

Scandferries Holding ApS
Havneholmen 25
1561 Copenhagen V
Central Business Registration No
35486968

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 Holding ApS
Havneholmen 25
1561 Copenhagen V

Central Business Registration No: 35486968
Registered in: City of Copenhagen, Denmark
Financial year: 01.01.2016 - 31.12.2016

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

Supervisory Board

Stephen Blakeney Ridgway, Chairman
Andreas Edgar Gold
Peter Konrad Wirtz
Per Fredrik Karlsson
Claus Jensen
Joan Brith Villumsen
John Erik Sørensen

Executive Board

Søren Poulsgaard Jensen, CEO
Per Johannesen Madsen, CFO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Independent auditor's report

To the shareholders of Scandferries Holding ApS

Opinion

We have audited the financial statements of Scandferries Holding ApS for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 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.

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

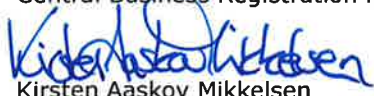
Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 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 Holding ApS' primary activity is to be holding company for affiliated companies Scandferries Chartering UK LTD and Scandferries ApS.

Development in activities and finances

The financial year 2016 shows a loss for the year of EUR 610 thousand compared to a profit of EUR 181.289 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>
Gross loss		-414	-286
Other financial income from group enterprises		0	181.415
Other financial income		39	129
Other financial expenses		<u>-103</u>	<u>-38</u>
Profit/loss before tax		-478	181.220
Tax on profit/loss for the year		<u>-132</u>	<u>69</u>
Profit/loss for the year		<u>-610</u>	<u>181.289</u>
Proposed distribution of profit/loss			
Retained earnings		<u>-610</u>	<u>181.289</u>
		<u>-610</u>	<u>181.289</u>

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		427.932	410.806
Fixed asset investments		427.932	410.806
Fixed assets		427.932	410.806
Receivables from group enterprises		0	3.193
Other receivables		21.944	45.623
Receivables		21.944	48.816
Cash		6.446	25.239
Current assets		28.390	74.055
Assets		456.322	484.861

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		11	11
Retained earnings		391.588	392.198
Equity		391.599	392.209
Other provisions		44.102	45.684
Provisions		44.102	45.684
Payables to group enterprises		20.154	46.408
Other payables		467	560
Current liabilities other than provisions		20.621	46.968
Liabilities other than provisions		20.621	46.968
Equity and liabilities		456.322	484.861
Contingent liabilities	1		
Mortgages and securities	2		
Related parties with controlling interest	3		

Statement of changes in equity for 2016

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	11	392.198	392.209
Profit/loss for the year	0	-610	-610
Equity end of year	11	391.588	391.599

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

Notes

1. Contingent liabilities

Scandferries Holding ApS 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. Mortgages and securities

Debt of the ultimate parent is secured by way of a charge on the ultimate parent company's "trademarks", such as Scandferries Holding ApS' shares in subsidiaries.

At 31 December, the caring amounts of assets provided as security are as follows:

	2016	2015
	MEUR	MEUR
Investments in group enterprises	427,9	410,8

3. Related parties with controlling interest

Scandferries Holding ApS and its subsidiaries are included in the consolidated financial statement of:

Scandferries Holding UK Ltd.
7th Floor
11 Old Jewry
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. Property, plant and equipment that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses related to the Entity's ordinary activities.

Other external expenses

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

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Accounting policies

Other financial income

Other financial income comprises income from the bank.

Other financial expenses

Other financial expenses comprise interest expenses and transactions in foreign currencies, 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 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 group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provision consists of the amount the entity expects to repay or collect by way of future year rates measured at present value.

Other financial liabilities

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

Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of Scandferries Holding ApS 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.

Copenhagen, 25.04.2017

Executive Board

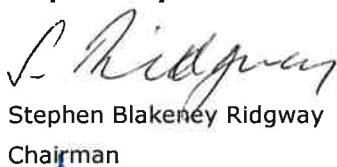


Søren Poulsen
CEO



Per Johannesen Madsen
CFO

Supervisory Board



Stephen Blakeney Ridgway
Chairman



Andreas Edgar Gold



Peter Konrad Wirtz



Per Fredrik Karlsson



Claus Jensen



Joan Brith Villumsen



John Erik Sørensen