

P/F SMYRIL LINE

Annual Report 2025



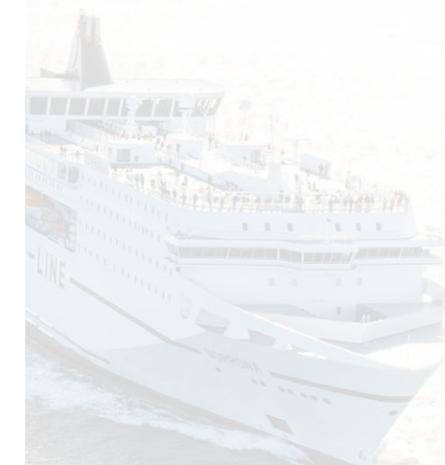
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Adopted at the Annual General Meeting
on 20 March 2026

Petur Even Djurhuus
Chairman



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Reg. no. 544
Annual Report 2025

*The following is a translation of the Faroese original text in the official Annual Report.
The original Faroese text shall be the governing text for all purposes and in case of any
discrepancy the Faroese wording shall be applicable.*

Navigating with Responsibility



Letter from the CEO

2025 was a year of solid progress and important reflection for Smyril Line. Across our operations at sea and on shore, we continued to strengthen the Company through professionalism, dedication, and shared commitment. The results we present in this Annual Report confirm that Smyril Line remains resilient and retains its competitive edge, even in a demanding operating environment.

It is with great sadness that the year was also marked by a tragic accident in which one colleague lost their life, and another sustained a serious injury. This event has left a deep and lasting impact on our organisation. Our thoughts remain with the families, friends, and colleagues affected. Safety has always been a core value at Smyril Line. This accident has sharpened our awareness of our shared responsibility to care for one another and to ensure that everyone returns home safely. There is no higher priority.

From an operational perspective, 2025 demonstrated the strength of our people and our systems. Across cargo, travel, and support functions, we delivered reliable services while continuing to improve efficiency, quality, and compliance. Our ongoing work with structured processes, certifications, and harmonised standards supports our ambition to be a safe and dependable partner for customers and communities throughout the North Atlantic.

Financially, Smyril Line continues to demonstrate solid resilience. Despite ongoing cost pressure, regulatory changes, and new industry levies, disciplined operations and collective effort have enabled us to maintain our financial strength. This has allowed us not only to absorb external challenges but also to continue investing in future capacity, sustainability initiatives, and long-term development.

In 2025, we reached a milestone in strengthening Smyril Line for the years ahead. Six of our largest shareholders established Smyril Line Holding, which now owns a significant majority of the company. This ownership structure provides a stronger strategic foundation and improved conditions for financing future investments and development. Crucially, Executive Management and daily operations remain unchanged,



Jens Meinhard Rasmussen, CEO

and Smyril Line continues to operate as usual, with a clear focus on stability, development, and growth.

Looking ahead, our direction is clear. Smyril Line will remain safe, compliant, and resilient. These principles already guide our daily work and will form the foundation of our new strategy, which will be formally announced in 2026. We will continue to invest responsibly, reduce our environmental impact, and strengthen our role as a vital link between communities, markets, and people in the North Atlantic.

I would like to express my sincere thanks to all employees for your professionalism, focus on safety, and solidarity throughout the year. Your commitment is the foundation of Smyril Line. Together, we continue to build a Company we trust and take pride in.

I would also like to thank our customers and all other stakeholders for the good cooperation.

Jens Meinhard Rasmussen,
CEO



Management's Review

Key Events

Throughout the year, our focus remained on safety, operational reliability, efficiency, and customer service. By refining sailing schedules, strengthening coordination across our fleet and reinforcing capacity management, Smyril Line bolstered its position as a dependable transport provider, offering stable connections across the North Atlantic and mainland Europe.

In 2025, the Group achieved ISO certification for quality, environment, and occupational health and safety. This represents an important milestone in strengthening our structured approach in these areas. In parallel, this certification supports our long-term strategy of operating in line with internationally recognised standards and reinforces our commitment to continuous improvement across the organisation.

Our ongoing vessel and infrastructure projects are progressing according to plan. These investments are milestones in strengthening our long-term competitiveness and laying the groundwork for our future growth.

In 2025, Smyril Line sold the cargo vessel Akranes as part of the Group's strategic fleet renewal. Until the delivery of the first of two newbuilds currently under construction, Smyril Line has chartered the cargo vessel Lista, which operates the former Akranes route, ensuring continued service stability.

Despite continued cost pressures, legislative changes and new industrial levies, Smyril Line delivered a sound financial result in 2025. The Group reported a result after tax of DKK 147 million, an improvement on 2024 and another record year for Smyril Line.

This result is considered satisfactory and in line with our expectations. It demonstrates the resilience of our business model and our ability to adapt to changing market conditions while maintaining cost control and operational efficiency.

Smyril Line remains financially robust, and prudent capital management alongside strategic investments are the cornerstones of our efforts to future proof the Company. Through fleet renewals and infrastructure enhancements, the Group is well positioned to further strengthen its service offering and reinforce its role as a key critical transport provider in the North Atlantic.

At the same time, these investments lay the groundwork for the Company's long-term vision to lead the way in sustainable maritime transport in the North Atlantic and achieve net zero emissions by 2050.



Surplus after Tax

147
mDKK

EBITDA adjusted*

303
mDKK

*EBITDA adjusted is defined in the financial highlights

About Smyril Line



Smyril Line is a North Atlantic passenger and freight transport company founded in 1982.

The Company is uniquely positioned as the only provider of a regular ferry transport link connecting Iceland, the Faroe Islands and Denmark. Smyril Line's freight routes include calls at Rotterdam, providing direct access to the European market for the Faroe Islands and Iceland.

Smyril Line has a clear focus on sustainable operations, energy efficiency, and reducing CO₂ emissions. At the same time, the Company actively supports local communities across the North Atlantic

through job creation and engagement in cultural and sports events. Smyril Line continuously works to implement energy-efficient solutions and develop greener technologies as part of its long-term commitment to sustainability.

The largest shareholder in Smyril Line is Smyril Line Holding with 89%. Minority shareholders own a combined 11%. The share capital totals DKK 112,012,332.

Group Structure

Smyril Line is part of the consolidated accounts of Sp/f Skansabrekka.

Vision

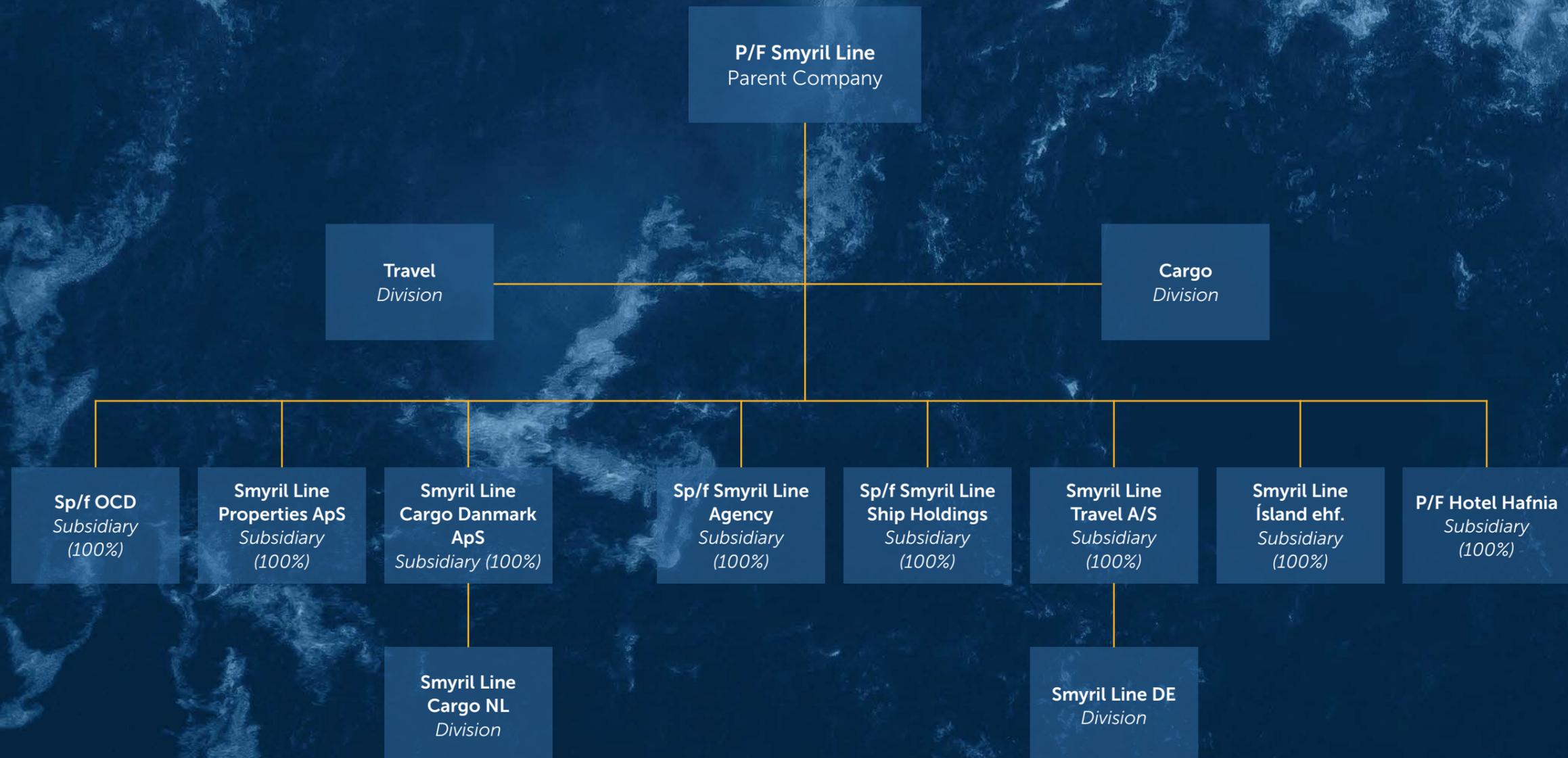
To be the leading choice for sustainable maritime transport in the North Atlantic, with a commitment to achieving net zero emissions by 2050 for a greener future.

Mission

Our mission is to provide reliable, safe, and environmentally responsible maritime transport, connecting North Atlantic communities with the rest of the world. We are committed to strengthening connections between these regions, improving access to essential goods and services, and delivering unforgettable travel experiences.



Structure

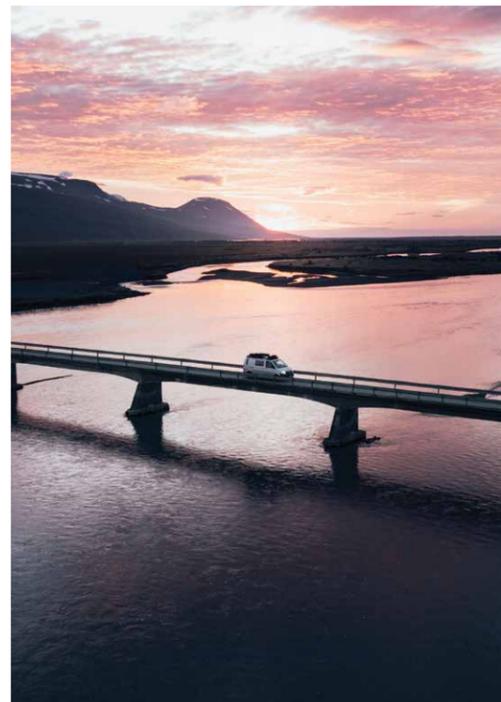


Operations

Smyril Line is divided into two main business areas: Smyril Line Travel and Smyril Line Cargo. The head office is in Tórshavn, where the main administration of both travel and shipping services is located.

The Company's purpose is to provide travel and freight services, including passenger and cargo transport, tourist accommodation, and other related business activities.





Smyril Line Travel

Smyril Line Travel manages the Company's tourist operations and is responsible for marketing and selling Ro-Pax tickets and package holidays.

The market is divided into two key segments: Northbound and Southbound. Northbound encompasses travellers from mainland Europe to the Faroe Islands and Iceland. Southbound encompasses travellers departing from Iceland or the Faroe Islands to mainland Europe. The Northbound market makes up the largest share of sales.

Overarching sales, marketing, and strategic planning are coordinated from the head office in the Faroe Islands. The Company's operations are datadriven and focused on the core markets: Germany, Denmark, France, the Netherlands, the Faroe Islands and Iceland.

Sales are, in the main, digital and direct. The Company's websites are at the core of direct sales and are tailored to the individual markets using local languages and targeted content. Smyril Line Travel operates four sales offices in the Faroe Islands, Germany, Denmark and Iceland, which are

responsible for sales and customer service in their local markets.

Over the last years, Smyril Line has made targeted efforts to strengthen its direct sales channels and to shift a larger share of sales to digital platforms. This has improved the Company's cost structure and profitability.

Sales in Europe are managed by Smyril Line Travel A/S, which also has a branch in Germany, while sales in Iceland are managed by Smyril Line Ísland.

With 44 years of experience, Smyril Line has proved its worth as a reliable and dynamic travel and transport company, where the voyage on board Norröna is part of the experience.

Sustainability is also at the heart of everything we do. We are seeing growing demand for more environmentally friendly travel. Many of our customers make Norröna their eco-conscious travel choice, because they respect our targeted and continuous sustainability efforts.



Faroe Islands' Best Brand

In February 2025, Smyril Line was awarded the Best Brand Award for 2024, recognising the strength of the Company's brand.



Hotels

Smyril Line owns P/F Hotel Hafnia, which operates both Hotel Hafnia and Hotel Brandan in Tórshavn. Hotel operations are a key component of the Company's overall tourist operations and support the development of the Faroe Islands as a tourist and conference destination.

Hotel Hafnia is a 4-star hotel offering 79 guest rooms, as well as conference and meeting facilities. The hotel underwent a full renovation in 2022.

Hotel Brandan, which opened in 2020, is a 4-star superior hotel with 124 guest rooms, as well as meeting and conference facilities. With Hotel Brandan the Company has reinforced its position in business travel and conferences, significantly expanding capacity.

Both hotels are Green Key certified and carry out targeted measures to ensure sustainable and responsible operations.

P/F Hotel Hafnia also owns and operates the restaurants Húsagarður, Katrína Christiansen, and Kafe Kaspar.





Smyril Line Cargo

Smyril Line owns and operates its own Ro-Ro fleet, which ensures regular and reliable transport between the domestic markets in the Faroe Islands and Iceland and mainland Europe.

Smyril Line Cargo represents the Company's shipping transport and is uniquely positioned as the only provider of Ro-Ro transport services between the Faroe Islands, Iceland and Europe.

The Cargo division operates the Company's own warehouses and offices in the Faroe Islands and Denmark. In addition, the Company operates a warehouse in the Netherlands.

In the Faroe Islands, Smyril Line is based down by the waterfront in the heart of Tórshavn at Eystara Bryggja. A new and advanced warehouse facility in the Faroe Islands is currently under construction and is expected to open in Q4 2026.

In Iceland, Smyril Line operates in Seyðisfjörður, Reykjavík, and Þorlákshöfn, where a new warehouse in Þorlákshöfn will be ready for use in spring 2026. In addition, Smyril Line has operations in Rotterdam and Hirtshals.

Smyril Line continuously strives to future-proof transport solutions and has therefore made considerable investments in new state-of-the-art warehouses and freight terminal technology.

With 44 years of experience in freight transport, Smyril Line has built considerable expertise and a strong market position, enabling the Company to offer competitive and dependable logistics solutions to customers throughout the North Atlantic region.



Vessel Fleet



Norröna

Built:	2003
Type:	Ro-Pax
Length:	165.74
Width:	30.00
Gross Tonnage:	36,976



Glyvursnes

Built:	1999
Type:	Ro-Ro
Length:	153.45
Width:	20.60
Gross Tonnage:	10,488



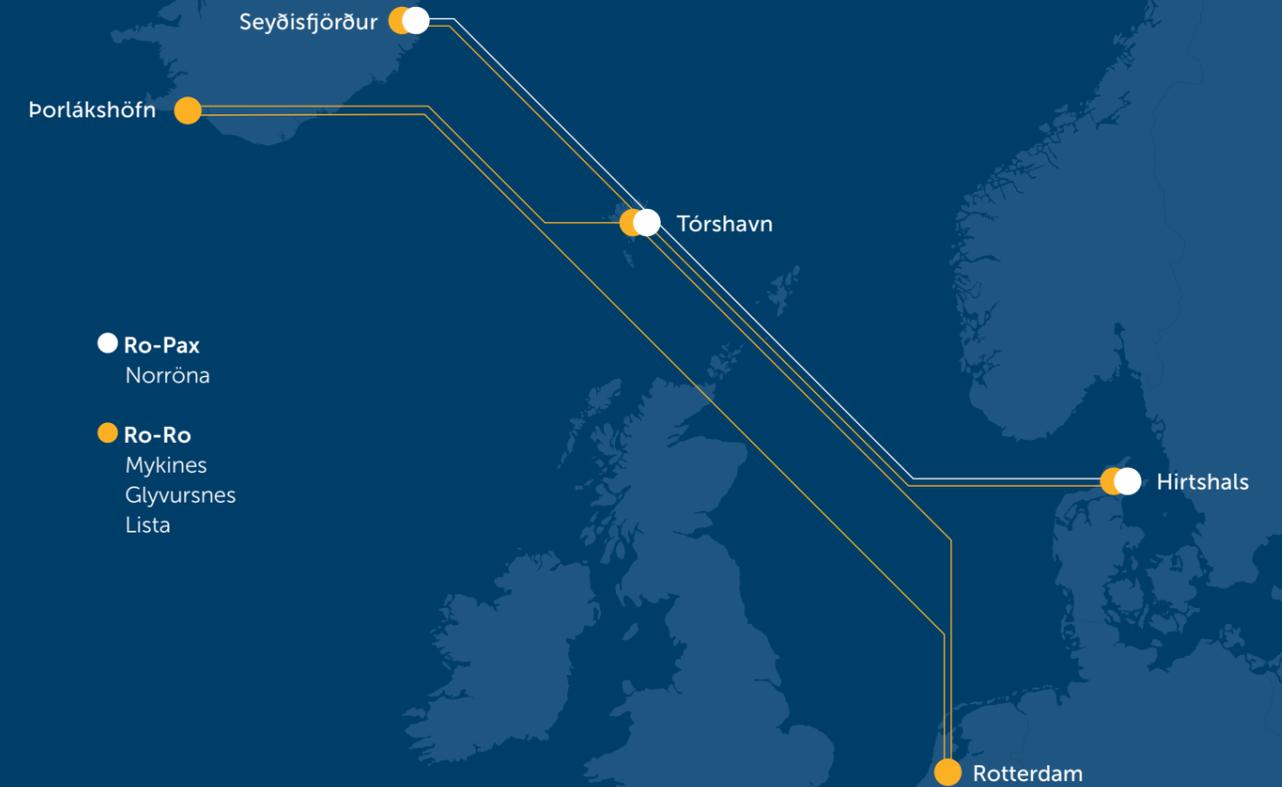
Mykines

Built:	1996
Type:	Ro-Ro
Length:	138.50
Width:	22.65
Gross Tonnage:	18,979



Lista

Built:	2011
Type:	Ro-Ro
Length:	193.00
Width:	26.00
Gross Tonnage:	29,429



Sailing Schedule

Norröna operates weekly sailings between Denmark and the Faroe Islands throughout the year. During the summer season, there are two departures per week. From mid-March to the end of November, Norröna operates one weekly sailing between Denmark, the Faroe Islands and Iceland.

Smyril Line's cargo vessels operate regular scheduled services between the Faroe Islands, Iceland, Denmark and the Netherlands, securing a vital transport link between the North Atlantic and mainland Europe.



Giving Back to Society

Long-term development and responsible business practices go hand in hand. As an active stakeholder in society, Smyril Line has a targeted focus on enhancing corporate social responsibility – both through daily operations and by supporting value-creating measures in the local communities in which the Company operates.

Our approach to social responsibility is guided by internationally recognised principles, including respect for human rights, equal opportunity, and responsible business management. Through targeted support for education, sports and charitable initiatives, we seek to contribute to sustainable development and community-building.

Supporting Maritime Education

Ensuring that the maritime industry has the skills it needs for the future is a natural component of Smyril Line's activities. This motivates the Company to play an active role in developing future generations of seafarers and managers.

We participate in the cadet programme linked to the Shipmaster degree programme in the Faroe Islands. For generations, shipmaster and marine engineer students have completed their required sea service with us, enabling them to obtain their first certificates and progress in their professional careers.

Sponsorships

Our sponsorship activities are aligned with our values of equal opportunity and thriving communities. Smyril Line sponsors Faroese handball and the Faroese women's national football team. Our support for the women's team is part of our commitment to promoting equal opportunities in sport. In addition, Smyril Line takes part in other sports collaborations and organisations around the country.

Charity

Charity work is a natural part of Smyril Line's identity and social responsibility. The Company supports selected local and regional measures aiming to build and develop thriving communities. Our goal is to provide support that makes a lasting difference to local communities.

Sustainable Operations

Together we are setting new benchmarks and demonstrating how responsible business practices and community spirit can raise the bar, benefitting our staff, the environment, our future and next generations.

Smyril Line has set the target of reaching net zero emissions by 2050. Integrating sustainability into our daily operations is the precondition for reaching that target.

By reducing fuel consumption and requirements, we reduce emissions and keep our fuel expenses in check. Measures to achieve this include adapting sailing schedules and speeds in order to secure sound and efficient operation.

Other measures rolled out to reduce oil consumption include

- » Maintenance of hulls and propellers to improve propulsion efficiency.
- » Continuously optimizing sailing schedules, energy consumption, and operating systems.
- » Investments in technology enabling the use of shore power while in port.
- » Increased use of biofuels.
- » Investments in vessels capable of running on zero-emission fuels.
- » Application of silicone coating to ship hulls to reduce water resistance.

Biofuel Trials

Smyril Line has initiated a trial using biofuel in its vessel operations. The project was launched in autumn 2025 and is part of our work on alternative energy sources, which are in line with our net zero emissions target.

The Company's biofuel consumption will be assessed applying the Well-to-Wake principle, which encompasses emissions from production to consumption. This gives a clear picture of the full environmental impact.

The trial results have been positive so far and have made an impact on total emissions. We expect more of our vessels to trial biofuels in the coming year.



ESG

Smyril Line is intertwined with the sea – our activities impact the ocean and the ocean has a direct impact on our activities. We have a natural duty to protect and respect the marine environment.

Our Company takes this seriously and is making targeted efforts to ensure a sustainable future, for our business, our world, and future generations.

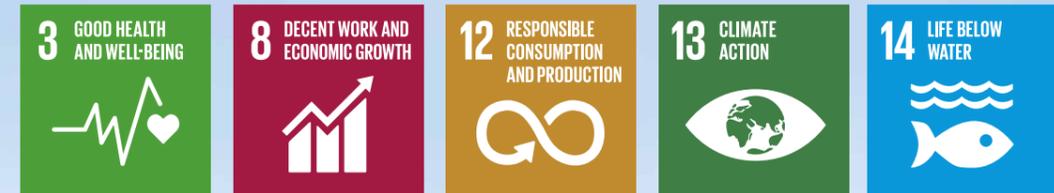
Smyril Line acknowledges its impact on the environment and society at large. We embrace this responsibility and work with various stakeholders encouraging them to join our journey towards a sustainable future.

In 2022 we began reporting ESG metrics. This enables us to measure the impact of our Environmental, Social and Governance initiatives and ensure that we are on track to achieve our goals.

Our ESG strategy is to enable responsible and sustainable transport, travel and tourism in the North Atlantic. We are committed to continually reducing our environmental impact while creating positive impacts in the communities we operate in.

Our ESG strategies have been incorporated into the new Smyril Line Integrated Management System, enabling us to track, analyse and report our environmental and social impact. This is a useful tool for measuring performance and progress across the Group's entities towards our 2050 net zero goal.

Our goals are aligned with the UN Global Sustainability Development Goals.



UN Global Sustainability Development Goals

We have selected five of the UN Sustainable Development Goals where we believe our Company has the greatest opportunity to make a significant impact:

- » Good Health and Well-being
- » Decent Work and Economic Growth
- » Responsible Consumption and Production
- » Climate Action
- » Life Below Water

We are working to incorporate more of the global goals into our strategies and operations.



The sea sustains the Faroe Islands and is the basis of Smyril Line's business. As a maritime nation, we depend on the sea, and our daily work takes place on the ocean or along its shores. We also largely transport freight of maritime origin, which makes us a key link in the value chain of the Faroese blue industry.

ESG-Report

Environment	Unit	Target 2026	2025	2024	2023	Remarks
CO ₂ e - scope 1	Tonnes	-	165.011	156.842	153.200	
CO ₂ e - scope 2	Tonnes	-	431	391	389	
Energy consumption	GJ	-	2.131.299	2.177.248	2.126.917	
Renewable energy share	%	-	0,0	0,0	0,0	1
Renewable energy share - buildings	Tonnes	-	54,1	51,0	41,0	1
Vessels only						
CO ₂ e - scope 1	Tonnes	-	160.731	152.097	149.540	
CII	gCO ₂ /t*mil	-	17,3	19,0	21,4	
Social						
Full time workforce	FTE	-	587	601	595	
Gender diversity - female	%	-	33	30	30	
Gender diversity - male	%	-	67	70	70	
Governance						
Gender diversity, manegment - female	%	-	29	16	16	2
Gender diversity, manegment - male	%	-	71	84	84	2
Gender diversity, board - female	%	33-67	25	33	33	3
Gender diversity, board - male	%	33-67	75	67	67	3
Board meeting attendance	%	100	100	100	100	3
Nationality of the board (foreign)	%	-	0	0	0	4

The ESG-metrics are reported in reference to the GRI Standards for the period of January to December 2025.

1. The majority of the Group's energy consumption consists of heavy fuel oil used onboard vessels, accounting for 97% of total energy use. Green initiatives are also implemented in other areas. For example, 54% of the total electricity consumption in the Group's buildings comes from renewable energy sources. The share of renewable energy consumption is expected to increase significantly once renewable fuels for vessels become available.
2. The key figures for gender diversity in management include only the executive management of the Parent Company, P/F Smyril Line.
3. The key figures for gender diversity on the board include only the board members of the Parent Company, P/F Smyril Line.
4. In this context, a foreigner is defined as a person who does not have Faroese as their mother tongue.



The Environment

By linking the furthest reaches of the North Atlantic to the rest of the world, our operations support local communities wherever we operate. About 90% of world trade is carried by the international shipping industry. Maritime transportation truly is global by nature, but so are its emissions.

The maritime transport sector is estimated to account for roughly 3% of annual global CO₂ emissions. Compared to other modes of transportation, sea transport has low emissions. Smyril Line, however, believes that our responsibility goes beyond mere comparative advantage.

Smyril Line continually strives to reduce emissions. The Company is subject to FuelEU Maritime, which requires shipping companies to lower the CO₂ intensity of fuels used for sailing.

In addition, the International Maritime Organization, the UN body maritime industry, in April 2025 adopted a more stringent environmental plan for international maritime shipping. The new scheme is the Net Zero Framework, NZF, and it encompasses long-term goals and specific measures to reduce CO₂ emissions.

The NZF imposes binding emissions restrictions and the use of greener fuel on merchant vessels. A greenhouse gas emission pricing scheme will also be rolled out for merchant vessels. This means that shipping companies are obliged to pay for any emissions above the set thresholds. Owing to political disagreement among IMO member countries it is, however, uncertain what the scheme will look like and when it will enter into force.

The effort to reach the net zero goal places stringent requirements on shipping businesses. One precondition is converting vessels to zero or near zero fuels such as e-methanol, e-ammonia or e-LNG.

The requirements also encompass drawing up detailed operational and mechanical indexes, as well as enhanced short and mid-term measures, to document greenhouse gasses emission reductions.

We are committed to our cause and aim to reach net zero emissions by 2050.

Achieving our ambition will require bold steps to ensure a sustainable future for all.



Building our Future

In 2024 Smyril Line announced its investment in two new Ro-Ro vessels, which are 190 metres long and have a capacity of 3,300 lane metres for trailers. These will be state-of-the-art vessels meeting all international emissions requirements. Compared to the existing fleet, emissions will be considerably lower per tonne transported.

The vessels will be equipped with battery systems and shore power capability, enabling zero emissions while alongside. The vessels will also be prepared for operation on e-methanol, which is considered the most viable future green energy solution for Smyril Line.

This is a strategic investment in fleet renewal, which will lower CO₂-emissions per tonne transported while reinforcing both freight capacity and service levels.

Construction is well underway, and the vessels are expected to enter service in Q3 2026.

New Head Office and Terminal at Molin

In spring 2024 Smyril Line announced the launch of construction works at Molin, the pier in Tórshavn. The works encompass building a new head office and warehouse facility for the Company, as well as a new terminal in cooperation with Port of Tórshavn. The combined area of the buildings will total 8,054 m².

The warehouse and office spaces will be built as Smyril Line's new head office. This will gather all of the Company's operations in one location, reinforcing operational cohesion, efficiency and laying a sound basis for the Company's future development.

The new terminal will include a customs building, a gangway and check-in area. It will be a shared terminal for activities at Molin. It is designed to meet future demands for capacity and efficiency in the context of growing transport and tourist activity in the harbour.

The building design emphasises sustainability and efficient energy use. Heating will be provided through a seawater-based heat pump system, which extracts thermal energy from the sea. Overall, the project will strengthen Faroese maritime infrastructure and lay the foundation for the modern and sustainable development of the harbour area.

The building is expected to be completed by Q4 2026.

Green Key Certification

Hotel Brandan and Hotel Hafnia are the only certified Green Key hotels in the Faroe Islands. This certification means that they meet international standards for environmental protection and sustainability.

Maintaining this certification requires the hotels to minimise unnecessary consumption, seek out local provisions, and make targeted efforts to incorporate organic measures in their daily operations.

Although Green Key certification is a hotel industry standard, similar efforts to limit consumption and reinforce sustainability are an integral part of Smyril Line's activities in general.

Reducing Food Waste

As part of our work to harness raw materials more efficiently and reduce food waste, Smyril Line in 2022 launched a project to register food leftovers from the buffet restaurant onboard Norröna. The leftovers are sorted, weighed and can then be sent to biogas plants where they are used for energy production.

The project has delivered very positive results. In 2025 food waste per passenger was reduced by 16% compared to 2024.

Efforts to reduce food waste while at the same time harnessing organic waste generate both environmental and operational benefits.

Electric Power for Reefer Trailers

A significant component of Smyril Line's shipping operations is the transport of temperature-controlled goods, which must be kept at a constant temperature. Reefer trailers often rely on diesel generators to stay cool, even when in port, causing unnecessary fuel consumption and emissions.

Smyril Line has therefore installed plug-in stations at the Hirtshals terminal in Denmark, which means that reefer trailers can be plugged directly into the electric power grid. Similar solutions are in the pipeline for other key locations used by Smyril Line. The shift from diesel to electric power provides both operational benefits and lower emissions.



HSEQ

Safety, Compliance and Resilience



The Group has clear and tangible objectives in the area of HSEQ for employee safety and environmental protection. This is reflected in how lessons learned, follow-up and continuous improvement are a natural part of daily operations.

HSEQ Measures over the Year

Recent years have seen a steady drop in Lost Time Injuries, meaning occupational accidents causing days off work. This demonstrates that preventive safety measures and systematic safety development yield results.

Port State Control is a key component of safe, regulated and law-compliant shipping. This area too has seen a steady decline in findings. The Company's vessels have logged fewer than two deviations per inspection.

Smyril Line places great emphasis on internal controls and a safety development approach where prevention and accountability go hand-in-hand. Our internal notification system is a crucial element of this work.

We are fostering a 'Just Culture' approach, meaning that staff are encouraged, and are duty-bound, to notify deviations, near misses and hazardous situations. In 2025, we reached our target of exceeding 100 notifications per year.

Reducing our environmental impact is a fundamental element of Smyril Line's strategy. It includes, for example, a new head office with sustainable energy solutions, targeted work on energy usage and reducing emissions across the Group, as well as tangible operational solutions on board vessels.

In 2025 a pilot project with bio-blend fuel on board Glyvursnes was launched. The new vessels are also prepared to sail with e-methanol and are equipped with battery systems. Environmental work is an integral part of daily operations.

This work is also linked to IMO and EU standards and requirements for merchant vessels, including the target of net zero emissions by 2050.

Fleet renewal and conversion to sustainable energy sources are significant components of the Company's long-term strategy.

Future priorities include more systematic risk analyses in daily operations, enhancing internal notification schemes, and further development of monitoring and quality control.



ISO Certifications

In spring 2025, Smyril Line obtained ISO certifications for ISO 9001, ISO 14001, and ISO 45001 – respectively in the areas of quality, environment, and occupational health and safety.

The certifications confirm that the Company operates in a structured manner and in accordance with internationally recognised management standards within quality, environmental responsibility, and working environment.

Achieving and maintaining these certifications requires continuous effort and shared responsibility throughout the entire organisation. With the ISO certifications, a solid foundation has been established for sustainable and systematic operations.

- ✓ ISO 9001 – Quality
- ✓ ISO 14001 – Environment
- ✓ ISO 45001 – Occupational Health and Safety

Human Rights and Labour Rights

At Smyril Line we take human rights and labour rights seriously, and we work in accordance with all applicable international frameworks. Our work is based on the UN Guiding Principles on Business and Human Rights, which outline the responsibility companies have to respect human rights in their practice.

The Company also complies with the International Labour Organisation, labour standards, with particular emphasis on the Marine Labour Convention, which establishes the fundamental requirements for working conditions, safety, rest, the psychological working environment and the rights of seafarers.

Regular workplace assessments are carried out in all departments on land and at sea. The results of the assessments serve as a basis for targeted measures and development of working conditions.

The psychosocial working environment is key to employee wellbeing and safety. Managers receive training and are introduced to tools that foster a safe and positive working environment where staff can thrive.

In the context of a very low unemployment rate in the Faroe Islands, we recruit locally and globally. We prioritise the provision of comprehensive onboarding for our overseas employees to make sure they are aware of their employment rights and understand how the Faroese labour market works.

Our Approach is Tailored to Ensure

- » Respect for fundamental human rights
- » Stable and secure working conditions
- » Equal access to opportunities
- » Respect for all employees
- » A positive working environment

Diversity

A diverse workforce fosters innovation, creativity and value-creation. From this realisation flows the understanding that respecting diversity is a basic condition for both staff wellbeing and business success.

Smyril Line supports Fjølmentanarvikan, a weeklong annual celebration of multicultural diversity organised by Tórshavn Municipality and others, where our staff are encouraged to take part. The objective is to enhance awareness of traditions and culture from around the world present in the Faroe Islands and increase insight into diversity in the workplace.

Smyril Line is a member of the Sunflower Scheme for people with invisible disabilities. This scheme aims to ensure that persons with invisible disabilities are met with understanding and awareness. This is an important element of our work to foster a workplace where everyone feels welcome.

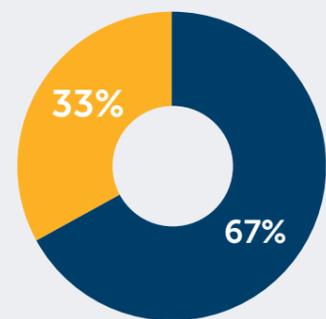
The Company actively strives for a workplace free from bullying and discrimination based on gender, origin, nationality, or other characteristics.

Employees and Gender Diversity 2025

587 Employees in total

351 Shore based employees

236 Seafarers



● Female 33% ● Male 67%

Although our workforce is male-dominated, we adhere to the principle of equal pay for equal work and equal access to employment regardless of gender.



Continuous Training and Development

Smyril Line spans several employment sectors – the maritime industry, the transport industry, the travel industry and the hotel industry. Competence development through continuing education and courses has a high priority, and we also strive to enable our staff to develop professionally through new tasks and internal roles.

Safety is at the forefront of everything we do. We arrange annual safety seminars where we focus on maritime safety to ensure constant improvement in this crucial area.

We train and guide our managers in how to lead a multicultural workplace and how to foster an environment in which different cultures are embraced as a strength. We usually combine this training with our annual seminars for our hospitality managers.

Smyril Line makes it a priority to take on trainees in almost all fields ranging from seafarers, chefs, waiters, sales staff, and accountants to freight forwarders and others.

We offer trainees the opportunity to rotate within the Company, which allows them to experience different fields and find the career path that suits them.

In a long-standing collaboration with schools, Smyril Line offers two-week work placements to high school pupils in years 9 and 10. Placements are available at the main office, the hotels and onboard our vessels. The Company also has an exciting cooperation with Nordjobb, which gives young people from across the Nordic region the opportunity to work and live in the Faroe Islands.

Smyril Line is part of the cadet programme for the shipmaster and marine engineer degree in the Faroe Islands. Shipmaster and marine engineer students clock their required sea time with us to obtain their first certificate and advance in their careers.

In addition, collaboration is in place with marine engineering schools in Denmark. Engine cadets can work on our vessels towards the sea time required as part of their education.

Information Security

Information security plays a crucial role in Smyril Line's daily operations. The Company has a targeted continuous approach to strengthen and organising information security, so that data, systems and processes linked to our core activity are protected against attacks and unauthorised access.

Information security is a crucial precondition for preserving the trust of our customers, partners and authorities. We have therefore embarked on a systematic process of developing and adapting Smyril Line's information security to the ISO 27001 framework. The aim is to ensure confidentiality, integrity and availability during data processing and storage.



Investments

Smyril Line has in recent years made several major investments intended to strengthen the Company and future-proof operations.

Such investments contribute to developing infrastructure in the local markets where the Company operates and are also a crucial component of the infrastructure linking the Faroe Islands, Iceland and Europe.

These investments include Smyril Line's fleet, buildings and hotel facilities. All investments are fully financed.



Two New Cargo Vessels

Two new Ro-Ro cargo vessels are under construction and are scheduled to enter service in summer 2026. The vessels will each be 190 metres long and have a capacity of 3,300 lane metres for trailers. The ships will be e-methanol ready and equipped with a battery system. These additions update our fleet and enable us to transport greater volumes of freight using less energy. This is a significant step in our work to reduce emissions and reach our net zero target by 2050.

New Head Office and Terminal in Tórshavn

Smyril Line is currently constructing an 8,054 m² building at Molin in Tórshavn in partnership with Tórshavn Municipality. The building will house Smyril Line's new head office, a warehouse and a terminal. The purpose is to centralise activities and create better facilities for customers and staff.

The building is expected to be completed and enter into use in Q4 2026.



New Warehouse in Þorlákshöfn

The Company's activities in Iceland are growing and we are therefore building a new 2.800 m² warehouse in Þorlákshöfn, of which 250 m² are intended as office facilities. The building is expected to open for operations in spring 2026.



Hotel Hafnia Expansion

Hotel Hafnia is expanding its activities with a new four-floor expansion for restaurant and conference facilities. This expansion is intended to bolster Smyril Line's hotel segment and create new service opportunities in central Tórshavn.



Risks

Risk management is conducted by senior management, who analyse, evaluate and manage financial risks in close collaboration with Smyril Line's Board. The purpose is to limit uncertainties and ensure stable and sustainable operations.

Employees and Management

Smyril Line's activities depend on our skilled staff and experienced management in order to ensure stable and efficient operations. The tasks that keep the Company running span broadly, and we therefore need staff from various trades and areas of expertise at sea and on land.

Should the Company lose key staff, experience hiring difficulties or fail to develop skills internally, this could affect service quality levels and, by extension, the bottom line. The working environment, wellbeing and security are also crucial to productivity and maintaining a stable group of employees.

Investment Programme

The Group has initiated a comprehensive investment programme, including new Ro-Ro vessels, as well as investments in headquarters facilities, terminals, warehouses and restaurants.

While these investments are strategically important for long-term growth and competitiveness, they entail execution, financing and market-related risks. Changes in market conditions, cost levels, interest rates or project timelines may impact expected returns and the Group's financial flexibility.

Financial Risks

Interest Rate Risks

The Company has interest-bearing debt and changes in interest rates will affect some segments of its loans. However, a portion of this debt carries fixed interest rates, which mitigates the risk.

Currency Risk

The Group's turnover and operating costs are mainly in DKK and EUR, while its oil expenses are mainly in USD. The contract price for the two Ro-Ro vessels under construction is in USD, while financing is in EUR and DKK. Currency risk from the new-build projects is partly hedged.

Fluctuations in exchange rates, particularly between DKK, USD and ISK can therefore affect the Group's results and financial position.

The Group's debt is financed in DKK and EUR.

Liquidity Risk

Liquidity risk is the risk that the Company cannot meet short-term financial obligations when they fall due. The Company manages liquidity risk by making sure there are at any given time adequate funds available to service liabilities. Management is confident that the liquidity is sustainable and the Company is in good standing to service all short-term liabilities.

Credit Risk

Credit risk is the risk that a customer or a financial counterparty cannot meet their obligations towards the Group. Credit risk is mostly related to accounts receivable. Management continually monitors this risk and has in place rigid protocols of enforcement with regards to collection and allowances for doubtful accounts.

Operational Risks

The main operational risk factors facing the Company are competition from other transport operators on markets where the Group operates. Fuel price fluctuations and price increases from service suppliers can also impact operational results.

Changes to the general economic outlook can also impact the Group's operations and results.

Market Risks

Economic trends in the markets where the Group operates impact demand for freight and passenger services and, by extension, also Smyril Line's results.

Operational Risks

Fuel Prices

With four vessels in the fleet, fuel expenses are a significant component of operational expenses. Fuel price fluctuations influence the operating result.

The Group uses bunker hedging to mitigate short-term exposure to fuel price fluctuations as part of its overall risk management.

Weather Conditions and Climate Change

Adverse weather conditions are part and parcel of the operational reality in the North Atlantic, particularly in wintertime. Although skilled personnel and long-standing operational experience contribute to minimising operational risk, weather conditions can still cause delays and additional expenses when routes and sailing schedules have to be adjusted.

Climate change may affect Smyril Line in the long term. Rougher weather, storms and higher waves can cause delays, damage vessels and lead to insurance price hikes.

Technological Development

Rapid technological change in the transport sector generates new opportunities but also increased competition. New vessels, automation and digital systems can also make an older fleet less competitive, unless the Group stays abreast of developments.

In parallel, there is uncertainty attached to investments in new technology, because it is not always clear which solutions will turn out to be sustainable.

IT and Cybersecurity Risks

Cyberattacks, data loss and lack of internal controls have the potential to have serious consequences for operations and results.

Smyril Line has adopted a common information security policy for the whole Group. An Information Security Officer has been appointed to oversee implementation and compliance with this policy.

In addition, work has commenced to ensure compliance with the ISO 27001 framework, which encompasses systematic control of information security.

New legislation concerning cybersecurity is expected to introduce increased compliance and reporting requirements for companies operating critical infrastructure.

Failure to meet such requirements, or cyber incidents affecting operational systems, may result in operational disruptions, financial loss or reputational impact. The Group continuously works to strengthen its IT security framework and preparedness in line with evolving regulatory standards.

Risks Associated with Regulations, Environment and Geopolitics

ESG and Environmental Risks

ESG is short for Environmental, Social and Governance and has become a key focus area for authorities and Smyril Line's partners. If the Group fails to comply with the standards set for environmental, working conditions or management practices, this could cause reputational damage. A poor reputation can impact access to funding, the customer base and cooperation opportunities.

Emissions and Fuel Standards

The EU and other international authorities are continually tightening requirements to reduce greenhouse gas emissions from maritime traffic by 2050. Efficient operations and gradual fleet renewal will therefore be decisive for meeting current and future requirements.

On 1 January 2024 maritime transport came under the scope of the European Union Emissions Trading System, known as the ETS. It requires shipping companies to purchase CO₂ emission quotas. These quotas are sold on markets where supply and demand determine the price.

On 1 January 2025 the FuelEU Maritime regulation entered into force. It imposes a gradual decarbonisation of fuel and puts pressure on the industry to use greener fuels. In response, Smyril Line purchased biofuel in 2025 to meet these requirements. Green fuel is more expensive than traditional fuels, which means there is an associated financial risk in this fuel transition.

Geopolitical Uncertainty and Armed Conflict

Geopolitical uncertainty and armed conflict have the potential to suddenly change the Group's operational conditions. Conflict and tensions can affect markets, trade routes and consumer purchasing power and, by extension, operations and results.

Pandemics

Pandemics can pose a significant risk to Smyril Line's operations and results. Political measures, travel advisories and restrictions can suddenly change operating conditions and demand.



2026 Outlook

Smyril Line expects continued positive trends in both cargo and travel segments in 2026. Core market activity is stable and opportunities for growth are still evidenced by steady demand, improved capacity and ongoing optimisations in operations.

The expected result net after tax is DKK 140 to 170 million, which is based on sound management and disciplined cost management.

This forecast is based on estimated freight volumes, passenger transport demand, fuel price, inflation, base rates and the general economic outlook. The Company continues to prioritise stable and reliable management, cost efficiency gains and long-term investments, which bolster our competitiveness in the North Atlantic. Although global uncertainty continues to mark the general market outlook, Smyril Line expects to deliver solid results in 2026.

Subsequent Events

No events of importance for the financial position of the Company have occurred after the end of the accounting year.

Statements

Statement by Management on the Annual Report

The Executive and Supervisory Boards have today discussed and approved the annual report of P/F Smyril Line for the financial year 1 January – 31 December 2025.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Company's assets and liabilities and the financial position as at 31 December 2025 as well as the Group's and Company's operations and the Group's cash flows for the financial year 1 January – 31 December 2025.

In our opinion, the Management's Review constitutes a fair review of the matters dealt with in the Management's Review.

We recommend the adoption of the annual report at the annual general meeting.

Tórshavn, 12 March 2026

Executive Board

Jens Meinhard Rasmussen,
CEO

Nevnd

Tummas Justinussen,
Chairman

Helga á Borg

Arne Joensen

Jens Meinhard Rasmussen

Independent Auditor's Report

To the Shareholders of P/F Smyril Line

Opinion

We have audited the consolidated financial statements and the Parent Company financial statements of P/F Smyril Line for the financial year 1 January – 31 December 2025, which comprise a summary of significant accounting policies, income statement, balance sheet and notes, for both the Group and the Parent Company as well as consolidated cash flow statement. The consolidated financial statements and the Parent Company financial statements are prepared under the Faroese Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group and the Parent Company's financial position at 31 December and of the results of the Group and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2025 in accordance with the Faroese Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in the Faroe Islands. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and Parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in the Faroe Islands, 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 Consolidated Financial Statements and the Financial Statements

Management is responsible for the preparation of consolidated financial statements and Parent Company financial statements that give a true and fair view in accordance with the Faroese Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and Parent Company financial statements, management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and Parent Company financial statements unless management either intends to liquidate the Group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and Parent Company 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 on the Faroe Islands 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 consolidated financial statements and Parent Company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable on the Faroe Islands, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- » Identify and assess the risks of material misstatement of the consolidated financial statements and Parent Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 consolidated financial statements and Parent Company 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 Group's and the Parent 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 consolidated financial statements and Parent Company 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 Group and the Company to cease to continue as a going concern.

- » Evaluate the overall presentation, structure and contents of the consolidated financial statements and Parent Company financial statements, including the disclosures, and whether the consolidated financial statements and Parent Company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- » Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. 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.

Statement on Management's Review

Management is responsible for the Management's Review.

Our opinion on the consolidated financial statements and Parent Company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and Parent Company financial statements, our responsibility is to read the Management's Review and, in doing so, consider whether the Management's Review is materially inconsistent with the consolidated financial statements and Parent Company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's Review provides the information required under the Faroese Financial Statements Act.

Based on the work we have performed, we conclude that the Management's Review is in accordance with the consolidated financial statements and Parent Company financial statements and has been prepared in accordance with the requirements of the Faroese Financial Statements Act. We did not identify any material misstatement in the Management's Review.

Tórshavn, 12 March 2026

Sp/f SPEKT
løgildir grannskoðarar

Jóhannes Færø
State Authorised Public Accountant



Company Details

The Company

P/F Smyril Line
Yviri við Strond 1
Postbox 370
Tórshavn
Faroe Islands
Reg. nr.: 544

Financial Year

1 January – 31 December

Domicil

Tórshavn, Faroe Islands

Supervisory Board

Tummas Justinussen, Chairman
Arne Joensen
Helga á Borg
Jens Meinhard Rasmussen

Executive Board

Jens Meinhard Rasmussen, CEO

Auditors

Sp/f SPEKT lóggildir grannskoðarar
Staravegur 17
110 Tórshavn
Faroe Islands

Consolidated Financial Statements

The Company is included in the Group
Annual Report of Sp/f Skansabrekka,
Tórshavn.



Financial Highlights

5 Year Summary

Group tDKK	2025	2024	2023	2022	2021
Profit/loss					
Revenue	1.607.893	1.455.093	1.463.287	1.432.814	1.179.087
Gross profit	557.133	549.073	513.397	439.753	338.220
EBITDA	277.689	282.837	263.204	198.482	188.689
Adjusted EBITDA*	303.185				
Net financials	-30.445	-47.493	-49.090	-41.097	-28.125
Profit/loss for the year	146.777	123.147	118.999	74.929	15.113
Balance sheet					
Balance sheet total	2.178.224	1.844.290	1.567.536	1.434.442	1.351.965
Equity	797.790	670.188	554.172	446.146	371.225

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Where the accounting policies have been changed, the comparative figures for 2021 onwards have been restated. For an account of changes in accounting policies, see the summary of significant accounting policies.

*During the year the Group operated a vessel on time charter while awaiting delivery of its own vessel. For the purpose of presenting Adjusted EBITDA, the charter hire has been split into an operational component and an implicit financing component.

Group tDKK	2025	2024	2023	2022	2021
Cash flow from					
Operating activities	229.070	262.083	197.259	133.088	112.107
Investing activities	-435.511	-280.923	-192.203	-115.318	-110.435
Including investment in tangible assets	-539.042	-312.785	-190.061	-117.780	-105.131
Financing activities	161.761	114.751	-2.229	24.574	-14.952
Number of employees	587	601	595	612	549
Financial ratios					
Return on assets	9,6%	10,8%	12,4%	9,1%	3,8%
Solvency ratio	36,6%	36,3%	35,4%	31,3%	27,5%
Return on equity	20,0%	20,1%	23,8%	18,3%	4,2%
Current ratio	112%	130%	128%	127%	104%

Annual Report 2025

Consolidated and Parent Financial Statements

Consolidated and Parent Financial Statements

Accounting Policies

The Annual Report of P/F Smyril Line for 2025 has been prepared in accordance with the provisions of the Faroese Financial Statements Act applying to large enterprises of reporting class C.

The Annual Report is presented in Danish Kroner (DKK).

The accounting policies are the same for both the Parent Company and the Financial Statements.

The accounting policies for recognition of share options has changed. Share options to employees are recognised as liabilities in the balance sheet corresponding to the fair value of the share options. In previous years, share options have not been recognised in the balance sheet. The change has resulted in a decrease in the profit of DKK 3.6 Million and a decrease of DKK 9.7 Million in the equity in the comparative figures for 2024. The change has no tax implications and the balance sheet total is unchanged.

Apart from this the accounting policies are consistent with those applied last year.

Recognition and Measurements

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as

described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Consolidated Financial Statements

The consolidated financial statements comprise the Parent Company P/F Smyril Line and subsidiaries in which the Parent Company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control are considered associates. The consolidated accounts are prepared and based on the accounts for P/F Smyril Line and subsidiaries Sp/f Smyril Line Agency, Smyril Line Travel A/S, Smyril Line Ísland ehf, Smyril Line Cargo Danmark ApS, P/F Hotel Hafnia, Smyril Line Properties ApS, Sp/f Smyril Line Ship Holdings and Sp/f OCD by consolidating consistent accounting items.

On consolidation, intra Group income and expenses, holdings of shares, intra Group balances and dividends as well as realised and unrealised gains and losses on intra Group transactions are eliminated. Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Income Statement

Segment Information

Information is provided on business segments and geographical markets. The segment information is provided in consideration of the Company's accounting policies, risks and management control.

Segment assets comprise assets that are used directly in the segment's revenue producing activities.

Segment liabilities comprise liabilities resulting from the segment's operations, including trade payables and other payables.

Revenue

Revenue is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Raw Materials and Consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other Operating Income

Other operating income comprises items of a secondary nature relative to the Company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other Operating Expenses

Other operating expenses comprise items of a secondary nature relative to the Company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other External Expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff Costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, Depreciation and Impairment Losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial Income and Expenses

Financial income and expenses include interest, capital and exchange gains and losses on securities, debts and foreign currency transactions, amortisation of financial assets and liabilities.

Income from Investments in Subsidiaries, Associates and Joint Ventures

The proportionate share of the profit or loss after tax of the individual subsidiaries is recognised in the income statement after full elimination of intra group gains/losses.

The proportionate share of the profit or loss after tax of the individual associates is recognised in the income statement after elimination of the proportionate share of intra group gains/losses.

Tax on Profit/Loss for the Year

The Parent Company and its subsidiaries, Sp/f Smyril Line Agency and Sp/f Smyril Line Ship Holdings, calculate the taxable income of their shipping activities in accordance with the Faroese tonnage tax legislation. According to the tonnage tax legislation the taxable income is not based on income and expenses but rather based on the net tonnage of the companies' ships. The taxable income regarding other activities than shipping is calculated in accordance with ordinary tax rules. The taxable income of other group companies is calculated on the basis of the operating profit in accordance with ordinary tax rules in the company's home country.

The tax on the profit/loss for the year in the income statement consists of:

- » current corporate tax that can be attributed to the profit/loss for the year,
- » changes in deferred tax relating to non-tonnage taxed assets and liabilities, and
- » adjustments relating to previous years.

For tonnage-taxed assets and liabilities, deferred tax is recognized to the extent that deferred tax is expected to arise. This based on that the Parent Company's, Sp/f Smyril Line Agency's and Sp/f Smyril Line Ship Holdings shipping activities are covered by the tonnage tax scheme and that there are no plans to withdraw from the tax scheme or carry through such changes in the activities or investments that could lead to an obligation to settle deferred tax regarding transitional balances.

The Parent Company's and Sp/f Smyril Line Agency's planned use of ships and use of the tonnage tax schemes thus entails a deferred tax liability, which is recognized if there are changes in the mentioned assumptions.

On non-tonnage taxed assets and liabilities deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Balance Sheet Intangible Assets

Goodwill

Gains or losses on the disposal of subsidiaries and associates are stated as the difference between the selling price and the carrying amount of net assets at the time of sale, including non-amortised goodwill and expected costs to sell.

Acquisitions of entities are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

Any excess (goodwill) of the cost over the fair value of the identifiable assets and liabilities taken over, including provisions for restructuring costs,

is recognised under intangible assets and amortised systematically in the income statement based on individual assessments of the useful lives of the assets, which cannot, however, exceed 20 years.

Goodwill arising on acquisition can be adjusted until the end of the year after the acquisition.

Goodwill is amortised over the expected useful life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight line basis over the amortisation period, which is 5 years. For strategically acquired entities with a strong market position and a long-term earnings profile, the amortisation period exceeds five years.

Patents and Licences

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the licence term, however not more than 10 years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Tangible Assets

Items of tangible assets are measured at cost less accumulated depreciation and impairment losses. The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub suppliers.

Interest expenses on loans obtained specifically for the purpose of financing the manufacture of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight line basis over the expected useful life of the asset based on the following expected useful lives:

	Useful life	Residual value
Buildings	12-30 years	0-60 %
Tools and equipment	2-20 years	0 %
Ships	3-40 years	20-33 %

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Leases

Leases concerning property, plant and equipment in respect of which the Company bears all significant risks and enjoys all significant benefits associated with the title to such assets are classified as finance leases, which are measured, on initial recognition, in the balance sheet at the lower of the fair value of the leased asset and the net present value of future lease payments. For purposes of calculating the net present value, the internal rate of return of the lease or, alternatively, the Company's borrowing rate is used as discount factor. Subsequently, assets held under finance leases are accounted for as the Company's other fixed assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments under operating leases are recognised in the income statement over the term of the lease. The Company's aggregate commitment relating to operating leases is disclosed under contingencies, etc.

Investments in subsidiaries and associates

Investments in subsidiaries and associates in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries that are expected to be declared before the Annual Report of P/F Smyril Line is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the description of the statement of goodwill above.

Other Investments, Fixed Assets

Other investments are measured at fair value.

Stocks

Stocks are measured at using FIFO method. Where the net realisable value is lower than the cost, inventories are carried at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Impairment of Fixed Assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost. An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash.

Reserve for Net Revaluation According to the Equity Method

The reserve for net revaluation according to the equity method comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Reserve for Fair Value of Derivatives

Reserve for fair value of derivatives comprises change in the fair value adjustments of derivative financial instruments.

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income Tax and Deferred Tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual finance lease commitment.

Other debts are measured at net realisable value.

Deferred Income

Deferred income comprises payments received concerning income in subsequent reporting years.

Foreign Currency Translation

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

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

Foreign subsidiaries and associates are considered independent entities. Income statement items are translated at an average exchange rate for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign-exchange differences arising on translation of the opening balance of equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of income statements from the average exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary are recognised directly in equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in foreign subsidiaries are recognised directly in equity.

Derivative Financial Instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of recognised assets and liabilities are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in equity. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Incentive Schemes

Share options to employees are recognized as liabilities in the balance sheet corresponding to the fair value of the share options. Changes in the fair value are recognized as staff cost in the profit and loss account.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the Group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash Flows from Operating Activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non cash operating items, changes in working capital and paid income taxes.

Cash Flows from Investing Activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible assets, property, plant and equipment and investments.

Cash Flows from Financing Activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and short term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial Highlights

Definitions of financial ratios

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Current ratio	$\frac{\text{Current assets total} \times 100}{\text{Short term liabilities}}$

Consolidated and Parent Financial Statements

Income Statement

1 January - 31 December 2025

tDKK	Note	Group		Parent company	
		2025	2024	2025	2024
Revenue	1	1.607.893	1.455.093	1.122.226	1.038.552
Other operating income		15.363	2.109	8.588	11.252
Raw materials and consumables		-61.360	-61.438	-31.855	-33.669
Other external expenses		-1.004.763	-846.691	-887.911	-807.200
Gross profit		557.133	549.073	211.048	208.935
Staff cost	2	-279.444	-266.236	-107.960	-102.700
EBITDA		277.689	282.837	103.088	106.235
Depreciation, amortisation and impairment	6-7	-84.926	-86.380	-28.939	-30.009
Other operating costs		-	-12.332	0	0
EBIT		192.763	184.125	74.149	76.226

tDKK	Note	Group		Parent company	
		2025	2024	2025	2024
Income from investments in subsidiaries	8	0	0	85.822	69.586
Income from investments in associates	9	128	566	128	566
Financial income	3	5.116	2.506	4.913	14.845
Financial costs	4	-35.689	-50.565	-18.165	-37.164
Profit/loss before tax		162.318	136.632	146.847	124.059
Tax on profit/loss for the year	5	-15.541	-13.485	-70	-912
Net profit/loss for the year		146.777	123.147	146.777	123.147
Proposed distribution of profit					
Proposed dividend for the year		14.700	14.000	14.700	14.000
Reserve for net revaluation under the equity method		0	0	8.215	52.537
Retained earnings		132.077	109.147	123.862	56.610
		146.777	123.147	146.777	123.147

Consolidated and Parent Financial Statements

Balance Sheet

at 31 December 2025

Assets	Note	Group		Parent company	
		2025	2024	2025	2024
tDKK					
Assets					
Acquired patents		2.000	0	2.000	0
Intangible assets	6	2.000	0	2.000	0
Land and buildings		325.984	281.911	10.460	10.670
Tools and equipment		140.088	111.454	3.442	5.752
Ships		636.129	761.717	445.242	459.352
Tangible asset in progress		674.988	270.398	153.201	43.766
Tangible assets	7	1.777.189	1.425.480	612.345	519.540
Investments in subsidiaries	8	0	0	541.298	307.212
Investments in associates	9	3.667	3.539	3.667	3.539
Receivables from subsidiaries		0	0	2.240	2.380
Other fixed asset investments		24	16	24	16
Other receivables		1.473	2.922	950	950
Deposits		1.189	1.189	1.000	1.000
Fixed asset investments		6.353	7.666	549.179	315.097
Fixed assets total		1.785.542	1.433.146	1.163.524	834.637

Assets	Note	Group		Parent company	
		2025	2024	2025	2024
tDKK					
Raw materials and consumables		309	334	0	0
Finished goods and goods for resale		24.702	23.874	20.348	19.814
Stocks		25.011	24.208	20.348	19.814
Trade receivables		114.258	91.408	55.287	39.276
Receivables from subsidiaries		0	0	55.999	164.826
Other receivables		32.763	30.450	14.941	7.315
Deffered tax asset	5	658	303	0	0
Prepayments		8.159	8.262	3.741	6.027
Receivables		155.838	130.423	129.968	217.444
Cash at bank and in hand		211.833	256.513	110.001	177.668
Currents assets total		392.682	411.144	260.317	414.926
Assets total		2.178.224	1.844.290	1.423.841	1.249.563

Consolidated and Parent Financial Statements

Balance Sheet

at 31 December 2025

Liabilities and Equity		Group		Parent company	
	Note	2025	2024	2025	2024
tDKK					
Share capital		112.012	112.012	112.012	112.012
Reserve for fair value of derivatives		-4.065	-954	-4.065	-954
Reserve for net revaluation under the equity method		0	0	206.829	198.614
Retained earnings		675.143	545.130	468.314	346.516
Proposed dividend for the year		14.700	14.000	14.700	14.000
Equity	10	797.790	670.188	797.790	670.188
Provision for deferred tax	5	16.037	12.818	0	0
Provisions total		16.037	12.818	0	0
Other credit institutions		928.413	764.966	357.414	342.303
Lease obligations		86.280	56.727	0	0
Deferred income		0	23.927	0	23.927
Long-term debt	11	1.014.693	845.620	357.414	366.230

Liabilities and Equity		Group		Parent company	
	Note	2025	2024	2025	2024
tDKK					
Short-term part of long-term debt	11	92.475	107.507	40.499	52.565
Banks		28	2.232	0	2.168
Prepayments from costumers		48.451	35.350	12.125	3.753
Trade payables		111.809	110.032	62.293	59.270
Payables to subsidiaries		0	0	91.653	66.495
Corporation tax	5	11.417	11.535	70	912
Other payables		58.145	46.346	37.791	27.648
Deferred income		27.379	2.662	24.206	334
Short-term debt		349.704	315.664	268.637	213.145
Debt total		1.364.397	1.161.284	626.051	579.375
Liabilities and quity total		2.178.224	1.844.290	1.423.841	1.249.563
Charges and securities	12				
Fee to auditors	13				
Related parties	14				
Rental agreements and lease commitments	15				

Consolidated and Parent Financial Statements

Cash Flow Statement

1 January - 31 December 2025

tDKK	Note	Group	
		2025	2024
Net profit/loss for the year		146.777	123.147
Adjustments	16	121.950	158.475
Change in working capital	17	3.051	38.741
Cash flow from operating activities before financial income and expenses		271.778	320.363
Interest income and similar income		5.116	2.506
Interest expenses and similar charges		-35.689	-48.990
Cash flow from ordinary activities		241.205	273.879
Corporation tax paid		-11.744	-14.019
Other adjustments		-391	2.223
Cash flows from operating activities		229.070	262.083
Purchase of intangible assets		-2.000	0
Purchase of property, plant and equipment		-539.042	-312.785
Sale of property, plant and equipment		105.531	31.862
Cash flows from investing activities		-435.511	-280.923

tDKK	Note	Group	
		2025	2024
Repayment of loans from credit institutions		-183.822	-73.649
Raising of loans from credit institutions		323.869	183.854
Change in lease obligations incurred		35.717	-9.381
Raising of other long-term debt		0	23.927
Acquisition of treasury shares, net		-3	0
Dividend paid		-14.000	-10.000
Cash flows from financing activities		161.761	114.751
Change in cash and cash equivalents		-44.680	95.911
Cash and cash equivalents at 1 January 2025		256.513	160.602
Cash and equivalents at 31 December 2025		211.833	256.513
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		211.833	256.513
Cash and cash equivalents at 31 December 2025		211.833	256.513

Annual Report 2025

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1. Information on segment

Activities - primary segment

tDKK	Vessel operation	Hotel operation	Group total
2025			
Revenue	1.490.412	117.481	1.607.893
2024			
Revenue	1.349.787	105.306	1.455.093

2. Staff Costs

	Group		Parent company	
tDKK	2025	2024	2025	2024
Wages and salaries	236.609	226.395	93.637	89.790
Pensions	27.945	25.893	10.164	9.120
Other social security costs	14.890	13.948	4.159	3.790
	279.444	266.236	107.960	102.700
Including remuneration to the Executive and Supervisory Boards	4.370	4.275	3.844	3.755
Average number of employees	587	601	239	239

3. Financial Income

	Group		Parent company	
tDKK	2025	2024	2025	2024
Interest recieved from subsidiaries	0	0	2.426	14.844
Other financial income	4.097	2.506	1.468	1
Exchange gains	1.019	0	1.019	0
	5.116	2.506	4.913	14.845

4. Financial Costs

tDKK	Group		Parent company	
	2025	2024	2025	2024
Impairment losses on financial assets	0	243	0	0
Other financial costs	34.933	45.501	18.165	35.407
Exchange adjustments costs	0	2	0	0
Exchange loss	756	4.819	0	1.757
	35.689	50.565	18.165	37.164

5. Tax on profits/loss for the year

tDKK	Group		Parent company	
	2025	2024	2025	2024
Current tax for the year	12.665	11.585	70	912
Deferred tax for the year	2.875	1.899	0	0
	15.540	13.484	70	912

The shipping activities of the Parent Company and the subsidiaries, Sp/f Smyril Line Agency and Sp/f Smyril Line Ship Holdings, are taxed in accordance with the Faroese tonnage tax scheme. If the Parent Company withdraws from the tonnage tax scheme, a contingent tax on Norröna can be triggered.

If Norröna at 31 December 2025 was sold for the carrying amount of DKK 445 million, without the company acquiring a new vessel, this would imply corporate tax of DKK 10 million.

6. Intangible assets

Group tDKK	Acquired patents
Cost at 1 January 2025	0
Additions for the year	2.000
Cost at 31 December 2025	2.000
Impairment losses and depreciation at 1 January 2025	0
Depreciation for the year	0
Impairment losses and depreciation at 31 December 2025	-
Carrying amount at 31 December 2025	2.000
Parent Company tDKK	Acquired patents
Cost at 1 January 2025	0
Additions for the year	2.000
Cost at 31 December 2025	2.000
Impairment losses and depreciation at 1 January 2025	0
Depreciation for the year	0
Impairment losses and depreciation at 31 December 2025	-
Carrying amount at 31 December 2025	2.000

7. Tangible Assets

tDKK	Land and buildings	Tools and equipment	Ship	Tangible asset in progress
Group				
Cost at 1 January 2025	328.650	225.199	1.394.011	270.398
Exchange adjustment	-338	-359	0	0
Additions for the year	49.515	62.919	21.368	404.590
Disposals for the year	0	-11.181	-130.767	0
Cost at 31 December 2025	377.827	276.578	1.284.612	674.988
Impairment losses and depreciation at 1 January 2025	46.740	113.645	632.292	0
Exchange adjustment	-46	-127	0	0
Depreciation for the year	5.149	28.194	51.582	0
Reversal of impairment and depreciation of sold assets	0	-5.222	-35.391	0
Impairment losses and depreciation at 31 December 2025	51.843	136.490	648.483	0
Carrying amount at 31 December 2025	325.984	140.088	636.129	674.988
Financial expenses recognised as part of cost of assets	8.349	0	0	55.053
Value of leased assets	0	104.412	0	0
Parent Company				
Cost at 1 January 2025	18.428	29.396	1.002.045	43.766
Additions for the year	0	0	12.307	109.435
Disposals for the year	0	0	0	0
Cost at 31 December 2025	18.428	29.396	1.014.352	153.201
Impairment losses and depreciation at 1 January 2025	7.758	23.643	542.692	0
Depreciation for the year	210	2.311	26.418	0
Impairment losses and depreciation at 31 December 2025	7.968	25.954	569.110	0
Carrying amount at 31 December 2025	10.460	3.442	445.242	153.201
Financial expenses recognised as part of cost of assets	0	0	0	7.574

8. Investments in subsidiaries

tDKK	2025	2024
Parent Company		
Cost at 1 January 2025	109.135	109.085
Additions for the year	226.000	50
Cost at 31 December 2025	335.135	109.135
Revaluations at 1 January 2025	198.077	146.104
Exchange adjustment	-2.062	3.823
Net profit/loss for the year	85.823	69.586
Dividend to the Parent Company	-75.675	-21.436
Revaluations at 31 December 2025	206.163	198.077
Carrying amount at 31 December 2025	541.298	307.212

Investments in subsidiaries are specified as follows:

	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Parent Company				
Smyril Line Travel A/S	Denmark	100%	3.898	2.128
Smyril Line Ísland ehf.	Iceland	100%	112.522	40.874
Sp/f Smyril Line Agency	Faroe Islands	100%	87.454	23.970
Smyril Line Cargo Danmark ApS	Denmark	100%	9.435	1.595
P/F Hotel Hafnia	Faroe Islands	100%	88.932	13.309
Sp/f OCD	Faroe Islands	100%	12.356	3.799
Smyril Line Properties ApS	Denmark	100%	683	179
Sp/f Smyril Line Ship Holdings	Faroe Islands	100%	226.018	-31

9. Investments in associates

tDKK	Group		Parent company	
	2025	2024	2025	2024
Cost at 1 January 2025	3.000	3.000	3.000	3.000
Cost at 31 December 2025	3.000	3.000	3.000	3.000
Revaluations at 1 January 2025	539	-27	539	-27
Net profit/loss for the year	128	566	128	566
Revaluations at 31 December 2025	667	539	667	539
Carrying amount at 31 December 2025	3.667	3.539	3.667	3.539

Investments in associates are specified as follows:

Parent Company				
Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
Sp/f Krafta	Faroe Islands	20%	18.334	638

10. Equity

tDKK	Share capital	Reserve for fair value of derivatives	Retained earnings	Proposed dividend for the year	Total
Group					
Equity at 1 January 2025	112.012	-954	554.841	14.000	679.899
Net effect from change of accounting policy	0	0	-9.710	0	-9.710
Adjusted equity at 1 January 2025	112.012	-954	545.131	14.000	670.189
Ordinary dividend paid	0	0	0	-14.000	-14.000
Exchange adjustment, foreign entities	0	0	-2.062	0	-2.062
Purchase of treasury shares	0	0	-3	0	-3
Net profit/loss for the year	0	-3.111	132.077	14.700	143.666
Equity at 31 December 2025	112.012	-4.065	675.143	14.700	797.790

tDKK	Share capital	Reserve for fair value of derivatives	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Parent company						
Equity at 1 January 2025	112.012	-954	198.614	356.227	14.000	679.899
Net effect from change of accounting policy	0	0	0	-9.710	0	-9.710
Adjusted equity at 1 January 2025	112.012	-954	198.614	346.517	14.000	670.189
Ordinary dividend paid	0	0	0	0	-14.000	-14.000
Exchange adjustment, foreign entities	0	0	0	-2.062	0	-2.062
Purchase of treasury shares	0	0	0	-3	0	-3
Net profit/loss for the year	0	-3.111	8.215	123.862	14.700	143.666
Equity at 31 December 2025	112.012	-4.065	206.829	468.314	14.700	797.790

The share capital amounts to DKK 112,012,332 divided into shares of a nominal value of DKK 0.01 each share. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

The Company owns tDKK 496 treasury shares, corresponding to 0.44%. The total payment for the shares amounted to tDKK 985, which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

11. Long term debt

tDKK	Debt at 1 January 2025	Debt at 31 December 2025	Payment within 1 year	Debt after 5 years
Group				
Other credit institutions	844.844	998.458	70.044	266.808
Lease obligations	72.994	108.711	22.431	24.084
Deferred income	23.927	0	0	0
	941.765	1.107.169	92.475	290.892
Parent Company				
Other credit institutions	394.868	397.913	40.499	195.741
Deferred income	23.927	0	0	0
	418.795	397.913	40.499	195.741

12. Charged and securities

In ships in the Parent Company with a carrying value of tDKK 445,242, mortgage deeds amounting to tDKK 470,000 are registered as security for bank loans.

In buildings in the Parent Company with a carrying value of tDKK 10,460, mortgage deeds amounting to tDKK 25,000 are registered as security for bank loans.

In tangible assets in progress in the Parent Company with a carrying value of tDKK 153,201, mortgage deeds amounting to tDKK 221,000 are registered as security for bank loans.

The Parent Company's shares in Sp/f Smyril Line Ship Holdings are pledged as security for bank loans.

The Parent Company has provided guarantee for bank loans in subsidiaries, amounting to tDKK 263,931.

The Parent Company has provided other guarantees of tDKK 7,020.

The Parent Company has provided 1/3 pro rata guarantee for bank loans in associates, amounting to tDKK 15,664.

The Parent Company has provided guarantee for leasing obligations in subsidiaries, amounting to tDKK 100,669.

Charges and Securities to the Parent Company and Group Entities

In ships in the Group with a carrying value of tDKK 635,242, mortgage deeds amounting to tDKK 673,700 are registered as security for bank loans.

In buildings in the Group with a carrying value of tDKK 282,819, mortgage deeds amounting to tDKK 362,600 are registered as security for bank loans.

In tools and equipment in the Group with a carrying value of tDKK 220, mortgage deeds amounting to tDKK 550 are registered as security for bank loans.

The Group has provided lender floating charge of tDKK 8,000 in trade receivables, stocks, goodwill, cash and tools and equipment.

The Group has provided other guarantees of tDKK 7,220.

The Group has provided 1/3 pro rata guarantee for bank loans in associates, amounting to tDKK 15,664.

Lender has first priority assignment of the shipbuilding contract, warranties and refund guarantees.

Of the total cash in the Group, tDKK 200 have been pledged as security.

13. Fee to auditors appointed at the general meeting

	Group		Parent company	
	2025	2024	2025	2024
tDKK				
Sp/f SPEKT lögildir grannskoðarar				
Audit fee	810	495	586	304
Other assurance engagements	7	7	0	0
Tax advisory services	181	91	176	87
Other audit services	212	121	119	72
	1.210	714	881	463

14. Related parties

Controlling interest

P/F Smyril Line Holding
Parent Company

P/F 12.11.11

Parent Company

SP/F Skansabrekka

Parent Company

Transactions

All transactions with related parties have been carried through on arm's length basis.

15. Rental agreements and lease commitments

	Group		Parent company	
	2025	2024	2025	2024
tDKK				
Rental and lease commitments				
Operating lease commitments				
Total future lease payments:				
Within 1 year	88.213	48.590	37.538	44.509
Between 1 and 5 years	106.923	90.659	90.727	90.659
After 5 years	721	5.617	721	5.617
	195.857	144.866	128.986	140.785

Group rental agreements and lease commitments

	Parent company	
	2025	2024
tDKK		
Operating lease commitments		
Total future lease payments:		
Within 1 year	86.146	57.433
Between 1 and 5 years	26.352	126.697
After 5 years	0	0
	112.498	184.130

16. Cash flow statement - adjustments

	Group	
tDKK	2025	2024
Financial income	-5.116	-2.506
Financial costs	35.689	50.565
Deprecations, amortisation and impairment losses, including losses and gains on sales	75.964	97.497
Income from investments in associates	-128	-566
Tax on profit/loss for the year	15.541	13.485
	121.950	158.475

17. Cash flow statement - change in working capital

	Group	
tDKK	2025	2024
Change in inventories	-803	1.301
Change in receivables	-23.613	1.293
Change in trade payables, etc.	27.467	36.147
	3.051	38.741



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