

Scandlines ApS
Havneholmen 25, 8.
DK-1561 Copenhagen
CVR No. 35487131

Annual report 2023

The Annual General Meeting adopted the annual report on 8 May 2024

Chairman of the General Meeting

Name: Michael Guldman Petersen

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Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Scandlines ApS for the financial year 1 January – 31 December 2023.

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 Company's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January – 31 December 2023.

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, 8 May 2024

Executive Board

Michael Guldmann Petersen
CEO

Jesper Mikkelsen Heilbuth
CFO

Independent auditor's report

To the Shareholder of Scandlines ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as of 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Scandlines ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("The Financial Statements").

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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Commentary

Management is responsible for Management's Commentary.

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

Based on the work we have performed, in our view, Management's 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 in Management's Commentary.

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 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 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 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.

Hellerup, 8 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

André Nielsen
State Authorised Public Accountant
mne46624

Company details

Company

Scandlines ApS

Havneholmen 25, 8.

DK-1561 Copenhagen

CVR No.: 35487131

Registered in: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

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Executive Board

Michael Guldmann Petersen, CEO

Jesper Mikkelsen Heilbuth, CFO

Auditors

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Strandvejen 44

DK- 2900 Hellerup

Management Commentary

	2023	2022	2021	2020	2019
	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>	<u>EUR'000</u>
Financial highlights					
Key figures					
Other operating income	407	175	597	0	0
Gross profit/loss	-265	-228	308	-217	-235
Operating profit/loss	-265	-228	308	-217	-235
Net financials	122.155	54.870	-19,881	-20,395	337,616
Profit/loss for the year	122.732	54.793	-18.515	-20.729	337.868
Total assets	1.357.483	1,567,080*	1,131,858*	1,236,351*	1,242,651*
Equity	115.271	175.257	202.283	265.483	258.868
Ratios					
Return on equity (%)	84,5	29,0	-7,9	-7,9	129.6
Equity ratio (%)	8,5	11,2*	17.9*	21.5*	20.8*

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

* As described in the accounting practices, the comparison figures for 2022 have changed, as the cash pool has been grossed to reflect the legal ownership of the cash pool. The comparative figures for 2021 – 2019 are unchanged.

Ratios	Calculation formula
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$

Management Commentary

2023

The gender composition of management bodies

Top management

Total number of members	2
Underrepresented gender in %	**)
Target figure in %	**)
Year for reaching the target figure	**)

Other management

Total number of members	0
Underrepresented gender in %	**)
Target figure in %	**)
Year for reaching the target figure	**)

**) Scandlines ApS has per 31 December 2023 fewer than 50 employees and only two people in the top management, in accordance with ÅRL § 99b, Scandlines ApS are exempt from the obligation to set target figures.

The qualitative information regarding the gender composition of the management appears under a separate section on page 12.

Management Commentary

Primary activities

The Company's primary activity is to own affiliated companies and manage the Cash Pool for the whole Scandlines Group.

Development in activities and finances

The financial year 2023 shows a result for the year of TEUR 122,732 (2022: TEUR 54,793).

As of 31 December 2023, total assets were TEUR 1,357,483 (2022: TEUR 1,567,080) with a total equity of TEUR 115,271 (2022: TEUR 175,257).

The performance is considered satisfactory, as Scandlines ApS's subsidiaries during 2023 has paid more out in dividends than expected.

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

Outlook

The outlook is based on the development in the operations of the investments, as Scandlines ApS is a holding company.

Traffic volumes in 2024 are expected to be slightly above 2023 volumes, with moderately growth in second half of 2024, where positive trends in the global economy are expected to materialize. Modest growth is expected in all segments, but Freight volumes is expected to have higher growth rates in Q4 2024 with the insertion of a new electric ferry on the Rødby-Puttgarden route in the second half of 2024.

We still expect to see consequences of inflation, high interest rates and a weak SEK, but will maintain strict cost control and focus on ensuring continuous efficiency enhancements to mitigate the general volatility in the economy and the effects of high inflation and interest rates in 2023, which still will impact 2024.

Based on the expected level of profitability in Scandlines Group described above, it is management's expectation that the profitability will be below 2023 however at same level as 2022.

Particular risks

The particular risks in the Company relates to the risks connected with the investments in subsidiaries. The most material financial risks are currency, oil and credit risks. The interest risk factors are hedged and we refer to the "Management commentary" in the Group Financial Statements of Scandlines Infrastructure ApS for a detailed description.

Intellectual capital resources

The Company continuously improves operational efficiency to maintain a strong competitive position against established competitors. In addition, qualified employees and management is critical to our success in the long term.

We refer to the "Risk management" in the Group financial statements of Scandlines Infrastructure ApS for a detailed description.

Staff

The Company has no employees.

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 vessels are inspected several times during a year, and we are satisfied to hold a high quality in 2023. For a more detailed description please see "Management commentary" in the Group Financial Statements of Scandlines Infrastructure ApS.

Uncertainty in relation to recognition and measurement

The Company has no material uncertainty in relation to recognition and measurement.

Unusual circumstances

There are no unusual circumstances in 2023.

Research- and development activities

The Company has no research- and development activities.

Branches

The Company has no branches.

Statutory report on corporate social responsibility and data ethics cf. 99a and 99d of the Danish Financial Statements Act

For our statutory statement on social responsibility in accordance with sections 99a of the Danish Financial Statements Act, we refer to the Sustainability report from our parent company Scandlines Infrastructure Aps (CVR: 38 10 32 45). The report can be found here:

[Annual report and Sustainability report | Scandlines](#) where our account on Scandlines' data ethics policy is also available in accordance with section 99d of the Danish Financial Statements Act.

Statutory report on the underrepresented gender cf. 99b of the Danish Financial Statements Act

The Executive Board of Scandlines ApS, currently does not have any female members in 2023. It is Scandline's policy that the Executive Board is consistent in all companies in the group. At balance sheet date Executive Board members consisted of two males as shown on page 9, there is no other management.

For the gender composition of management reference to page 9 in the statement

The Company has no employees as it is a simple holding company. According to section 139 c, subsection 7 of the Danish statements Act, Scandlines ApS is therefore not required to formulate a policy to increase the ratio of the underrepresented gender at other management levels.

Scandlines operates in the maritime industry where many of the jobs are gender specific due to the special working environment. The intake on the educations needed for a job in Scandlines is also gender specific which makes it challenging to find candidates of the underrepresented gender in many areas. Furthermore, the unemployment rate in Denmark is very low for the time being which also brings down the number of suitable candidates. Scandlines does not work with quota but always employs the best-suited candidate for the job and works to make our advertisements as gender neutral as possible to attract both gender to all our open positions.

In addition, Scandlines has signed the Charter of Women in shipping.

Scandlines will continue to have a focus on improving the balance of the underrepresented gender in the coming year.

Income statement

	Note	2023	2022
		EUR'000	EUR'000
Other operating income		407	175
Other external expenses		-672	-403
Gross profit / loss		-265	-228
Operating profit / loss		-265	-228
Income from investments in affiliated companies		145.000	76.610
Other financial income	1	47.167	13.645
Other financial expenses	2	-70.012	-35.385
Profit / loss before tax		121.890	54.642
Tax on profit for the year	3	842	151
Profit / loss for the year	4	122.732	54.793

Balance sheet at December

	Note	2023 EUR'000	2022 EUR'000
Investments in affiliated companies		1.026.945	1.026.945
Fixed assets investments	5	1.026.945	1.026.945
Fixed assets		1.026.945	1.026.945
Receivable from affiliated companies		281.263	439.573
Other receivables		114	48
Company Tax		17.450	17.450
Receivables		298.827	457.071
Cash	6	31.711	83.064
Current assets		330.538	540.135
Assets		1.357.483	1.567.080

Balance sheet at December

	Note	2023 EUR'000	2022 EUR'000
Share capital		11	11
Other reserves		0	-18
Retained earnings		115.260	140.264
Proposed dividend		0	35.000
Equity		115.271	175.257
Bank loans		876.285	883.548
Non-current liabilities	7	876.285	883.548
Interest-bearing liabilities		33.419	44.335
Trade payable		21	2
Payable to affiliated companies		332.487	463.938
Short term liabilities		365.927	508.275
Liabilities		1.242.212	1.391.823
Equity and liabilities		1.357.483	1.567.080
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Statement of changes in equity

	Share capital EUR'000	Other Reserve EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000	
Equity at 1 January 2023	11	-	18	140.264	35.000	175.257
Profit for the year	0	0	122.732	0	122.732	
Extraordinary dividend payment	0	0	-147.718	0	-147.718	
Ordinary dividend payment	0	0		-35.000	-35.000	
Value adjustment	0	18	-18	0	0	
Equity at 31 December 2023	11	0	115.260	0	115.271	

The share capital consists of 84.000 shares at DKK 1 nominal.

Notes

	31-12-2023	31-12-2022
	EUR'000	EUR'000
1 Financial income		
Interest from affiliated companies	43.647	12.362
Exchange rate adjustments	1.285	955
Other interest income	2.235	328
	47.167	13.645
2 Financial expense		
Interest to affiliated companies	-44.731	-10.671
Other interest expenses	-25.281	-24.714
Total financial expenses	-70.012	-35.385
3 Tax on profit for the year		
Current tax	842	151
Total tax on profit for the year	842	151
<p>Corporation tax under receivables relates to withholding tax paid to the Federal German Tax Authorities, which is expected refunded in 2024.</p>		
4 Proposed distribution of profit		
Profit for the year	122.732	19.793
Proposed dividend	0	35.000
Total profit for the year	122.732	54.793

Notes

5 Fixed assets investments

Investments in subsidiaries

Cost at 1 January	1.026.945
Cost at 31 December	1.026.945

	Registered in	Corporate form	Equity interest %
<u>Investments in subsidiaries:</u>			
Scandferries Holding GmbH*	Hamburg	GmbH	100
Scandlines Deutschland GmbH*	Hamburg	GmbH	100
Scandlines Schiff GmbH & Co. KG*	Hamburg	KG	100
Scandlines Schiff Verwaltungs GmbH*	Hamburg	GmbH	100
Scandlines Bordershop Puttgarden GmbH*	Hamburg	GmbH	100
Scandlines Bordershop Rostock GmbH*	Hamburg	GmbH	100
Scandlines Danmark ApS	Copenhagen	ApS	100
Scandlines Catering ApS	Copenhagen	ApS	100
Scandlines Gedser-Rostock ApS	Copenhagen	ApS	100

	Equity EUR'000	Profit/Loss EUR'000
<u>Investments in subsidiaries - continued:</u>		
Scandlines Danmark ApS	211,395	79,821
Scandlines Catering ApS	2,795	-635
Scandlines Gedser Rostock ApS	64,920	20,284

All recognized amounts are based on latest approved financial statements.

* Equity and Profit/Loss has not been disclosed in accordance with ÅRL §97a (3)

6 Cash

Scandlines ApS has cash of TEUR 31,711 (2022: TEUR 83.064) of which TEUR 16.357 (2022: TEUR 57.586) is restricted.

7 Bank loans

	<u>Within 1 year</u>	<u>1-5 years</u>	<u>After 5 years</u>
2023			
Bank loans	33.419	366.144	510.141
2022			
Bank loans	44.335	381.364	502.184

Notes

8 Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. The total amount of corporation tax due is stated in the Financial Statements of Scandlines Infrastructure ApS, which is the management company in relation to joint taxation. The Group's Danish companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the Company's liability constituting a larger amount.

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

9 Assets charged and collateral

The bank debt of the Company is secured by collateral in the Company's shares in subsidiaries, receivables from subsidiaries and cash.

The debt is subject to covenants calculated based on the Consolidated Financial Statements of Scandlines Infrastructure ApS.

The Company has joint and several liability with its subsidiaries for the Company' and subsidiaries financing arrangement.

10 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.

11 Group relations

Name and registered office of the Parent preparing consolidated Financial Statements for the smallest and largest group:

Scandlines Infrastructure ApS, Copenhagen

Notes

12 Employees	31-12-2023	31-12-2022
	EUR'000	EUR'000
Salary	1,387	1,666
Bonus	1,500	1,674
Severance costs	500	0
Pension	196	220
Total remuneration of management	3,583	3,560

The Company has no employees.

The figures stated relates to the Executive Board's remuneration for handling the whole Scandlines Infrastructure Group. Thus, the figures stated is not recognised in the income statement of the Company. Therefore, only a minor part of the total remuneration is directly related to the work performed in Scandlines ApS.

13 Events after the balance sheet date

No significant events have occurred after 31 December 2023.

Notes

14 Summary of significant 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 the Financial Statements are consistent with those applied last year.

In 2023 Management has realised that the Group's total cash pool scheme has not been grossed in the balance sheet to reflect the legal ownership of the cash pool.

The changes has no effect on profit/loss and only effects the financial statement lines for cash (TEUR 8), receivable (TEUR 439) and payables (TEUR 447) from and to affiliated companies in 2022.

The Financial Statements has been presented in TEUR.

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 Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, 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 that have been purchased in foreign currencies are translated using historical rates.

Notes

Income statement

Other external expenses

Other external expenses include expenses relating to the Company's ordinary activities, including corporate costs.

Income from investments in subsidiaries

Income from investments in subsidiaries comprises dividend etc. received in the financial year.

Distribution of dividends from subsidiaries is taken to income in the Company's income statement in the financial year in which the dividend is declared. If an amount is distributed exceeding the subsidiary's result for the period, then an impairment test is performed.

Financial income

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

Financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and bank interests.

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 Company 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).

Notes

Balance sheet

Investments in subsidiaries

Investments in subsidiaries 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 debts.

Corporate 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 and deposits and include the entire Cash Pool scheme, as the company is the legal owner of the cash pool.

Financial liabilities

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

Consolidated Financial Statements

With reference to the Danish Financial Statements Act §112 (2), the Company has not prepared a Consolidated Financial Statements. The Company's Financial Statements are included in the Consolidated Financial Statements of Scandlines Infrastructure ApS.

Cash flow statement

The Company has according to the Danish Financial Statements Act §86(4) omitted to prepare a cash flow statement.