

Scandlines Catering ApS

Havneholmen 25, 8.
1561 Copenhagen
Business Registration No
18424649

Annual report 2020

The Annual General Meeting adopted the annual report on 23. April 2021

Chairman of the General Meeting

Name: Søren Poulsen Jensen

Contents

Company detail	3
Statement by Management on the annual report.....	4
Independent auditor's report.....	5
Management commentary.....	8
Income statement for 2020	11
Balance sheet at 31.12. 2020	12
Statement of changes in equity for 2020.....	14
Notes	15
Accounting policies	20

Company detail

Company

Scandlines Catering ApS

Havneholmen 25, 8.

1561 Copenhagen

Central Business Registration No (CVR): 18424649

Registered in: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

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

Simon Alslev Therkildsen

Christina Flescher

Executive Board

Søren Poulsgaard Jensen, CEO

Per Johannesen Madsen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of Scandlines Catering ApS for the financial year 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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, 23. April 2021

Executive Board

Søren Poulsgaard Jensen
CEO

Per Johannesen Madsen
CFO

Supervisory Board

Frans Blanch Rossen
CEO

Stig Dambmann

Simon Alslev Therkildsen

Claus Peter Vitting
Nikolajsen

Christina Flescher

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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:

- 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.

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, 23. April 2021

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Kim Takata Mücke
State Authorised Public Accountant
Identification No (MNE) mne10944

Bjarne Iver Jørgensen
State Authorised Public Accountant
Identification No (MNE) mne35659

Management commentary

	2020	2019	2018	2017	2016
	<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	158.978	411.416	435.165	463.150	468.848
Gross profit/loss	98.026	110.178	108.779	193.929	114.914
Operating profit/loss	-2.070	-16.816	-24.585	10.831	-7.830
Net financials	15.079	25.730	25.126	-40.170	8.493
Profit/loss for the year	15.010	6.996	4.468	-25.124	-1.582
Total assets	239.364	217.592	124.127	193.960	210.797
Investments in property, plant and equipment	630	5.193	1.008	2.581	1.699
Equity	31.000	15.990	8.994	99.545	26.086
Average numbers of employees	249	332	336	335	341
Ratios					
Gross margin (%)	61,7	26,8	25,0	41,9	24,5
Net margin (%)	9,4	1,7	1,0	-5,4	-0,3
Return on equity (%)	63,9	56,0	8,2	-40,0	-5,9
Equity ratio (%)	13,0	7,3	7,2	51,3	12,4
Revenue per employee	638,5	1.239,5	1.295,1	1.382,5	1.374,9

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" 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.
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$	The entity's productivity

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 2020 shows a profit for the year of DKK 15,010 thousands, which is DKK 8,014 thousands higher than 2019.

As of 31 December 2020, total assets were DKK 239,364 thousand (2019: 217,592 thousands) with a total equity of DKK 31,000 thousands (2019: 15,990 thousands)

The performance is considered satisfactory.

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

Outlook

COVID-19 impacted all aspects of our business in 2020 as car and passenger traffic was immediately and dramatically affected by travel restrictions, quarantine measures and border closures imposed by political decision makers in Germany and Denmark from March to limit the spread of COVID-19. Dramatic impact on traffic volumes Traffic figures were most severely affected by the restrictions in the second quarter of 2020, and shopping traffic quickly rebounded during the summer on the back of temporary easing of restrictions, whereas leisure traffic increased slowly over the summer and early autumn. When new regional and national travel restrictions were introduced in Sweden, Denmark and Germany in the autumn, shopping and leisure traffic volumes dropped again.

Freight traffic was relatively stable during the outbreak of COVID-19 as we implemented precautionary measures to protect our employees, customers and partners while continuing to serve our customers.

We were able to avoid collective redundancies as we imposed strict cost control and made use of state salary compensation schemes in Germany and Denmark during 2020.

In 2021, we expect car and passenger traffic as well as shopping and bus travel to be significantly impaired by the effects of COVID-19. Freight traffic is expected to remain at a relatively stable and high level throughout the year.

We will maintain a strict focus on efficiency and cost control to alleviate the impact of these negative external effects in a period of continued uncertainty. Due to the high degree of uncertainty and very low visibility, management is currently not in a position to provide precise financial guidance for 2021.

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 Scandlines Infrastructure ApS for a detailed description.

Intellectual capital resources

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

Staff

The company employed an average of 249 employees in the financial year 2020, which is an decrease of 83 employees compared to 2019.

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.

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 2020. For more detailed description, please see the "Management commentary" in the Group financial statements of Scandlines Infrastructure ApS.

Statutory report on 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 that 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 within our companies operate.

Statutory report on the underrepresented gender

The Supervisory Board of Scandlines Catering ApS currently has no female members.

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

We refer to separate CSR report for Scandlines Infrastructure ApS.

Income statement for 2020

		2020	2019
	Note	DKK'000	DKK'000
Revenue	1	158.978	411.416
Other operating income	2	95.504	12.545
Costs of raw materials and consumables		-80.899	-194.820
Other external expenses	3	-75.557	-118.963
Gross profit / loss		98.026	110.178
Staff costs	4	-97.656	-123.970
Depreciation and amortization	5	-2.440	-3.024
Operating profit / loss		-2.070	-16.816
Other financial income	6	42.893	80.946
Other financial expenses	7	-27.814	-55.216
Profit / loss before tax		13.009	8.914
Tax on profit / loss for the year	8	2.001	-1.918
Profit / loss for the year	9	15.010	6.996

Balance sheet at 31.12. 2020

		31.12.2020	31.12.2019
	Note	DKK'000	DKK'000
Other fixtures and fittings, tools and equipment	10	3.334	5.144
Property, plant and equipment		3.334	5.144
Fixed assets		3.334	5.144
Finished goods		17.451	21.667
Inventories		17.451	21.667
Trade receivables		8.731	18.994
Receivable from group enterprises		204.603	166.086
Company Tax		69	0
Other receivables		2.094	1.307
Prepayments		0	246
Receivables		215.497	186.633
Cash		3.083	4.148
Current assets		236.031	212.448
Assets		239.364	217.592

Balance sheet at 31.12.2020

		31.12.2020	31.12.2019
	Note	DKK'000	DKK'000
Share capital		500	500
Retained earnings		30.500	15.490
Equity		31.000	15.990
Other payables	11	0	923
Non Current liabilities		0	923
Trade payable		13.344	38.049
Payable to group enterprises		186.989	144.622
Company Tax		0	1.916
Other payables	11	6.275	14.493
Deferred income	12	1.756	1.599
Current liabilities other than provisions		208.364	200.679
Liabilities other than provisions		208.364	201.602
Equity and liabilities		239.364	217.592
Contingent liabilities	13		
Assets charged and collateral	14		
Transactions with related parties	15		
Group relations	16		
Events after the balance sheet date	17		

Statement of changes in equity for 2020

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
Equity at 1 January 2020	500	15.490	15.990
Profit / loss for the year	0	15.010	15.010
Equity 31-12-2020	500	30.500	31.000

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

Notes

	31.12.2020	31.12.2019
	DKK'000	DKK'000
1 Revenue		
Revenue catering	59.189	176.030
Revenue retail	99.789	235.386
Total revenue	158.978	411.416
2 Other operating income		
Management fee	8.926	12.545
Leasehold income	75.233	0
Covid-19 compensations	11.345	0
Total other operating income	95.504	12.545
<p>The Company has during the financial year received Covid-19 compensations for fixed costs and salary.</p> <p>In total, the Company received compensations of DKK 29.2 million. However, DKK 17.9 million in relation to the fixed cost compensation was repaid to the Danish Authorities in December 2020. The remaining amount of DKK 11.3 million have been recognized under other operating income.</p>		
3 Other external expenses		
Lease	-299	-71.887
Losses on sale of fixed assets	-4.549	8.313
Maintanance materials/operating supplies	-19.622	-22.934
Shared Service Agreement	-37.874	-13.079
Legal, consulting, audit	-6.531	-7.804
Other operating expenses	-6.682	-11.572
Total other external expenses	-75.557	-118.963
4 Salary expense		
Wages and salaries	-88.371	-112.109
Pension costs	-8.135	-10.312
Other social security cost	-1.150	-1.549
Total salary expense	-97.656	-123.970

Average number of employees	249	332
Executive Board / management	-23.214	-38.248
Supervisory Board	-994	-974
Total remuneration of management	-24.208	-39.222

The Executive Board receives remuneration for handling the whole Scandlines Infrastructure Group of which is paid by Scandlines Catering ApS. Therefore, only part of the total remuneration is directly related to the work performed in Scandlines Catering ApS.

	31.12.2020	31.12.2019
	DKK'000	DKK'000
5 Depreciation and amortisation		
Depreciation of property, plant and equipment	-2.440	-3.024
Total depreciation	-2.440	-3.024
6 Other financial income		
Financial income arising from group enterprises	42.893	80.633
Exchange rate adjustments	0	313
Total financial income	42.893	80.946
7 Other financial expenses		
Financial expenses from group enterprises	-25.076	-55.216
Exchange rate adjustments	-2.738	0
Total financial expenses	-27.814	-55.216
8 Tax on profit for the year		
Current tax	669	-1.932
Adjustment concerning previous years	1.332	14
Total tax on profit for the year	2.001	-1.918

Notes

	31.12.2020	31.12.2019
	DKK'000	DKK'000
9 Proposed distribution of profit / loss		
Extra ordinary dividend	0	0
Retained earnings	15.010	6.996
Total retained earnings	15.010	6.996
10 Tangible assets		Other fixtures and fittings, tools and equipment
Cost at 1 January		28.459
Additions		630
Disposals		-13.105
Cost at 31 December		15.984
Depreciation and amortization at 1 January		-23.315
Disposals		13.105
Depreciation for the year		-2.440
Depreciation and amortization at 31 December		-12.650
Carrying amount at 31 December		3.334
	31.12.2020	31.12.2019
	DKK'000	DKK'000
11 Other payables		
VAT and duties	0	676
Wages and salaries, personal income taxes, social security costs etc.	1.542	3.997
Holiday pay obligation	4.721	10.726
Other costs payable	12	17
Total other payables	6.275	15.416

Notes

12 Deferred income

Deferred income consist of marketing and sales related expenses.

13 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 (Scandlines Infrastructure ApS).

Scandlines Infrastructure 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.

14 Assets charged and collateral

Debt of Scandlines ApS is secured by way of a charge on Scandlines Catering ApS' recognized assets, such as Other fixtures and fittings, tools and equipment, Inventories, Receivables and Bank deposits.

The Company have joint and several liability with the other group enterprises for the group financing arrangement.

	31.12.2020	31.12.2019
	DKK'000	DKK'000
Other fixtures and fittings, tools and equipment	3.334	5.144
Inventories	17.451	21.667
Receivables	215.497	186.633
Bank deposits	3.083	4.148

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.

Notes

16 Group relations

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

Scandlines Infrastructure ApS, Copenhagen

Name and registered office of the Parent 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.

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.

The Financial Statements have been presented in TDKK.

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.

Income statement**Revenue**

Income from sale of goods is recognized in the income statement when delivery and transfer of risk to the buyer have taken place and provided that the income can be reliably measured and is expected to be received.

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 and cost of a secondary nature to the Entity's primary activities.

Costs of raw materials and consumables

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 and amortisation

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, and currency gains etc. as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, bank charges and 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 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).

Balance sheet**Property, plant and equipment**

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.

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.

Inventories

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

Cost acquisition price plus delivery costs.

Receivables

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

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.

Long term liabilities

Other payables comprise long term holiday allowance

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 Scandlines Infrastructure ApS.