

Finnlines Danmark A/S

Multivej 16
8000 Aarhus C

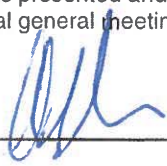
CVR no. 28 70 55 06

Annual report 2018

The annual report was presented and approved at
the Company's annual general meeting on

11 February 2019

Claus Høgh
chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Finnlines Danmark A/S for the financial year 1 January – 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

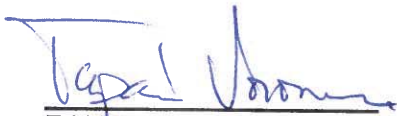
Aarhus, 11 February 2019

Executive Board:



Claus Høgh
CEO

Board of Directors:


Erkki Tapani Voionmaa
Chairman

Claus Høgh


Karl Staffan Herlin



Independent auditor's report

To the shareholders of Finnlines Danmark A/S

Opinion

We have audited the financial statements of Finnlines Danmark A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

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

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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

Independent auditor's report

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.

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's review

Management is responsible for the Management's review.

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

Based on the work we have performed, we conclude that the Management's review 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's review.

Aarhus, 11 February 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Michael E. K. Rasmussen
State Authorised
Public Accountant
mne41364

Finnlines Danmark A/S
Annual report 2018
CVR no. 28 70 55 06

Management's review

Company details

Finnlines Danmark A/S
Multivej 16
8000 Aarhus C

Telephone: +45 86 20 66 50
Website: www.finnlines.com
E-mail: info.dk@finnlines.com

CVR no.: 28 70 55 06
Established: 18 May 2005
Registered office: Aarhus
Financial year: 1 January – 31 December

Board of Directors

Erkki Tapani Voionmaa, Chairman
Claus Høgh
Karl Staffan Herlin

Executive Board

Claus Høgh, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Bank

Nordea

Annual general meeting

The annual general meeting will be held on 11 February 2019.

Management's review

Operating review

Principal activities

In its capacity as agent for its group entities, the Company's objective is to conduct business in Europe within line agency activities and freight forwarding as well as within related activities.

Profit/loss for the year

Management considers the profit for the year of DKK 487,700 satisfactory.

Management expects to report a profit for the coming financial year.

Events after the balance sheet date

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2018	2017
Gross profit		5,137,301	5,223,967
Administrative expenses	2	-4,653,541	-4,430,710
Operating profit		483,760	793,257
Financial income		8,911	2,405
Financial expenses	3	-4,971	-2,394
Profit before tax		487,700	793,268
Tax on profit/loss for the year		0	0
Profit for the year		487,700	793,268
Proposed profit appropriation			
Retained earnings		487,700	793,268

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
ASSETS			
Fixed assets			
Art (paintings)		65,440	65,440
Total fixed assets		65,440	65,440
Current assets			
Receivables			
Trade receivables		17,483	37,991
Receivables from group entities		2,149,538	1,933,277
Other receivables		67,509	41,700
Prepayments		62,658	17,981
		2,297,188	2,030,949
Cash at bank and in hand		177,375	85,880
Total current assets		2,474,563	2,116,829
TOTAL ASSETS		2,540,003	2,182,269

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2018	2017
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		<u>1,159,573</u>	<u>671,873</u>
Total equity		<u>1,659,573</u>	<u>1,171,873</u>
Liabilities			
Current liabilities			
Trade payables		30,960	26,663
Other payables		<u>849,470</u>	<u>983,733</u>
		<u>880,430</u>	<u>1,010,396</u>
Total liabilities		<u>880,430</u>	<u>1,010,396</u>
TOTAL EQUITY AND LIABILITIES		<u>2,540,003</u>	<u>2,182,269</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Finnlines Danmark A/S for 2018 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income, primarily comprising services for the parent company, is recognised in the income statement when the service has been rendered. Revenue is measured ex VAT and taxes and less discounts granted in connection with the sale.

Administrative expenses

Administrative expenses comprise expenses incurred by the Company's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as depreciation of and impairment losses on property, plant and equipment used for the administration of the Company.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Art is not depreciated.

Depreciation is provided on a straight-line basis over the estimated useful life, which are assessed at 3-5 years.

Write-down of property, plant and equipment is made to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are recognised in the income statement as depreciation.

The useful life and residual value are reassessed annually. Changes are accounted for as accounting estimates and the effect on depreciation is recognised prospectively.

Leases

Payments relating to operating leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Trade payables and payables to group entities are recognised at cost.

Finance lease obligation comprises the capitalised residual lease obligation on finance leases.

DKK	<u>2018</u>	<u>2017</u>
2 Number of employees		
Average number of full-time employees	<u>5</u>	<u>5</u>
3 Financial expenses		
Interest expense to group entities	89	640
Other financial costs	997	674
Exchange losses	<u>3,885</u>	<u>1,080</u>
	<u>4,971</u>	<u>2,394</u>

4 Contractual obligations, contingencies, etc.

Commitments under rental agreements or leases until expiry in 2020 represent DKK 316 thousand (2017: DKK 395 thousand).

5 Related party disclosures

Finnlines Danmark A/S is included in the consolidated financial statements of Finnlines Plc., Komentosilta 1, FI-00980 Helsinki, which is the smallest group, in which the Company is included as a subsidiary.

6 Contingent assets

The Company had a non-recognised tax asset of DKK 103 thousand at 31 December 2018 (2017: DKK 219 thousand) arising from tax loss carryforwards.