infrastructure (NFI) was formed in February 2022 through the legal combination of the two local ferry and express boat operators, Molslinjen and Torghatten. NFI is a leading pan-Nordic floating bridge operator with a well-diversified portfolio of 70 routes operated by over 100 vessels, transporting more than 25 million passengers per year.

With the acquisition of ForSea (Öresundslinjen) in 2023, the combined NFI Group, consisting of Torghatten (Norway), Molslinjen (Denmark) and Öresundslinjen (Sweden), offers a broad and diversified contract profile and route network, offering further growth and efficiency across the region.

NFI AS has its business address in Brønnøysund, Norway.

Torghatten

Torghatten, founded in 1878, is the leading private passenger transportation company in Norway, providing essential ferry and express boat infrastructure with its "floating bridge" route network, making it a critical part of the country's domestic transportation system. Torghatten's fleet consists of over 90 car ferries and smaller passenger express boats operating on 60 different connections in Norway, from the Oslofjord in the south to Troms County in the north, typically under medium to long term contracts with public transportation authorities. Torghatten transports over 11 million passengers per year.

Torghatten has its business address in Brønnøysund, Norway.

Molslinjen

Molslinjen, founded in 1963, is Denmark's largest passenger ferry company and a critical part of Denmark's transportation infrastructure, linking Denmark's major population centers and connecting several important islands with the mainland. Molslinjen's fleet consists of 16 vessels connecting 9 routes across three corridors (Kattegat, Bornholm, and West), including connections to Sweden and Germany. Molslinjen operates a young, modern, and fit-for-purpose fleet under long-term concession agreements as well as on a commercial basis as the sole operator with high barriers to entry. Operations also include the low-price bus service Kombardo Expressen transporting non-car passengers on the vessels and between the major cities in Denmark. Molslinjen transports over 8 million passengers per year.

Molslinjen has its business address in Aarhus, Denmark.

Öresundslinjen

Öresundslinjen (former Forsea), founded in 1886, is the sole operator of Roll-on/Roll-off ferries between Helsingør, Denmark, and Helsingborg, Sweden. The company was acquired by the NFI Group in January 2023. Öresundslinjen constitutes an integral part of the Nordic transportation infrastructure network,



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bringing more than 7 million passengers across the strait every year. The company operates five ferries on the route, of which the main two are electric.

During 2023 Molslinjen and Öresundslinjen have merged into one organization with a common management team. In conjunction with this, Forsea was rebranded to Öresundslinjen during Q3 2023.

Öresundslinjen has its business address in Helsingborg, Sweden.

Highlights in 2023

In 2023, The Group has commenced to operate the following contracts:

- Torghatten Nord AS commenced operation of the Visten ferry route in March 2023, with a contract duration until February 2033.
- Torghatten Nord AS commenced operation of a short-term contract in Sør-Troms (Refsnes – Flesnes, Stangnes – Sørrollnes and Størnes – Bjørnrå) from February 2023.
- Torghatten Nord commenced to operate the connection Brattvåg-Dryna from January 2023, with a contract duration until December 2028.
- Torghatten Midt AS commenced to operate the connections Vennesund-Holm, Horn-Andalsvåg, Horn-Igerøy and Igerøy-Tjøtta during the year.

In 2023, the Group has entered into the following new contracts:

- Torghatten Nord AS won the tender Fylkesveiferjer Troms (connection Belsvik – Vengsøy, Rotsund – Havnes, Mikkelvik – Bromnes). The contract runs from November 2025 until end of October 2035 with an extension option of 3 years, until end of October 2038.
- Torghatten Nord AS won short-term contract for connection Svolvær – Skrova (February 2024 to end of January 2026) and the long-term contract for the same connection for the period February 2026 - January 2036.
- Torghatten Midt AS won the tender Vennesund – Holm with start date July 2023. The contract runs until June 2026, with an option to extend by 3+3 months.
- Torghatten Midt AS won the tender Lille Helgeland with start date July 2023. The contract runs until June 2026 with an option to extend by 3+3 months. The contract covers the connections Horn – Andalsvåg, Horn – Igerøy and Igerøy – Tjøtta.
- In the West corridor, Molslinjen won the tenders to operate the ferry routes of Alslinjen and Samsølinjen for the next 10-year periods. The tender for Alslinjen covers the period September 2024 to August 2034 and the tender for Samsølinjen covers the period January 2025 to December 2034.

Technology developments

NFI is actively investing in developing new technologies and business concepts to further drive the green transition, improve customer satisfaction and enhance operational efficiencies. Recent examples include Zeabuz, which is the world's first commercial, zero-emission, autonomous passenger ferry, operating in the



heart of Stockholm since the summer of 2023, NFI's investment into developing Flywheels, which will be an alternative when batteries are not suitable for high-speed ferries due to low energy density, NFI's ongoing investment into developing hydrogen ferries for use in the north of Norway, and other investments such providing the world's first onboard EV charging solution in Öresundslinjen, building charging infrastructure for electric ferries in the ports, roll out of digital booking system to simplify customer journeys, etc.

Torghatten investments

Torghatten Nord AS has continued the newbuild program for Lødingen - Bognes (Indre Vestfjord) where a new fully electric vessel will be delivered in 2024, as well as MF Barøy being converted from LNG operation to fully electric operation. The contract starts in January 2024.

Torghatten Nord AS has also started to build two new Hydrogen ferries for the connection Bodø – Værøy – Røst – Moskenes (Ytre Vestfjord). This is the longest ferry route in Norway and is characterized by operations in rough seas. The design and technical solutions will set a new standard for innovation, safety and sustainability in a harsh weather environment. When finalized, the ferries will be the world's largest hydrogen ferries, and will be fueled with hydrogen produced locally in Bodø.

Torghatten continues to invest in green technology and are highly committed to contribute to reducing the ferry sector's environmental impact.

Molslinjen investments

Molslinjen is continuously assessing the need for additional capacity to serve transport demands across all its routes. In the Bornholm corridor, following sold-out departures during the high season, Molslinjen has deployed 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 the tenders to operate the ferry routes of Alslinjen and Samsølinjen for the next 10-year periods. The tenders required zero or close to zero CO2 emissions from the ferry operations and the vessels are now under construction.

Öresundslinjen investments

During the year, EV charging stations were installed on the ferries Aurora and Tycho Brahe for customers to charge their electric vehicles while crossing the strait between Sweden and Denmark. Also, ferry Tycho Brahe had an interior refurbishment in the fall of 2023, including a new restaurant, to further enhance the onboard customer experience.

After the acquisition of Öresundslinjen in early 2023, the company has put significant efforts into securing a quick and seamless integration with Molslinjen, both in terms of organizational setup, systems portfolio, and various management practices.



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Financial position

As the NFI Group was established in February 2022, the comparative figures for 2022 only covers 10 months. Öresundslinjen was acquired by the Group in early 2023 and is included for 11 months in 2023.

Result

Nordic Ferry Infrastructure achieved an operating profit before depreciation (EBITDA) of 2 363 MNOK in 2023 (1 378 MNOK) and operating profit of 632 MNOK (157 MNOK). Total operating revenues is 8 452 MNOK in 2023 (5 414 MNOK).

The parent company's profit before tax amounted to -1 649 MNOK in 2023 (-402 MNOK). The profit after tax amounted to -1 284 MNOK (-0,303 MNOK).

Balance

Total assets at the end of 2023 were 34 093 MNOK (25 363 MNOK). Total equity ended at 12 182 MNOK (8 060 MNOK). The equity ratio was 35.7% (31.8%).

Current liabilities amounted to 1 740 MNOK (1 489 MNOK) at the end of 2023. Non-current liabilities were 20 170 MNOK (15 813 MNOK), an increase of 4 357 MNOK.

Total balance sheet values in the parent company amounted to 16 770 MNOK (11 427 MNOK) at the end of 2023. In the parent company, equity has been changed from 7 703 MNOK in 2022 to 11 759 MNOK in 2023. The equity ratio was 70.1% at year-end.

Cash Flow

Total cash flow from operations in the group was 2 266 MNOK, while the operating result for the group amounted to 2 363 MNOK. Investment activities ended at net -3 939 MNOK related to acquisition of subsidiaries and purchase of property, plant and equipment. Financial activities were 2 840 MNOK, which were mainly linked to issuance of equity and proceeds/repayment of borrowings. This gave a net change in cash for the year of 1 167 MNOK.

The NFI Group has met its financial targets for 2023 and is in a good position to continue its current growth path. The electrification of the fleet is well underway, and financing is secured for the foreseeable future. With a large part of revenues secured through long-term contracts and historically strong defence rates, the main uncertainties relate to traffic development on the commercial routes and uncertainty relating to currency fluctuations and future energy prices.

Through its operations, the Group is exposed to interest rate risk, liquidity risk, credit risk and oil price risk. The Group uses derivatives and other financial instruments to mitigate these risks. For further information on risk please refer to the notes in the financial statement.



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Market conditions

With the acquisition of Öresundslinjen in 2023, NFI has further strengthened its position as the leading pan-Nordic "floating bridge" transportation provider. Operating a route network of 70 routes across geographies, counterparties, and traffic type, while serving the most important travel corridors, NFI has a strong pedigree with a robust and diversified revenue generation underpinned by long-term contracts.

NFI's consolidated Nordic platform offers further growth and operational efficiency. Synergies from the integration of Molslinjen and Öresundslinjen have already materialized and further scale advantages are identified and executed across the Nordic market.

NFI operates in a market with high entry barriers, but with many competitors locally across the Nordic region. New ownership structures, especially in the Norwegian market, have emerged in recent years. Competitive dynamics is fuelled by frequent tender activities in many of the markets. In addition, there is an acceleration of technological developments driven by increasing sustainability requirements from public authorities, customers, and other stakeholders. NFI pro-actively engages with all stakeholders, with the aim to remain at the forefront of the sustainability transformation of the industry. During 2023, NFI has won several tenders and successfully defended its leading market position in the Nordics.

With its diversified route network and contract portfolio, NFI is well-positioned to benefit from the expected growth in the underlying transportation infrastructure market.

Corporate governance

The Group intends to comply with the requirements set out in "the Norwegian Code of Practice on Corporate Governance of 14 October 2021" (No: "Norsk anbefaling om eierstyring og selskapsledelse av 14. Okt. 2021"). The principles of corporate governance shall ensure an appropriate division of roles between the owners, the Board of Directors and executive management. The division of roles shall ensure that the Group's determined goals and strategies are implemented in practice, and that achieved results are subject to measurement and follow-up. Furthermore, the principles shall help ensure that the Group's activities are subject to adequate control. An appropriate division of roles shall, over time, contribute to the greatest possible value creation for the benefit of shareholders and other interest groups.

Corporate governance shall be based on the following main principles:

- Maintain open, reliable, and relevant communication with the outside world about the company's operations and matters related to corporate governance.
- Safeguard independence and impartiality in the division of roles between the owners, Board of Directors, and executive management.
- Practice arm's length when dealing with related parties.
- Treat all shareholders equally.

Important channels of corporate governance are:

- The general meeting is the company's highest executive meeting and gives all shareholders the right to vote on key issues.



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- The scope of the activities is laid down in the articles of association.
- The board has overall responsibility for the management of the company and supervision of its management.

Board insurance

A Directors and Officers insurance is in place for the members of the Board of Directors and the CEO for their possible liability towards the company and third parties. The Board of NFI considers the coverage to be in line with market practice.

Remuneration of senior executives

Guidelines for the remuneration of senior executives are presented to the general meeting in the company as a briefing matter. Salary and any other remuneration paid to the CEO is determined by the company's Board of Directors. The company's Board of Directors has delegated to the CEO, the responsibility for determining salaries to other senior executives of the Group. The principles to determine remuneration is in line with market practice. For further information on remuneration please refer to the notes in the financial statement.

Sustainability in NFI

For most stakeholders today, it is of outermost importance that businesses act in a sustainable and responsible manner. By acting responsible a company can gain many benefits and will be of interest and value to both lenders, buyers, customers, other business partners, authorities and similar.

To identify NFI's most material sustainability-related risks, opportunities, and impacts, a Double Materiality Analysis has been conducted, where the following eight categories have been identified:

- Climate change
- Pollution
- Biodiversity and ecosystem
- Resource use and circular economy
- Own workforce
- Workers in the value chain
- Consumers and end users
- Business conduct

This work was guided by the European Sustainability Reporting Standards (ESRS).

The DMA results have provided valuable insights into sustainability-related risks, opportunities, and impacts and will constitute the foundation of NFI's ESG strategy and principles going forward. NFI will throughout 2024-2025 continue to prepare for sustainability disclosure, and report in accordance with the Corporate Sustainability Reporting Directive (CSRD) in 2026.



As part of the ambition to reduce our CO2 emissions, NFI committed to the Science Based Target initiative (SBTi) in June 2023. SBTi provides valuable guidance on setting ambitious targets and creating a transition plan in line with the Paris agreement of 2015. It is concluded that NFI needs to reduce CO2 emissions with 40-45% by 2030 (compared to 2022) and to be net zero in 2040.

Sustainability in Torghatten

Torghatten aims to be the preferred ferry and express boat operator, connecting people and communities together through green infrastructure. We are guided by this vision in all our decisions. We aspire to be reliable, attentive, proactive, and involving. This also applies as we transform Torghatten into a transportation company for the future. In Torghatten's sustainability work we emphasize good solutions for the climate and the environment, our own people, as well as local communities and the people living there.

We strive to develop and adopt zero or low emission solutions that not only reduce our own climate footprint, but also pave the way for our entire industry. We aim for zero accidents, and safety for travellers and employees is always our top priority. Quality and safety in all areas of our business is imperative to reaching our goals. We are also concerned with social sustainability in the form of good local communities and inclusive workplaces where all employees have the right skills required to do their job, and ongoing growth opportunities.

Environmental focus

Our goal is to be in the forefront of the energy transition in the Norwegian ferry sector and to leverage this position when exploring new market entries. We are continuously working to reduce our fossil fuel consumption, by electrifying our fleet and implementing measures to operate our vessels more energy efficiently. An ongoing energy optimisation project aims to optimise fuel and electricity consumption. Among other things this entails improved fuel measuring systems, speed reduction, hull coating and cleaning.

People focus

The employees of Torghatten are our most important asset. A vital task is to take care of our people, which is to be reflected in everything we do as a company. One of these tasks is to ensure the safety of all the people working on our ferries. As well as making sure that all our employees have the skill set required to do their job in a safe and sound way. It is fundamental that our leaders are good role models who always bring out the best in people.

Personal injuries:

	Number of incidents	Per million working hours
Lost Time Injury (LTI)	14	6,2
Total Recordable Number of Injuries (TRI)	23	10,3



The primary cause of injuries is accidents resulting from falls, particularly trips, slips, and falls from lower levels. An action plan has been devised to tackle this issue. The plan aims to bolster safety by conducting root-cause analyses and implementing targeted operational and technical corrective measures through the incident reporting system. Furthermore, the action plan prioritizes enhancing the overall safety culture and refining training related to health, safety, and environment (HSE) matters.

Sick leave:

Short term (<=16 days)	Long term (> 16 days)	Total
1,6	4,4	6,0

Gender equality

Total number of C-suite employees: Number of C-suite positions at end of calendar year (CEO and any senior executives reporting directly to the CEO, e.g. CFO, COO, CAO etc.)	11
Number of women C-suite employees: Number of women in C-suite positions at end of calendar year	5
% women in C-suite positions	45 %
% men in C-suite positions	55 %
Total number of employees in Extended Management team: (C-suite + first layer of managers below the C-suite)	34
Number of Women in the Extended Management team	6
% women	18%
% men	82 %
Total number of Full-Time Equivalent (FTE) employees Number of Full-Time Equivalent (FTE) employees at the end of the calendar year for which data is being provided	1123
Number of women FTEs	181,0
% women	16 %
% men	84 %
Total number of employees within top 20% earners	220
Number of women within the top 20% earners	23
% women in top 20% earners	10 %
% men in top 20% earners	90 %

Equal opportunities

At Torghatten, we do not accept discrimination in any form. The business operations are to be conducted based on principles of equality and respect. Torghatten aims to pay all land-based position the right compensation based on the level of required competence, degree of problem-solving, and accountability.



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Positions are compared across the organisation and toward the industries and trades we operate with to provide proper payroll benchmarking. Equal pay across gender and ethnicity for equivalent positions is also the aim. For positions onboard our vessels, Torghatten ensures equitable pay through practicing wages and collective agreements agreed with the unions.

Torghatten works actively to optimise the company's physical conditions so they can be utilized by all employees. For employees or job applicants with disabilities, individual adaptation of the workplace and work tasks is carried out. Torghatten has implemented a professional HR forum to ensure that topics concerning gender equality and discrimination are on the agenda. Furthermore, the HR forum works frequently to ensure awareness and development on these issues in all Torghatten's companies. The task of the HR forum is also to support all Torghatten's companies regard to HR related work and activities include, among other things, recruitment, salary and working conditions, promotion, development opportunities, and protection against harassment.

Compliance with the Transparency Act is ensured in cooperation with all Torghatten's companies.

The Transparency Act (Åpenhetsloven)

Pursuant to the Transparency Act (Åpenhetsloven) Torghatten will publish a statement regarding its due diligence assessments for 2023 on its website no later than the 30th of June 2024.

<https://www.torghatten.no/>

Sustainability in Molslinjen (including Öresundslinjen)

Molslinjen is committed to contribute to the freedom of movement providing fast, sustainable, and comfortable travelling. In providing our services we demonstrate responsible corporate conduct by continuously identifying, preventing, or mitigating adverse impacts on sustainable development. Our commitment rests on internationally recognized principles which covers all three areas of the ESG area – Environmental, Social and Governance.



Environmental focus

The green transition of Molslinjen rests on the following main principles:

1. Reduce CO2 emissions per transport work (CO2/tonnm)
2. Explore even more energy efficient engines and hulls
3. Reduce other emissions to air

We do this by continuously improving the efficiency of our ships and by exploring green propulsion technics, such as electric ships, HVO and following the Power-to-x development, including the Flywheel development.

In 2022 we have ordered two new electric ferries for our Als and Samsø routes to be put into operation in 2024 and 2025, respectively. While we are on track with transitioning to electric ferries on our short-distance routes, we are still evaluating alternative solutions for the longer distances.

People focus

The most valuable resource of Molslinjen is the employees. This is reflected in the efforts to ensure the safety and wellbeing of all the people working in the company. We have identified two main areas of focus:

1. We strive to be a safe, zero accidents workplace.
2. We have a "safety first" policy never compromise on safety

All Molslinjen crew members receive safety training, and we conduct regular safety drills and prepare safety analyses that complies with and exceeds national and international laws and regulations.

Personal injuries:

	Number of incidents	Per million working hours
Lost Time Injury (LTI)	13	5.22
Total Recordable Number of Injuries (TRI)	66	26.5

In the perspective of working environment, Molslinjen is operating a busy ferry operation, often in rough weather conditions, with increased risk of working injuries of the onboard crew. Molslinjen also performs a substantial amount of in-house heavy maintenance work on engines and ship installations, which also adds to exposure for working injuries. These factors call for an increased effort and new initiatives to drive down LTI to ensure a safe working environment for our employees.

We see most injuries (80%) occurring on our fast ferries on the Bornholm and Kattegat routes. Injuries are mainly among our catering staff (37%) and ship assistants (30%). We register all incidents and categorize them, so we can analyse the injuries and take the right measures to avoid similar incidents going forward.



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Sick leave:

Total sickness leave %	Total sickness leave %, without long term sickness
5,31%	3,95%

We have a target of 3% for sick leave without long term sickness for all employee groups. We have seen a positive development during 2023, where the start of the year was still negatively impacted by Covid-19.

Gender equality

Total number of C-suite employees: Number of C-suite positions at end of calendar year (CEO and any senior executives reporting directly to the CEO, e.g. CFO, COO, CAO etc.)	10
Number of women C-suite employees: Number of women in C-suite positions at end of calendar year	2
% women in C-suite positions	20%
% men in C-suite positions	80
Total number of employees in Extended Management team: (C-suite + first layer of managers below the C-suite)	36
Number of Women in the Extended Management team	6
% women	17%
% men	83%
Total number of Full-Time Equivalent (FTE) employees Number of Full-Time Equivalent (FTE) employees at the end of the calendar year for which data is being provided	1273
Number of women FTEs	468
% women	37%
% men	63%
Total number of employees within top 20% earners	258
Number of women within the top 20% earners	21
% women in top 20% earners	8%
% men in top 20% earners	92%

Our ambition is to have a well-balanced composition of all genders by 2026 at key organizational levels matching the industry standards as a minimum. Target for 2024 is to have 25% representation of underrepresented gender in executive management team and 20% in management in general.

Events after the turn of the year and the outlook ahead

In March 2024, NFI secured additional capex facilities to further support the green transition and growth plans of the company.



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The outlook ahead is generally considered to be favorable, given NFI's large portfolio of long-term concession contracts, strong positions on key commercial routes, and exclusive harbour access agreements. As a pure-play ferry operator, NFI will continue to build on its Nordic platform to secure further growth and efficiencies.

Going concern

The Board is of the opinion that the Annual Report and financial statements provide a true and fair overview of NFI's assets, liabilities, financial position, and results. The Group is in a good economic and financial position. In accordance with the Norwegian Accounting Act Section 3-3a confirms that the going concern assumptions are in place. The assessment is based on profit forecasts for the year 2024 and the Group's long-term strategic Forecasts for the years ahead.

Profit for the year and allocations

The Board of Directors propose that this year's results be used as follows:

Transfer from other equity	1,284 MNOK
Total allocated	1,284 MNOK

The Board of Directors would like to thank all employees for their good efforts and good cooperation in 2023.

Brønnøysund, 2 May 2024

Niels Smedegaard
Chairman of the Board

Merete Helene Eldrup
Board member

Roger Granheim
Board member

Carl Sebastian Sjulund
Board member

John Olov Österlund
Board member

Hans Anders Stenseth
Board member

Marianne Væver
Board member

Liv Monica Bargem Stubholt
Board member

Carsten Grøne Jensen
Chief Executive Officer

