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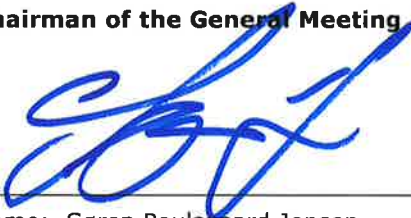
Scandlines Catering ApS

Havneholmen 25, 8.
1561 Copenhagen
Business Registration No
18424649

Annual report 2017

The Annual General Meeting adopted the annual report on 16.04.2018

Chairman of the General Meeting



Name: Søren Poulsen Jensen

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Entity details

Entity

Scandlines Catering ApS
Havneholmen 25, 8.
1561 Copenhagen

Central Business Registration No (CVR): 18424649
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Phone: +4533151515
Fax: +4535290201
Website: www.scandlines.dk
E-mail: scandlines@scandlines.dk

Supervisory Board

Frans Blach Rossen, Chairman of the Board
Stig Dambmann
Claus Peter Vitting Nikolajsen
Joan Brith Villumsen
Yvonne Rubi Syhler

Executive Board

Søren Poulsgaard Jensen, CEO
Per Johannesen Madsen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board and the Supervisory Board have today considered and approved the annual report of Scandlines Catering ApS for the financial year 01.01.2017 - 31.12.2017.

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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 16.04.2018

Executive Board



Søren Roulsgaard Jensen
CEO



Per Johannesen Madsen
CFO

Supervisory Board



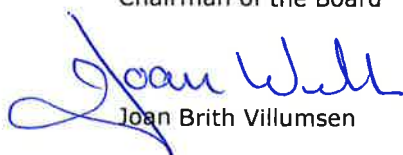
Frans Blach Rossen
Chairman of the Board



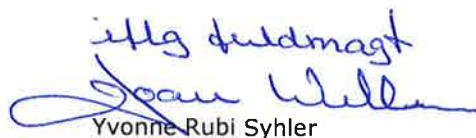
Stig Dambmann



Claus Peter Vitting Nikolajsen



Joan Brith Villumsen



Yvonne Rubi Syhler

Independent auditor's report

To the shareholder of Scandlines Catering ApS

Opinion

We have audited the financial statements of Scandlines Catering ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management 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 of the management commentary.

Copenhagen, 16.04.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556



Kirsten Aaskov Mikkelsen

State Authorised Public Accountant

Identification No (MNE) mne21358



Bjarne Iver Jørgensen

State Authorised Public Accountant

Identification No (MNE) mne35659

Management commentary

	2017	2016	2015	2014	2013
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Financial highlights					
Key figures					
Revenue	463.150	468.848	424.766	446.100	415.856
Gross profit/loss	193.929	114.914	102.096	115.684	126.237
Operating profit/loss	10.831	-7.830	-10.039	-15.097	1.924
Net financials	-40.170	8.493	10.429	15.702	-1.406
Profit/loss for the year	-25.124	-1.582	507	-781	-134
Total assets	193.960	210.797	115.584	142.394	89.921
Investments in property, plant and equipment	2.581	1.699	311	0	1.316
Equity	99.545	26.086	27.657	26.918	27.698
Average numbers of employees	335	341	350	382	385
Ratios					
Gross margin (%)	41,9	24,5	24,0	25,9	30,4
Net margin (%)	(5,4)	(0,3)	0,1	(0,2)	0,0
Return on equity (%)	(40,0)	(5,9)	1,9	(2,9)	(0,5)
Equity ratio (%)	51,3	12,4	23,9	18,9	30,8

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's primary activities are to manage retail and catering services on the ferry routes Puttgarden-Rødby and Rostock-Gedser.

Development in activities and finances

The financial year 2017 shows a loss for the year of DKK 25.124 thousand, which is DKK 23.542 thousand lower than 2016.

In 2017 Scandlines Catering ApS has acquired the investments in the company Scandferries Chartering A/S. In connection to this, Scandferries Chartering A/S and subsidiaries has been merged into Scandlines Catering ApS. The merger has been accounted by the book-value-method, hence the comparative figures in the financial statement for Scandlines Catering ApS has not been changed.

The two vessels M/V Berlin and M/V Copenhagen has in 2017 been sold to Scandlines Deutschland GmbH and Scandlines Gedser-Rostock ApS.

For a detailed description of finances and activities, we refer to the Group financial statements of Scandferries ApS.

Outlook

The result for 2018 is expected to be in the same level as 2016.

Particular risks

The most material financial risks are currency, interest and credit risks, which only occur in relation to the operating activities. The risk factors are hedged at Group level and we refer to the "Management commentary" in the Group financial statements of Scandferries ApS for a detailed description.

Intellectual capital resources

For a detailed description of intellectual capital resources, we refer to the Group Financial statements of Scandferries ApS.

Staff

The company employed an average of 335 people in the financial year 2017, which is a decrease of 6 people compared to 2016.

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

Management commentary

Environmental performance

Safety for our passengers, crew and vessels is paramount to any other parameter in our business. Weekly and monthly exercises for our crewmembers and testing of our equipment follow mandatory education.

All the vessels are inspected several times during a year, and we are satisfied to hold a high quality in 2016. For more detailed description, please see the "Management commentary" in the Group financial statements of Scandferries ApS.

Statutory report on corporate social responsibility

Statutory report on the underrepresented gender

The Supervisory Board of Scandlines Catering ApS currently has two female members.

For further detailed description, please see the "Management commentary" in the Group financial statements of Scandferries ApS.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	Notes	2017 DKK'000	2016 DKK'000
Revenue	1	463.150	468.848
Other operating income	2	97.774	9.758
Cost of sales		-241.877	-242.200
Other external expenses	3	-125.118	-121.492
Gross profit/loss		193.929	114.914
Staff costs	4	-132.400	-121.523
Depreciation, amortisation and impairment losses	5	-50.698	-1.221
Operating profit/loss		10.831	-7.830
Income from investments in group enterprises		4.169	0
Other financial income	6	115.738	81.919
Other financial expenses	7	-160.077	-73.426
Profit/loss before tax		-29.339	663
Tax on profit/loss for the year	8	4.215	-2.245
Profit/loss for the year	9	-25.124	-1.582

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Completed development projects		0	0
Intangible assets	10	0	0
Vessels		0	0
Other fixtures and fittings, tools and equipment		3.562	462
Property, plant and equipment in progress		450	2.443
Property, plant and equipment	11	4.012	2.905
Fixed assets		4.012	2.905
Manufactured goods and goods for resale		24.385	30.713
Inventories		24.385	30.713
Trade receivables		23.472	23.335
Receivables from group enterprises		131.377	147.153
Other receivables		350	2.164
Income tax receivable		5.577	0
Receivables		160.776	172.652
Cash		4.787	4.527
Current assets		189.948	207.892
Assets		193.960	210.797

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Contributed capital		500	500
Retained earnings		99.045	25.586
Equity		99.545	26.086
Trade payables		47.158	47.965
Payables to group enterprises		29.668	117.721
Other payables	12	15.635	17.993
Deferred income	13	1.954	1.032
Current liabilities other than provisions		94.415	184.711
Liabilities other than provisions		94.415	184.711
Equity and liabilities		193.960	210.797
Contingent liabilities	14		
Assets charged and collateral	15		
Transactions with related parties	16		
Group relations	17		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	25.586	26.086
Group contributions etc	0	98.583	98.583
Profit/loss for the year	0	-25.124	-25.124
Equity end of year	500	99.045	99.545

The share capital consist of 1 share at DKK 500.000 nominal. There have not been any changes in the share capital in the past five years.

Notes

	2017	2016
	DKK'000	DKK'000
1. Revenue		
Revenue catering	177.457	178.147
Revenue retail	285.693	290.701
	463.150	468.848

2. Other operating income

Other operating income consists of invoiced management fee and charter income for 9 months.

3. Other external expenses

	2017	2016
	DKK'000	DKK'000
Lease	71.825	89.651
Other operating expenses	53.293	31.841
	125.118	121.492

	2017	2016
	DKK'000	DKK'000
4. Staff costs		
Wages and salaries	120.278	110.166
Pension costs	10.932	10.279
Other social security costs	1.190	1.078
	132.400	121.523
Average number of employees	335	341

Notes

	Remunera- tion of manage- ment 2017 DKK'000	Remunera- tion of manage- ment 2016 DKK'000
Executive Board	21.605	19.248
Supervisory Board	120	120
	21.725	19.368

The Executive Board receives remuneration for handling the whole Scandferries Group. Therefore, only a minor part of the total remuneration is directly related to the work performed in Scandlines Catering ApS.

	2017 DKK'000	2016 DKK'000
5. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	50.698	1.221
	50.698	1.221

	2017 DKK'000	2016 DKK'000
6. Other financial income		
Financial income arising from group enterprises	114.788	81.690
Exchange rate adjustments	950	229
	115.738	81.919

	2017 DKK'000	2016 DKK'000
7. Other financial expenses		
Financial expenses from group enterprises	98.741	72.114
Other interest expenses	37.661	0
Exchange rate adjustments	1.185	1.312
Other financial expenses	22.490	0
	160.077	73.426

Notes

	2017	2016
	DKK'000	DKK'000
8. Tax on profit/loss for the year		
Current tax	-5.535	-65
Change in deferred tax	0	2.310
Adjustment concerning previous years	1.320	0
	-4.215	2.245
	2017	2016
	DKK'000	DKK'000
9. Proposed distribution of profit/loss		
Retained earnings	-25.124	-1.582
	-25.124	-1.582
		Completed develop- ment projects DKK'000
10. Intangible assets		
Cost beginning of year		3.341
Cost end of year		3.341
Amortisation and impairment losses beginning of year		-3.341
Amortisation and impairment losses end of year		-3.341
Carrying amount end of year		0

Notes

	Vessels DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
11. Property, plant and equipment			
Cost beginning of year	0	25.063	2.443
Addition through business combinations etc	2.007.288	0	0
Transfers	0	2.443	-2.443
Additions	32.419	2.131	450
Disposals	-2.039.707	0	0
Cost end of year	0	29.637	450
Depreciation and impairment losses beginning of year	0	-24.601	0
Depreciation for the year	-49.223	-1.474	0
Reversal regarding disposals	49.223	0	0
Depreciation and impairment losses end of year	0	-26.075	0
Carrying amount end of year	0	3.562	450
		2017 DKK'000	2016 DKK'000
12. Other payables			
VAT and duties		0	3.168
Wages and salaries, personal income taxes, social security costs, etc payable		3.110	3.008
Holiday pay obligation		12.515	11.738
Other costs payable		10	79
		15.635	17.993

13. Deferred income

Short-term deferred income consist of marketing and sales related expenses.

14. Contingent liabilities

Scandlines Catering ApS is jointly taxed with all other Danish Scandlines companies. Under the joint taxation scheme, each company is liable only for its own tax on the taxable income until the tax has been paid to the

Notes

administration company (Scandlines Holding ApS). Scandlines Holding ApS, being the administration company, is then solely obliged to pay the tax on the joint taxation income.

The company is jointly and severally liable for the subsidiaries intra-group accounts in the Scandlines ApS Group's cash pool arrangement.

The Company participates in a Danish joint taxation arrangement in which Scandlines Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

15. Assets charged and collateral

Debt of the ultimate parent company is secured by way of a charge on the ultimate parent company's "trade-marks", such as Scandlines Catering ApS' Other fixtures, Inventories, Receivables and Bank deposits.

At 31 December, that carrying amounts of assets provided as security are as follows:

	2017	2016
	DKK '000	DKK '000
Other fixtures and fittings, tools and equipment	4.012	2.905
Inventories	24.385	30.713
Receivables	160.776	172.652
Bank deposits	4.787	4.527

16. 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.

17. Group relations

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

Scandferries ApS, Copenhagen

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

Scandlines Holding ApS, Copenhagen

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied for these financial statements are consistent with those applied last year.

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Entity, 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 annual report 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.

Business combinations

Business combinations with companies under control of the parent company of Scandlines Gedser-Rostock ApS (common control) is completed at the date of the combinations without adjusting comparative figures in accordance with book value method.

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.

Income statement

Revenue

Revenue relating to passenger and cargo ferrying is recognised in the income statement at the departure time of the vessel.

Accounting policies

Other operating income

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

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, realised and unrealised capital gains on securities, liabilities other than provisions and foreign currency transactions etc as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, realised and unrealised capital losses on securities, other than provisions and foreign currency transactions 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 Entity 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).

Accounting policies

Balance sheet

Intellectual property rights etc

Intellectual Assets include software and other intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Property, plant and equipment

Leasehold improvements, 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 based on the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

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 (broker assessment) less expected selling costs. Value in use is calculated by ferry line.

Profits 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. Profits 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 years.

Inventories

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

Cost of goods for resale, raw materials and consumables consist of acquisition price plus delivery costs.

Receivables

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

Accounting policies

Income tax payable or receivable

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.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

In accordance to the Danish Financial Statements Act §86, paragraph 4, a cash flow statement is not included in this annual report. Reference is made to the cash flow statement in the annual report for Scandferries ApS.