

Scandferries Chartering A/S

Havneholmen 25
1561 Copenhagen V
Central Business Registration No
32830404

Annual report 2016

The Annual General Meeting adopted the annual report on 25.04.2017

Chairman of the General Meeting



Name: Søren Poulsgaard Jensen

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Entity details

Entity

Scandferries Chartering A/S
Havneholmen 25
1561 Copenhagen V

Central Business Registration No: 32830404
Registered in: City of Copenhagen, Denmark
Financial year: 01.01.2016 - 31.12.2016

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

Board of Directors

Frans Blach Rossen, Formand
Per Johannesen Madsen
Marc Gert Bergstein

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 Board of Directors and the Executive Board have today considered and approved the annual report of Scandferries Chartering A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Copenhagene, 25.04.2017

Executive Board



Søren Poulsgaard Jensen
CEO



Per Johannesen Madsen
CFO

Board of Directors



Frans Blach Rossen
Formand



Per Johannesen Madsen



Marc Gert Bergstein

Independent auditor's reports

To the owners of Scandferries Chartering A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Scandferries Chartering A/S for the financial year 1 January to 31 December 2012. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity Scandferries Chartering A/S and notes, 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. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

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 extended review 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.

Independent auditor's reports

Copenhagen, 25.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



Kirsten Aaskov Mikkelsen
State Authorised Public Accountant



Bjarne Iver Jørgensen
State Authorised Public Accountant

Management commentary

Primary activities

Scandferries Chartering A/S' primary activity is to own the two affiliated companies Scandferries Chartering Hull No. 502 ApS and Scandferries Chartering Hull No. 503 ApS.

Development in activities and finances

The financial year 2016 shows a loss for the year of EUR 24.137 thousand compared to a loss of EUR 3.870 thousand in 2015.

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 2016

<u>Notes</u>	<u>2016</u> <u>EUR'000</u>	<u>2015</u> <u>EUR'000</u>
Other operating expenses	(72)	(32)
Operating profit/loss	(72)	(32)
Income from investments in group enterprises	(23.643)	(3.804)
Other financial income	2	0
Other financial expenses	(12)	(14)
Profit/loss before tax	(23.725)	(3.850)
Tax on profit/loss for the year	(412)	(20)
Profit/loss for the year	(24.137)	(3.870)
Proposed distribution of profit/loss		
Retained earnings	(24.137)	(3.870)
	(24.137)	(3.870)

Balance sheet at 31.12.2016

<u>Notes</u>	<u>2016</u> <u>EUR'000</u>	<u>2015</u> <u>EUR'000</u>
Investments in group enterprises	57.567	81.210
Fixed asset investments	57.567	81.210
Fixed assets	57.567	81.210
Receivables from group enterprises	66.329	54.460
Other receivables	14	137
Prepayments	21	0
Receivables	66.364	54.597
Cash	1.395	1.651
Current assets	67.759	56.248
Assets	125.326	137.458

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>EUR'000</u>	<u>2015</u> <u>EUR'000</u>
Contributed capital		75	75
Retained earnings		43.866	68.010
Equity		43.941	68.085
Trade payables		4	3
Payables to group enterprises		10.484	0
Payables to associates		70.897	69.370
Current liabilities other than provisions		81.385	69.373
Liabilities other than provisions		81.385	69.373
Equity and liabilities		125.326	137.458
Contingent liabilities	1		
Group relations	2		

Statement of changes in equity for 2016

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	75	68.003	68.078
Profit/loss for the year	<u>0</u>	<u>(24.137)</u>	<u>(24.137)</u>
Equity end of year	<u>75</u>	<u>43.866</u>	<u>43.941</u>

There have not been any changes in the share capital since inception.

Notes

1. Contingent liabilities

Scandferries Chartering A/S is jointly taxed with all 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.

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

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

2. 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:

Scandferries Holding UK Ltd., London

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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 as a result 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 as a result 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.

Income statement

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

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, payables and transactions in foreign currencies, and tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, and 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 subsidiaries. The 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

Investments in group enterprises

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

Accounting policies

Other financial liabilities

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

OverbragtScandlines Danmark ApS
Havneholmen 25, 8. sal
1561 København V

Att.: Helle Mølgaard

SCANDFERRIES CHARTERING A/S – ÅRSRAPPORT FOR 2016

Kære Helle

Som aftalt overbringer jeg hermed årsrapport for Scandferries Chartering A/S, som nu til-
lige er underskrevet af mig.

Med venlig hilsen
Horten

Frans Rossen