

**Scandlines Catering ApS
Central Business Registration No
18424649
Havneholmen 25, 8th floor
1561 Copenhagen V, Denmark**

Annual report 2015

The Annual General Meeting adopted the annual report on 26.04.2016

Chairman of the General Meeting

Name: Søren Poulsgaard Jensen

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Entity details

Entity

Scandlines Catering ApS
Havneholmen 25, 8th floor
1561 Copenhagen V, Denmark

Central Business Registration No: 18424649
Registered in: City of Copenhagen, Denmark
Financial year: 01.01.2015 - 31.12.2015

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Supervisory Board

Frans Blach Rossen, Formand
Stig Dambmann
Kerim Lindved Aydin
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 Copenhagen

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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 26.04.2016

Executive Board

Søren Poulsgaard Jensen
CEO

Per Johannesen Madsen
CFO

Supervisory Board

Frans Blach Rossen
Formand

Stig Dambmann

Kerim Lindved Aydin

Joan Brith Villumsen

Yvonne Rubi Syhler

Independent auditor's reports

To the shareholders of Scandlines Catering ApS

Report on the financial statements

We have audited the financial statements of Scandlines Catering ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 26.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Kirsten Aaskov Mikkelsen
State Authorised Public Accountant

Bjarne Iver Jørgensen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Financial high-lights					
Key figures					
Revenue	424.766	446.100	415.856	449.220	568.636
Gross profit/loss	102.096	115.684	126.237	135.375	146.681
Operating profit/loss	-10.039	-15.097	1.924	679	961
Net financials	10.429	15.702	-1.406	-146	-389
Profit/loss for the year	507	-781	-134	595	681
Total assets	115.584	142.394	89.921	88.698	88.407
Equity	27.425	26.918	27.699	27.833	27.238
Employees in average	350	382	385	446	476
Ratios					
Gross margin (%)	24,0	25,9	30,4	30,1	25,8
Net margin (%)	0,1	(0,2)	0,0	0,1	0,1
Return on equity (%)	1,9	(2,9)	(0,5)	2,2	2,5
Solvency ratio (%)	23,7	18,9	30,8	31,4	30,8

Management commentary

Primary activities

The Company's primary activities are to operate ferries and ro-ro ferries on the route Rødby-Puttgarden.

Development in activities and finances

The financial year 2015 shows a profit for the year of DKK 507 thousand, which is DKK 1.288 thousand higher than in 2014.

The profit in 2014 was negatively effected by changes in deferred tax for the year of DKK 1.175 thousand, which was not the case in 2015.

For more detailed description, we refer to the Group financial statements of Scandferries ApS.

Outlook

We expect the result for 2016 to be at the same level as 2015.

Particular risks

The most material financial risks are currency, oil, 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.

Employees

The company employed an average of 350 people in the financial year 2015, which is a decrease of 32 people compared to 2014.

We continuously work to optimize the psychical and mental work environment. All work related to security is coordinated by the security group. Additionally, we have a constructive dialogue on the development and future goals and priorities in the Company's work council.

Gender diversity in management bodies

The objective of the Group is within a period of four years to have one female Board member, elected on a general assembly. For further detailed description, please see the "Management commentary" in the Group financial statements of Scandferries ApS.

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.

Management commentary

All the vessels are inspected several times during a year, and we are satisfied to hold a high quality in 2015. For more detailed description, please see the “Management commentary” in the Group financial statements of Scandferries ApS.

Corporate social responsibility

Scandlines Catering ApS considers such matters as human rights, social aspects, environment and anticorruption as important elements of the Group’s business strategy and activities.

Corporate Social Responsibility is about living the values and principles, which govern our behavior as a responsible business in respect of customers, staff, suppliers and investors. It is our clear policy to comply with the words and spirit of the laws, rules and regulations that apply in the countries in which our companies operate.

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.

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 (large).

According to the Danish Financial Statements Act § 112, paragraph 1, Scandlines Catering ApS has omitted to prepare consolidated financial statements.

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.

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Accounting policies

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

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

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.

Amortisation, depreciation 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.

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.

Accounting policies

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.

Income taxes

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).

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 tax law.

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:

Accounting policies

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Accounting policies

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.

Financial highlights

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

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	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.
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Revenue	1	424.766	446.100
Other operating income	2	10.529	10.215
Cost of sales		-224.647	-223.431
Other external expenses	3	<u>-108.552</u>	<u>-117.200</u>
Gross profit/loss		102.096	115.684
Staff costs	4	-110.814	-129.160
Depreciation, amortisation and impairment losses		<u>-1.321</u>	<u>-1.621</u>
Operating profit/loss		-10.039	-15.097
Other financial income	5	54.494	38.792
Other financial expenses	6	<u>-44.065</u>	<u>-23.090</u>
Profit/loss from ordinary activities before tax		390	605
Tax on profit/loss from ordinary activities	7	<u>117</u>	<u>-1.386</u>
Profit/loss for the year		<u>507</u>	<u>-781</u>
Proposed distribution of profit/loss			
Retained earnings		<u>507</u>	<u>-781</u>
		<u>507</u>	<u>-781</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Completed development projects		0	0
Intangible assets	8	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		1.683	2.693
Property, plant and equipment in progress		744	0
Property, plant and equipment	9	<u>2.427</u>	<u>2.693</u>
Fixed assets		<u>2.427</u>	<u>2.693</u>
Manufactured goods and goods for resale		19.891	18.556
Inventories		<u>19.891</u>	<u>18.556</u>
Trade receivables		24.709	13.678
Receivables from group enterprises		58.350	96.589
Deferred tax assets		2.310	2.310
Other short-term receivables		3.576	2.259
Receivables		<u>88.945</u>	<u>114.836</u>
Cash		<u>4.321</u>	<u>6.309</u>
Current assets		<u>113.157</u>	<u>139.701</u>
Assets		<u>115.584</u>	<u>142.394</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital		500	500
Retained earnings		<u>26.925</u>	<u>26.418</u>
Equity		<u>27.425</u>	<u>26.918</u>
Trade payables		50.977	44.316
Debt to group enterprises		18.350	48.660
Other payables	10	17.607	19.434
Deferred income	11	<u>1.225</u>	<u>3.066</u>
Current liabilities other than provisions		<u>88.159</u>	<u>115.476</u>
Liabilities other than provisions		<u>88.159</u>	<u>115.476</u>
Equity and liabilities		<u><u>115.584</u></u>	<u><u>142.394</u></u>
Contingent liabilities	12		
Assets charged and collateral	13		
Consolidation	14		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	26.418	26.918
Profit/loss for the year	0	507	507
Equity end of year	500	26.925	27.425

The share capital consist of 1 share at DKK 50 million nominal. There have not been any changes in the share capital in the past five years.

Notes

	2015	2014
	DKK'000	DKK'000
1. Revenue		
Revenue catering	158.883	171.860
Revenue retail	265.883	274.240
	424.766	446.100

2. Other operating income

Other operating income consists of invoiced management fee.

3. Other external expenses

	2015	2014
	DKK'000	DKK'000
Lease	77.515	85.179
Other operating expenses	30.853	32.021
	108.368	117.200

	2015	2014
	DKK'000	DKK'000
4. Staff costs		
Wages and salaries	99.488	116.643
Pension costs	10.157	11.154
Other social security costs	1.169	1.363
	110.814	129.160

Average number of employees	350	382
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	Remune- ration of manage- ment 2015	Remune- ration of manage- ment 2014
	DKK'000	DKK'000
Executive Board	18.189	10.000
	18.189	10.000

Notes

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.

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
5. Other financial income		
Financial income arising from group enterprises	53.635	38.226
Exchange rate adjustments	859	566
	<u>54.494</u>	<u>38.792</u>

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
6. Other financial expenses		
Financial expenses from group enterprises	43.591	20.035
Exchange rate adjustments	474	3.055
	<u>44.065</u>	<u>23.090</u>

	2015	2014
	<u>DKK'000</u>	<u>DKK'000</u>
7. Tax on ordinary profit/loss for the year		
Current tax	-117	211
Change in deferred tax for the year	0	1.175
	<u>-117</u>	<u>1.386</u>

The company is committed to tonnage tax until 2021. The company does not expect to withdraw from the scheme and therefore no deferred tax of tonnage tax assets and liabilities has been recognised.

	Completed develop- ment pro- jects DKK'000
8. Intangible assets	
Cost beginning of year	11.092
Cost end of year	<u>11.092</u>
Amortisation and impairment losses beginning of year	-11.092
Amortisation and impairment losses end of year	<u>-11.092</u>
Carrying amount end of year	<u>0</u>

Notes

	Other fixtures and fittings, tools and equipment DKK'000	Property, plant and equipment in progress DKK'000
9. Property, plant and equipment		
Cost beginning of year	24.752	0
Additions	311	744
Cost end of year	25.063	744
Depreciation and impairment losses beginning of the year	-22.059	0
Depreciation for the year	-1.321	0
Depreciation and impairment losses end of the year	-23.380	0
Carrying amount end of year	1.683	744
	2015	2014
	DKK'000	DKK'000
10. Other short-term payables		
VAT and duties	2.951	3.661
Wages and salaries, personal income taxes, social security costs, etc. payable	3.233	2.703
Holiday pay obligation	11.398	13.050
Other costs payable	25	20
	17.607	19.434

11. Short-term deferred income

Short-term deferred income consist of prepaid tickets and deferred income relating to customer loyalty program.

12. 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 administration company (Scandferries Holding ApS). Scandlines Danmark 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.

Notes

The Company participates in a Danish joint taxation arrangement in which Scandferries 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.

13. 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:

	2015	2014
	<u>DKK '000</u>	<u>DKK '000</u>
Other fixtures and fittings, tools and equipment	2.427	2.693
Inventories	19.891	18.556
Receivables	24.709	13.678
Bank deposits	4.321	6.309

14. Consolidation

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

Scandferries Holding UK Ltd, London

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

Scandferries ApS, Copenhagen