

# **Scandlines Gedser-Rostock ApS**

Havneholmen 25, 8.

DK-1561 Copenhagen

CVR no. 33260024

## **Annual report 2024**

The Annual General Meeting adopted the annual report on 30 April 2025

### **Chairman of the General Meeting**

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Name: Eric Auguste Grégoire

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## **Statement by Management on the annual report**

The Supervisory Board and the Executive Board have today considered and approved the annual report of Scandlines Gedser-Rostock ApS for the financial year 1 January - 31 December 2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the management commentary gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 April 2025

### **Executive Board**

Eric Auguste Grégoire  
CEO

Mikael Koch Jensen  
CFO

Michael Guldmann Petersen  
COO

### **Supervisory Board**

Frans Blach Rossen  
Chairman

Anette Ustrup Svendsen

Jakob Dornonville de la Cour

Jan Raymond Saksaa

Søren Stampe

## **Independent auditor's report**

### **To the Shareholders of Scandlines Gedser-Rostock ApS**

#### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Scandlines Gedser-Rostock ApS for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("The Financial Statements").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Statement on Management's Commentary**

Management is responsible for Management's Commentary.

Our opinion on the Financial Statements does not cover Management's Commentary, 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 Commentary and, in doing so, consider whether Management's Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Commentary 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 Commentary.

#### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as

Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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.

Copenhagen, 30 April 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Bo Schou-Jacobsen  
State Authorised Public Accountant  
mne28703

André Nielsen  
State Authorised Public Accountant  
mne46624

## Company details

### Company

Scandlines Gedser-Rostock ApS  
Havneholmen 25, 8.  
DK-1561 Copenhagen

Central Business Registration No (CVR): 33260024  
Registered in: Copenhagen  
Financial year: 01.01.2024 - 31.12.2024

Phone: +4533151515  
Fax: +4535290201  
Website: [www.scandlines.dk](http://www.scandlines.dk)  
E-mail: [scandlines@scandlines.dk](mailto:scandlines@scandlines.dk)

### Supervisory Board

Frans Blach Rossen, Chairman of the Board  
Anette Ustrup Svendsen  
Jakob Dornonville de la Cour  
Jan Raymond Saksaa\*  
Søren Stampe\*

### Executive Board

Eric Auguste Grégoire, CEO  
Mikael Koch Jensen, CFO  
Michael Guldmann Petersen, COO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

\*Employee elected member

## Management Commentary

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b><u>EUR'000</u></b>	<b><u>EUR'000</u></b>	<b><u>EUR'000</u></b>	<b><u>EUR'000</u></b>	<b><u>EUR'000</u></b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	96,979	93,550	91,560	64,562	53,811
Gross profit/loss	41,851	37,265	40,075	24,028	13,120
Operating profit/loss	31,059	25,893	29,222	12,041	-73
Net financials	-3,729	-5,771	-2,864	-2,305	-5,005
Profit/loss for the year	27,337	20,284	26,338	9,598	-3,305
Total assets	152,003	157,679	193,021	158,732	165,552
Investments in property, plant and equipment	1,591	1,211	580	1,879	2,458
Equity	92,257	64,920	44,636	27,706	18,108
Average numbers of employees	79	81	81	73	76
<b>Ratios</b>					
Gross margin (%)	43,2	39,8	43,8	37,2	24,4
Net margin (%)	28,2	21,7	28,8	14,9	-6,1
Return on equity (%)	34,8	37,0	72,8	41,9	-16,7
Equity ratio (%)	60,7	41,2	23,1	17,5	10,9
Revenue per employee	1,220	1,155	1,130	884	708

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

<b>Ratios</b>	<b>Calculation formula</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$

## Management Commentary

### Primary activities

The Company's primary activities are to operate ferries on the route Gedser-Rostock.

### Development in activities and financial position

The financial year 2024 shows a profit for the year of TEUR 27,337 (2023: TEUR 20,284), which is TEUR 7,053 higher than 2023. As of 31 December 2024, total assets were TEUR 152,003 (2023: TEUR 157,679) with a total equity of TEUR 92,257 (2023: TEUR 64,920).

The revenue performance is considered satisfactory, as the Company has increased the revenue in 2024 as expected. The performance is in general in line with the outlook as set out in the 2023 Financial Statements as both revenue and profitability have increased in 2024 due to an increase in volumes on the route.

For a detailed description of finances and activities, we refer to the Group Financial Statements of Scandlines Infrastructure ApS.

### Outlook

The macroeconomic environment is expected to remain relatively volatile in 2025 amid geopolitical turbulence and continued uncertainty impacting consumer confidence. Still, traffic volumes are expected to increase moderately across segments in 2025 with higher growth expected in the freight business. The freight business is expected to see a positive impact from the deployment of our new electric ferry on the Puttgarden-Rødby route, which will enable us to gain market share and improve the product mix with a higher share of specialised freight transportation.

Strict cost control, automation efforts and continued efficiency actions remain crucial to mitigate the general volatility in the economy and the effects of inflation and interest rates volatility, which continue to impact 2025.

Management expects revenue to increase moderately in 2025 compared to 2024 and profitability to increase moderately in 2025 compared to 2024.

### Particular risks

The most material financial risks are currency, oil and credit risks, which only occur in relation to the operating activities.

To mitigate the potential impact of the financial risks, the Company has taken an active approach to risk management with a view to identifying and reviewing risk areas and determining how to manage these risks.

We refer to the "Risk management" in the Group financial statements of Scandlines Infrastructure ApS for a detailed description.

### Intellectual capital resources

The Company continuously improves operational efficiency to maintain a strong competitive position against established competitors. In addition, qualified employees and management is critical to our success in the long term.

We refer to the "Risk management" in the Group financial statements of Scandlines Infrastructure ApS for a detailed description.

### **Staff**

The company employed an average of 79 people in the financial year 2024 (2023: 81 employees).

We continuously work to optimize the psychological and mental work environment. All work related to security is coordinated by the security group. Additionally, we have a constructive dialogue on the development.

### **Uncertainty in relation to recognition and measurement**

The Company has no material uncertainty in relation to recognition and measurement.

### **Unusual circumstances**

There are no unusual circumstances in 2024.

### **Research- and development activities**

The Company has no research- and development activities.

### **Branches**

The Company has no branches.

### **Statutory report on corporate social responsibility and data ethics cf. 99a and 99d of the Danish Financial Statements Act**

For our statutory statement on social responsibility in accordance with sections 99a of the Danish Financial Statements Act, we refer to the Sustainability report from our parent company Scandlines Infrastructure Aps (CVR: 38 10 32 45). The report can be found here: [Annual report and Sustainability report | Scandlines](#) where our account on Scandlines' data ethics policy is also available in accordance with section 99d of the Danish Financial Statements Act.

## Income statement

	Note	2024 EUR'000	2023 EUR'000
Revenue	1	96,979	93,550
Other operating income	2	8,152	3,383
Cost of raw materials and consumables		-29,190	-26,603
Other external expenses		-34,090	-33,065
<b>Gross profit / loss</b>		<b>41,851</b>	<b>37,265</b>
Salary expenses	3	-5,457	-5,311
Depreciation	4	-5,335	-6,061
<b>Operating profit / loss</b>		<b>31,059</b>	<b>25,893</b>
Financial income	5	9,291	3,059
Financial expenses	6	-13,020	-8,830
<b>Profit / loss before tax</b>		<b>27,330</b>	<b>20,122</b>
Tax on profit for the year	7	7	162
<b>Profit / loss for the year</b>	8	<b>27,337</b>	<b>20,284</b>

## Balance sheet

	Note	31-12-2024 EUR'000	31-12-2023 EUR'000
Land and buildings		6,766	7,060
Plant and machinery		25,733	26,960
Vessels		107,350	110,690
Other fixtures and fittings, tools and equipment		47	0
Assets under construction		1,020	0
<b>Tangible assets</b>	9	<b>140,916</b>	<b>144,710</b>
<b>Fixed assets</b>		<b>140,916</b>	<b>144,710</b>
Bunker and lube oil		405	451
<b>Inventories</b>		<b>405</b>	<b>451</b>
Trade receivables		9	0
Receivable from affiliated companies		2,843	10,886
Other receivables		1,380	1,424
Prepayments		90	120
<b>Receivables</b>		<b>4,322</b>	<b>12,430</b>
<b>Cash</b>		<b>52</b>	<b>88</b>
<b>Current assets</b>		<b>4,779</b>	<b>12,969</b>
<b>Assets</b>		<b>145,696</b>	<b>157,679</b>

**Balance sheet at**

	Note	31-12-2024 EUR'000	31-12-2023 EUR'000
Share capital		4,034	4,034
Retained earnings		88,223	60,886
<b>Equity</b>		<b>92,257</b>	<b>64,920</b>
Other payables		147	147
<b>Long term liabilities</b>	10	<b>147</b>	<b>147</b>
Trade payables		993	608
Payables to affiliated companies		51,221	90,783
Other payables	10	853	977
Deferred income	11	225	244
<b>Short term liabilities</b>		<b>53,252</b>	<b>92,612</b>
<b>Liabilities</b>		<b>53,439</b>	<b>92,759</b>
<b>Equity and liabilities</b>		<b>145,696</b>	<b>157,679</b>
Contingent liabilities	12		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	EUR'000	EUR'000	EUR'000
<b>Equity at 1 January 2024</b>	4,034	60,886	64,920
Profit / loss for the year	0	27,337	27,337
<b>Equity at 31 December 2024</b>	<b>4,034</b>	<b>88,223</b>	<b>92,257</b>

The share capital consists of 30.000 share at DKK 1.000 nominal. There have not been any changes in the share capital in the past five years.

## Notes

	<b>31-12-2024</b>	<b>31-12-2023</b>
	<b>EUR'000</b>	<b>EUR'000</b>
<b>1 Revenue</b>		
Ferry transport	96,979	93,550
<b>Total</b>	<b>96,979</b>	<b>93,550</b>

Revenue from ferry transport is generated as part of the crossing to and from Gedser (Denmark) and Rostock (Germany).

<b>2 Other operating income</b>		
Catering and other income	8,152	3,383
<b>Total other operating income</b>	<b>8,152</b>	<b>3,383</b>

Catering and other income includes leasehold income from the ferries.

<b>3 Salary expenses</b>		
Salaries and wages	-4,691	-4,823
Pension costs	-614	-485
Other social security expenses	-152	-3
<b>Total salary expense</b>	<b>-5,457</b>	<b>-5,311</b>

Average number of employees	<b>79</b>	<b>81</b>
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Salary	1,732	1,387
Bonus	862	1,500
Severance cost	0	500
Pension	211	196
<b>Total remuneration of top management</b>	<b>2,805</b>	<b>3,583</b>

Supervisory Board	6	7
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The figures stated relates to the Executive Board's remuneration for handling the whole Scandlines Infrastructure Group. Thus, the figures stated is not recognised in the income statement of the Company. Therefore, only a minor part of the total remuneration is directly related to the work performed in Scandlines Gedser-Rostock ApS.

**Notes**

	<b>31-12-2024</b>	<b>31-12-2023</b>
	<b>EUR'000</b>	<b>EUR'000</b>
<b>4 Depreciation and amortisations</b>		
Depreciation of tangible assets	-5,335	-6,061
<b>Total depreciations and amortisations</b>	<b>-5,335</b>	<b>-6,061</b>
<b>5 Financial income</b>		
Interest from affiliated companies	9,194	2,746
Exchange rate adjustments	97	313
<b>Total financial income</b>	<b>9,291</b>	<b>3,059</b>
<b>6 Financial expenses</b>		
Interest to affiliated companies	-13,016	-8,828
Other interest expenses	-4	-2
<b>Total financial expenses</b>	<b>-13,020</b>	<b>-8,830</b>
<b>7 Tax on profit for the year</b>		
Current tax	7	162
<b>Total tax on profit for the year</b>	<b>7</b>	<b>162</b>
<p>The Company is committed to tonnage tax until 2030. The Company does not expect to withdraw from the scheme and therefore no deferred tax of tonnage tax assets and liabilities has been recognized.</p>		
<b>8 Proposed distribution of profit / loss</b>		
Retained earnings	27,337	20,284
<b>Profit / loss for the year</b>	<b>27,337</b>	<b>20,284</b>

## Notes

<b>9 Tangible assets</b>	<b>Land and buildings</b>	<b>Plant and machinery</b>	<b>Vessels</b>
Cost at 1 January	17.348	44,666	138,383
Additions	0	0	0
Transfer from assets under construction	0	473	0
Disposals	0	0	0
<b>Cost at 31 December</b>	<b>17.348</b>	<b>45,139</b>	<b>138,383</b>
Depreciation at 1 January	-10,293	-17,707	-27,693
Depreciation for the year	-289	-1,699	-3,340
Disposals	0	0	0
<b>Depreciation at 31 December</b>	<b>-10,582</b>	<b>-19,406</b>	<b>-31,033</b>
<b>Carrying amount at 31 December</b>	<b>6,766</b>	<b>25,733</b>	<b>107,350</b>
	<b>Other fixtures and fittings, tools and equipment</b>	<b>Asset under construction</b>	
Cost at 1 January	7	1,542	
Additions	0	0	
Transfer from assets under construction	49	-522	
Disposals	0	0	
<b>Cost at 31 December</b>	<b>56</b>	<b>1,020</b>	
Depreciation at 1 January	-1	0	
Depreciation for the year	-8	0	
Disposals	0	0	
<b>Depreciation at 31 December</b>	<b>-9</b>	<b>0</b>	
<b>Carrying amount at 31 December</b>	<b>47</b>	<b>1,020</b>	

## Notes

	<b>31-12-2024</b>	<b>31-12-2023</b>
	<b>EUR'000</b>	<b>EUR'000</b>
<b>10 Other payables</b>		
Wages and salaries etc.	388	474
Holiday pay obligations	386	402
Other costs payables	226	248
<b>Total other payables</b>	<b>1,000</b>	<b>1,124</b>

Other payables falls due as following:

Current portion of non-current payables within 1 year	853	977
Non-current payables between 1 and 5 years	41	27
Non-current payables over 5 years	106	120
<b>Total non-current payables</b>	<b>1,000</b>	<b>1,124</b>

## 11 Deferred income

Deferred income consists of received subsidies.

## 12 Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax due is stated in the financial statements of Scandlines Infrastrutture ApS, which is the management company in relation to joint taxation.

The Group's Danish companies are also 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 Company is jointly and severally liable for the subsidiaries intra-group accounts in the Scandlines ApS Group's cash pool arrangement.

## Notes

### 13 Operating lease commitments

The Company has entered into operating lease agreements where future minimum lease payments amount to:

	<b>31-12-2024</b>	<b>31-12-2023</b>
	<b>EUR '000</b>	<b>EUR '000</b>
Within 1 year	7,002	7,115
Between 1 and 5 years	25,077	27,330
After 5 years	0	4,749
<b>Total</b>	<b>32,079</b>	<b>39,194</b>

### 14 Assets charged and collateral

The bank debt of Scandlines ApS is secured by collateral in the Company's receivables from Group entities, vessels and other assets as well as cash.

The Company has joint and several liability with other group entities for the Scandlines ApS' financing arrangement.

### 15 Transactions with related parties

There have not been transactions between the Company and its related parties which are not carried out under normal market conditions.

### 16 Group relations

Name and registered office of the Parent Company preparing consolidated financial statements for the smallest group:

Scandlines Infrastructure ApS, Copenhagen

Name and registered office of the Parent Company preparing consolidated financial statements for the largest group:

Scandlines Infrastructure ApS, Copenhagen

### 17 Events after the balance sheet date

No events have occurred in the period from the balance sheet date until the date of release of this annual report that would materially affect the evaluation of the annual report.

## Notes

### 18 Summary of significant accounting policies

#### Reporting class

The Financial Statements have been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large) and the Company has adopted IFRS Accounting Standards 9 and 15.

The Financial Statement have been presented in TEUR.

The accounting policies applied remain unchanged to previous years.

#### Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the Financial Statements and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

#### Leases

Leases where the Group has all significant risks and rewards of ownership (Finance lease) are recognized in the balance sheet at the lower of the fair value of the asset and the present value of the lease payments, calculated using the lease's internal interest rate or an approximate value thereof as a discount factor.

## Notes

The finance leased assets are depreciated and written down according to the same practice as established for the Group's other fixed assets. The capitalized residual lease liability is recognized in the balance sheet as a debt liability and the interest portion of the lease payment is expensed on an ongoing basis in the income statement. All other leases are considered operating leases. Benefits in connection with operational leasing are recognized on a straight-line basis in the income statement over the leasing period.

### **Income statement**

#### **Revenue**

Revenue relating to passenger and cargo ferrying is recognised in the income statement when the control of the service has passed to the customer at the departure time of the vessel.

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

#### **Other operating income**

Other operating income and other operating expenses comprises income of a secondary nature to the Company's primary activities.

#### **Costs of raw materials and consumables**

The operating expenses for vessels comprise consumables applied for current operations of vessels, expenses of unplanned shipyard and expenses of current maintenance of safety level on the vessels. Furthermore, expenses for changes to the hulls of the vessels or for accommodation construction which did not increase the value in use are included.

Dry docking costs are recognised in the carrying amount of vessels when incurred and depreciated over the period until the next dry docking.

#### **Other external expenses**

Other external expenses include expenses relating to the Company's ordinary activities, including expenses for it-costs, marketing costs, premises and various corporate costs, etc. This item also includes write-downs of receivables recognized in current assets.

#### **Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for Company's staff.

#### **Depreciation, amortisation and impairment losses**

Intangible assets and property, plant and equipment are amortized or depreciated straight-line on the basis of the individual estimate of their useful lives.

## Notes

### **Financial income**

Financial income comprises interest income, currency gains etc. as well as tax relief under the Danish Tax Prepayment Scheme etc.

### **Financial expenses**

Financial expenses comprise interest expenses, bank charges, currency losses etc. as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish in the Scandlines Group. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

The Company joined the tonnage tax scheme with effect from 1 January 2002. Accordingly, the taxable income related to passenger and cargo ferrying has been calculated based on the tonnage for the year. Income related to other activities is taxed under the ordinary rules of corporate tax law.

The Company is committed to tonnage tax until 2030. The Company does not expect to withdraw from the scheme and therefore no deferred tax of tonnage tax assets and liabilities has been recognised.

## **Balance sheet**

### **Property, plant and equipment**

Vessels, land and buildings, harbour plant and harbour installations as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

## Notes

Vessels	35-45 years
Docking assets	2-5 years
Buildings	40 years
Harbor facilities and harbor installations	40 years
Other fixtures and fittings, tools and equipment	3-5 years

The carrying amounts of property, plant and equipment are reviewed regularly, at least once a year, to determine any indication of impairment. If such indication exists, the recoverable amount of the asset is determined.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Recoverable amount is the higher of value in use (present value of the future net payments) and selling price less expected selling costs.

Gains and losses from the sales of property, plants and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Gains and losses are recognised in the income statement under other operating income/other operating expenses.

Costs related to planned periodical repairs and maintenance work (docking costs) are capitalized and depreciated straight-line over the period until the next anticipated docking, typically two-five years.

### Inventories

Bunker and lube oil are measured after FIFO principles. Where the net realizable value is lower than cost, inventories are written down to this lower value. The cost of inventory consists of the acquisition price plus delivery costs.

### Receivables

Receivables are measured at amortised cost, usually equaling nominal value less write-downs for bad debts.

### Receivables / Payables from affiliated companies

Receivables or payable from affiliated companies comprises intercompany trade balances, deposits and debt in the intercompany Cash pool managed by affiliated Company. The Cash pool comprises cash in various currencies and interest is applied on the cash position by arm-lengths principle.

### Cash

Cash comprises cash in hand and bank deposits.

## Notes

### **Long term liabilities**

Long term liabilities comprise long term holiday allowance.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Income tax receivable or payable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

### **Deferred income**

Deferred income comprises received income for recognition in subsequent financial years.

### **Cash flow statement**

The Company has according to the Danish Financial Statements Act §86, paragraph 4 omitted to prepare a cash flow statement.