Scandlines Danmark ApS

Havneholmen 25, 8.
DK-1561 Copenhagen
CVR no. 18605600

Annual report 2024

The Annual General Meeting adopted the annual report on 30 April 2025

Chairman of the General Meeting

Name: Eric Auguste Grégoire

Contents

Statement by Management on the annual report

The Supervisory Board and the Executive Board have today considered and approved the annual report of Scandlines Danmark ApS for the financial year 1 January - 31 December 2024.

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 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the management commentary gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Copenhagen, 30 April 2025

Executive Board

Eric Auguste Grégoire CEO	Mikael Koch Jensen CFO	Michael Guldmann Petersen COO

Supervisory Board

Frans Blach Rossen Chairman	Anette Ustrup Svendsen	Jakob Dornonville de la Cour
Gerlinde Waltraud Helene Krieger	Jan Raymond Saksaa	Michael Skeller Andersen
Dennis Pollow		

Independent auditor's report

To the Shareholders of Scandlines Danmark 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 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Scandlines Danmark ApS for the financial year 1 January - 31 December 2024, 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.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entity or business unit as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

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.

Copenhagen, 30 April 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Bo Schou-Jacobsen	André Nielsen
State Authorised Public Accountant	State Authorised Public Accountant
mne28703	mne46624

Company details

Company

Scandlines Danmark ApS
Havneholmen 25, 8.
DK-1561 Copenhagen

Central Business Registration No (CVR): 18605600
Registered in: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

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

Supervisory Board

Frans Blach Rossen, Chairman of the Board
Anette Ustrup Svendsen
Jakob Dornonville de la Cour
Gerlinde Waltraud Helene Krieger
Jan Raymond Saksaa*
Michael Skeller Andersen*
Dennis Pollow*

Executive Board

Eric Auguste Grégoire, CEO
Mikael Koch Jensen, CFO
Michael Guldmann Petersen, COO

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

*Employee elected member

Management Commentary

	2024 EUR'000	2023 EUR'000	2022 EUR'000	2021 EUR'000	2020 EUR'000
Financial highlights					
Key figures					
Revenue	108,557	105,002	104,782	78,882	66,219
Other operating income	34,110	30,556	21,915	21,180	70,062
Gross profit/loss	103,370	95,297	91,730	76,029	102,024
Operating profit/loss	63,939	55,995	52,368	35,442	65,916
Net financials	28,046	25,240	19,018	8,964	3,984
Profit/loss for the year	91,408	79,821	78,872	43,336	69,351
Total assets	282,608	238,078	328,451	301,022	299,257
Investements in property, plant and equipment	21,360	36,018	19,174	15,760	9,284
Equity	262,803	211,395	276,574	274,313	230,978
Average numbers of employees	300	296	288	276	327
Ratios					
Gross margin (%)	95.2	90.8	87.5	96.4	154.1
Net margin (%)	84.2	76.0	75.3	54.9	104.7
Return on equity (%)	38.6	32.7	28.6	17.2	35.3
Equity ratio (%)	76.1	88.8	84.2	91.1	77.2
Revenue per employee	361.9	354.7	363.8	258.8	202.5

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

Ratios	Calculation formula
Gross margin (%)	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Net margin (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Revenue}}$
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Total assets}}$
Revenue per employee	$\frac{\text{Revenue}}{\text{Average number of employees}}$

Management Commentary

Primary activities

The Company's primary activities are to operate ferries on the route Puttgarden-Rødby.

Development in activities and finances

The financial year 2024 shows a profit for the year of TEUR 91,408 (2023: TEUR 79,821), which is TEUR 11,587 higher than 2023.

As of 31 December 2024, total assets were TEUR 345,204 (2023: TEUR 238,078 with a total equity of TEUR 262,803 (2023: TEUR 211,395).

The revenue performance is considered satisfactory, as the Company has increased the revenue in 2024 as expected. The performance is in general in line with the outlook as set out in the 2023 Financial Statements as both revenue and profitability have increased in 2024 mainly due to dynamic pricing system.

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

Outlook

The macroeconomic environment is expected to remain relatively volatile in 2025 amid geopolitical turbulence and continued uncertainty impacting consumer confidence. Still, traffic volumes are expected to increase moderately across segments in 2025 with higher growth expected in the freight business. The freight business is expected to see a positive impact from the deployment of our new electric ferry on the Puttgarden-Rødby route, which will enable us to gain market share and improve the product mix with a higher share of specialised freight transportation.

Strict cost control, automation efforts and continued efficiency actions remain crucial to mitigate the general volatility in the economy and the effects of inflation and interest rates volatility, which continue to impact 2025.

Management expects revenue to increase moderately in 2025 compared to 2024 and profitability to increase moderately in 2025 compared to 2024.

Particular risks

The most material financial risks are currency, oil and credit risks, which only occur in relation to the operating activities.

To mitigate the potential impact of the financial risks, the Company has taken an active approach to risk management with a view to identifying and reviewing risk areas and determining how to manage these risks.

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

Management Commentary

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 employed an average of 300 people in the financial year 2024 (2023: 296 employees).

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.

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 2024.

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 etics 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.

Income statement for 1 January – 31 December

	Notes	2024 EUR'000	2023 EUR'000
Revenue	1	108,557	105,002
Other operating income	2	34,794	30,556
Costs of raw materials and consumables		-17,162	-18,317
Other external expenses		-22,820	-19,449
Other operating costs		0	-2,494
Gross profit / loss		**103,369**	**95,298**
Staff costs	3	-29,245	-26,943
Depreciation and amortisation		-10,187	-12,359
Operating profit/loss		**63,937**	**55,996**
Results from investments in group enterprises	10	27,726	19,564
Financial income	4	11,407	11,313
Financial expenses	5	-11,086	-5,638
Profit / loss before tax		**91,984**	**81,235**
Tax on profit for the year	6	-576	-1,414
Profit / loss for the year	7	**91,408**	**79,821**

Balance sheet at 31 December

	Notes	31-12-2024 EUR'000	31-12-2023 EUR'000
Software		18,270	22,621
Intangible assets	8	**18,270**	**22,621**
Vessels		22,678	23,012
Land and buildings		5,768	6,073
Plant and machinery		11,773	12,761
Other fixtures and fittings, tools and equipment		2,266	1,720
Leasing of property, plant and equipment		4,009	1,099
Assets under construction		57,530	44,160
Tangible assets	9	**104,024**	**88,825**
Investments in subsidiaries	10	95,355	67,715
Investments in associated companies	10	0	14
Deposits		387	381
Fixed assets investments		**95,742**	**68,110**
Fixed Assets		**218,036**	**179,557**
Finished goods		179	157
Inventories		**179**	**157**
Trade receivables		15,396	14,196
Receivable from affiliated companies		45,239	42,085
Other receivables		70	1
Prepayments	11	2,256	2,012
Receivables		**62,961**	**58,294**
Cash		**1,432**	**71**
Current assets		**64,572**	**58,522**
Assets		**282,608**	**238,078**

Balance sheet at 31 December

	Notes	31-12-2024 EUR'000	31-12-2023 EUR'000
Contributed capital		67,236	67,236
Reserve for net revaluation under the equity method		50,135	22,496
Retained earnings		145,432	121,663
Equity		**262,803**	**211,395**
Other payables	12	1,592	1,586
Leasing debt		4,034	1,121
Non-current liabilities		**5,626**	**2,707**
Trade payables		5,212	8,518
Payable to affiliated companies		276	4,242
Other payables	12	7,698	10,197
Deferred income	13	993	1,018
Current liabilities other than provisions		**14,179**	**23,975**
Liabilities other than provisions		**19,805**	**26,683**
Equity and liabilities		**282,608**	**238,078**

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Statement of changes in equity

	Contributed capital EUR'000	Reserve for revaluation under the equity method	Retained earnings EUR'000	Total EUR'000
Equity at 1 January 2024	67.236	22,496	121,663	211,395
Profit / loss for the year	0	27,639	63,769	91,408
Paid extraordinary dividend	0	0	-40,000	-40,000
Equity at 31 December 2024	**67.236**	**50,135**	**145,432**	**262,803**

The share capital consists of 500.000 shares of DKK 1.000 nominal.

Notes

		31-12-2024 EUR'000	31-12-2023 EUR'000
1	**Revenue**		
	Ferry transport	108,557	105,002
	Total	**108,557**	**105,002**

Revenue from ferry transport is generated as part of the crossing from Denmark to Germany.

2	**Other operating income**		
	Rent income from harbour, land and buildings	749	218
	Shared Service Center	30,290	29,475
	Catering and other income	3,755	863
	Total	**34,794**	**30,556**

Rent income from harbour, land and buildings includes leasehold income from ferries.

3	**Staff costs**		
	Salaries and wages	-26,754	-23,473
	Pension costs	-1,571	-2,396
	Other social security expenses	-201	-237
	Other personnel expenses	-719	-837
	Total staff costs	**-29,245**	**-26,943**
	Average number of employees	300	296

	Remuneration to management 2024	Remuneration to management 2023
Salary	1,732	1,387
Bonus	862	1,500
Severance cost	0	500
Pension	211	196
Total Executive Management	**2,805**	**3,583**
Supervisory Board	24	26

The figures stated relate to the Executive Board’s remuneration for handling the whole Scandlines Infrastructure Group. Thus, only a minor part of the total remuneration is directly related to the work performed in Scandlines Danmark ApS.

Notes

		31-12-2024	31-12.2023
		EUR'000	EUR'000
4	**Financial income**		
	Interest from affiliated companies	11,407	11,313
	Total financial income	**11,407**	**11,313**

5	**Financial expenses**		
	Interest to affiliated companies	-7,603	-4,780
	Foreign exchange losses	-3,393	-796
	Other interest expenses	-90	-62
	Total financial expenses	**-11,086**	**-5,638**

6	**Tax on profit/loss for the year**		
	Current tax	-576	-1,414
	Total tax on profit for the year	**-576**	**-1,414**

The Company is committed to tonnage tax until 2030. The Company does not expect to withdraw from the scheme and therefore no deferred tax of tonnage tax assets and liabilities have been recognized.

7	**Proposed distribution of profit / loss**		
	Paid extraordinary dividend	40,000	0
	Reserve for net revaluation under the equity method	27,639	19,565
	Retained earnings	23,769	60,256
	Profit / loss for the year	**91,408**	**79,821**

Notes

8 Intangible assets

	EUR'000
	Software
Cost at 1 January	53,210
Additions	183
Transfer	33
Disposals	0
Cost at 31 December	**53,426**
Amortization at 1 January	-30,589
Amortization for the year	-4,567
Disposals	0
Depreciation and amortization at 31 December	**-35,156**
Carrying amount at 31 December	**18,270**

9 Tangible assets

	Land and Buildings	Plant and machinery	Vessels
Cost at 1 January	19,181	64,138	143,557
Additions	2	0	0
Transfer	0	0	2,399
Disposals	0	0	-5,525
Cost at 31 December	**19,183**	**64.138**	**140,431**
Depreciation at 1 January	-13,108	-51,377	-120,545
Depreciation for the year	-307	-988	-2,430
Disposals	0	0	5,222
Depreciation at 31 December	**-13,415**	**-52,365**	**-117,753**
Carrying amount at 31 December	**5,768**	**11,773**	**22,678**

Notes

9 Tangible assets (continued)

	Other Fixtures and fittings, tools and equipment	Leasing of property, plant and equipment	Asset under construction*
Cost at 1 January	2,827	5,013	44,160
Additions	10	4,132	17,060
Transfer	1,258	0	-3,690
Disposals	0	-3,970	0
Cost at 31 December	**4,095**	**5,175**	**57,530**
Depreciation at 1 January	-1,108	-3,914	0
Depreciation for the year	-721	-1,174	0
Disposed	0	3,922	0
Depreciation at 31 December	**-1,829**	**-1,166**	**0**
Carrying amount at 31 December	**2,266**	**4,009**	**57,530**

*Assets under construction contain both intangible and tangible projects, which at the point of capitalization are properly classified. The practice is unchanged from previous years.

Commitments related to tangible assets

Scandlines has in 2021 entered a contract with Cemre Shipyard, Turkey, to build an emission-free ferry for the Puttgarden-Rødby route. As of 31 December 2024, Scandlines has a remaining commitment of EUR 31 million. (2023: Commitment of EUR 31 million).

10 Fixed assets investments

	Investments in subsidiaries	Investments in associated companies
Cost at 1 January	45,220	13
Additions	0	0
Disposals	0	-13
Cost at 31 December	**45,220**	**0**
Revaluations 1 January	22,495	1
Other Equity adjustments	-1	-85
Share of profit/loss for the year	27,641	84
Revaluations 31 December	**50,135**	**0**
Carrying amount at 31 December	**95,355**	**0**

Notes

10 Fixed assets investments (continued)

Investments in subsidiaries and associated companies:	Registered in	Corporate form	Equity interest %
Scandlines Catering ApS	Copenhagen	ApS	100
Scandlines Gedser-Rostock ApS	Copenhagen	ApS	100
Scandlines Schiff GmbH & Co. KG	Hamburg	KG	50

	Equity	Profit/Loss
Investments in subsidiaries and associated companies:	EUR'000	EUR’000
Scandlines Catering ApS	3,101	304
Scandlines Gedser-Rostock ApS	92,257	27,337
Scandlines Schiff GmbH & Co. KG	-1,961	560

All recognized amounts are based on the latest available financial information.

	31-12-2024	**31-12-2023**
	EUR'000	**EUR'000**

11 Prepayments

Prepayments consist of prepaid leasing and IT services etc.

12 Other payables

VAT and duties	1,445	1,770
Holiday pay obligations	2,933	2,709
Wages and salaries etc.	4,523	6,513
Customer loyalty program (SMILE)	0	644
Other costs payable	388	147
	9,290	**11,783**

Notes

12 Other payables (continued)

Other payables fall due as following:

	31-12-2024 EUR'000	31-12-2023 EUR'000
Current portion of non-current payables within 1 year	7,698	10,197
Non-current payables between 1 and 5 years	241	157
Non-current payables over 5 years	1,351	1,429
Total non-current payables	**9,290**	**11,783**

13 Deferred income

Deferred income consists of prepaid tickets.

14 Contingent liabilities

The Group is party to ongoing investigations from public authorities, the outcome and impact of which remain uncertain. Based on external expert advice, management does not currently believe that the basis for the investigations has any merit and, if necessary, the Group will defend itself against them. The timeframe for the investigations being concluded may be after the Group's next financial year-end. Any potential financial impact is currently uncertain and not possible to quantify.

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.

15 Assets charged and collateral

The bank debt of Scandlines ApS is secured by collateral in the Company's receivables from Group entities, vessels and other assets as well as cash.

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

Notes

16 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.

17 Group relations

Name and registered office of the Parent Company preparing Consolidated Financial Statements for the smallest group:

Scandlines Infrastructure ApS
Copenhagen

Name and registered office of the Parent Company preparing Consolidated Financial Statements for the largest group:

Scandlines Infrastructure ApS
Copenhagen

18 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.

Notes

19 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) and the Company has adopted the IFRS Accounting Standards IFRS 9, 15 and 16.

The Financial Statement has been presented in TEUR.

The accounting policies applied remain unchanged to previous years.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable because 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 recognized in the balance sheet when the Company has a legal or constructive obligation because 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 affected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the Financial Statements and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognized in the income statement when earned, whereas costs are recognized 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 recognized in the income statement as financial income or financial expenses. Fixed assets purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue relating to passenger and cargo ferrying is recognized in the income statement when the control of the service has passed to the customer at the departure time of the vessel.

Revenue is measured at the consideration received and is recognized exclusively by VAT and net of discounts relating to sales.

Other operating income

Other operating income and other operating expenses comprise income and cost of a secondary nature to the Company's primary activities.

Costs of raw materials and consumables

The operating expenses for vessels comprise consumables applied for current operations of vessels, expenses of unplanned shipyard and expenses of current maintenance of safety level on the vessels. Furthermore, expenses for changes to the hulls of the vessels or for accommodation construction, which did not increase the value in use are included.

Dry docking costs are recognized in the carrying number of vessels when incurred and depreciated over the period until the next dry docking.

Other external expenses

Other external expenses include expenses relating to the Company’s ordinary activities, including expenses for it-costs, marketing costs, premises and various corporate costs, etc. This item also includes write-downs of receivables recognized in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc. for the Company staff.

Depreciation, amortization and impairment losses

Intangible assets and property, plant and equipment are amortized or depreciated straight-line on the basis of the individual estimate of their useful lives.

Income from investments in subsidiaries and associated companies

Income from investments in subsidiaries and associated companies comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Financial income

Financial income comprises interest income, currency gains etc. as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses

Financial expenses comprise interest expenses, bank charges, 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 recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity.

The Company is jointly taxed with all Danish group entities 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).

The Company joined the tonnage tax scheme with effect from 1 January 2002. Accordingly, the taxable income related to passenger and cargo ferrying has been calculated based on the tonnage for the year. Income related to other activities is taxed under the ordinary rules of corporate tax law.

The Company is committed to tonnage tax until 2030. The Company does not expect to withdraw from the scheme and therefore no deferred tax of tonnage tax assets and liabilities has been recognized.

Balance sheet

Intangible assets

Intellectual property rights include software and other intangible assets.

The basis of amortization is cost less estimated residual value after the end of useful life. The remaining intangible assets are amortized on a straight-line basis using the estimated useful life of three to five years.

Property, plant and equipment

Vessels, land and buildings, harbour plant and harbour installations as well as 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:

Vessels	35-45 years
Docking assets	2-5 years
Buildings	40 years
Harbour facilities and harbour installations	40 years
Other fixtures and fittings, tools and equipment	3-5 years

The carrying amounts of property, plant and equipment are reviewed regularly, at least once a year, to determine any indication of impairment. If such indication exists, the recoverable amount of the asset is determined.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. Recoverable amount is the higher of value in use (present value of the future net payments) and selling price (broker assessment in respect of vessels) less expected selling costs.

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 recognized in the income statement under other operating income/other operating expenses.

Costs related to planned periodical repairs and maintenance work (docking costs) are capitalized and depreciated straight-line over the period until the next anticipated docking, typically two-five years.

Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are recognized and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unrealized intra-group profits or losses.

Group enterprises with negative equity are measured at EUR 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Inventories
Inventories are measured at cost based on the FIFO method. Where the net realizable value is lower than the FIFO cost price, inventories are written down to this lower value. The cost of inventory consists of the acquisition price plus delivery costs.

Receivables

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

Receivables / Payables from affiliated companies

Receivables or payable from affiliated companies comprises intercompany trade balances, deposits and debt in the intercompany Cash pool managed by affiliated Company. The Cash pool comprises cash in various currencies and interest is applied on the cash position by arm-lengths principle.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortized cost, which usually corresponds to the nominal amount.

Cash

Cash comprises cash in hand and bank deposits.

Leases

For financial reporting purposes, leases are divided into capitalizable leases and short-term leases where all leasing contracts with a term over 12 months are recognized as leasing assets and lease liabilities, respectively, on the balance sheet. Leases with a term less than 12 months are classified as short-term leases, which are recognized as costs on a straight-line basis. For leasing assets, cost is present value of future minimum lease payments. The internal rate of return of the lease or group's alternative borrowing rate is applied as a discount factor for determining the present value. Assets held under leases are depreciated and written down for impairment in accordance with the accounting policies applied by the group to similar proprietary non-current assets or over the lease period depending on the terms and conditions of the lease.

The related lease commitment for assets under leases is recognized in the balance sheet by an amount equivalent to the capitalized lease commitment. The interest portion of the lease payment or the year is recognized in the income statement as a financial expense. Lease payments on short-term leases are recognized in profit and loss on a straight-line basis over the lease period unless other systematic better reflect the benefit from the use of the asset. The remaining rental and lease commitments of such leases are disclosed in the notes to the consolidated financial statements. In the event of leases under which assets are leased out, an amount equal to the net investment in the lease is recognized as a receivable in the balance sheet. The asset is derecognized, and any gains or losses in the respect are taken to profit or loss.

Long term liabilities

Other long-term liabilities comprise long term holiday allowance.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years.

Consolidated Financial Statements

With reference to the Danish Financial Statements Act §112(2), the Company has not prepared Consolidated Financial Statements. The Company's Financial Statements is 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 produce a cash flow statement.