

Annual Report 2021








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The annual report is also available on our website:
www.gotlandsbolaget.se

The AGM will take place at kongresshallen at
 Wisby Strand in Visby on 01 June 2022 at 11:00.

Rederi AB Gotland, Visby.
 Cover photo: Concept image of the Gotland Horizon,
 Berge Studios/Bellbird.
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An intense and evolving 2021

2021 was an exciting year for Rederi AB Gotland in many ways, where we developed our existing operations and started up several new ones too. Although the past year was one of the most intense and eventful in the company's 157-year history, 2022 began even more dramatically.



Photo: Olof Segerberg

Russia's invasion of Ukraine has reshaped world politics and affects us all. The major humanitarian disaster it represents for millions of people who need to leave their homes means that we all need to do whatever we can to provide help and support. Rederi AB Gotland has assisted by providing free travel to refugees and free shipping for consumables.

At the same time, the current situation highlights the important part played by services to and from Gotland in the supply of provisions for our island. Fast and reliable transport is the key to creating a safe and attractive place where people can live and work all year round.

As services have developed, so interest in travelling to and from Gotland has also increased. Gotland as a destination is strong on the Swedish map, and in many ways we have recovered from the worst months of the pandemic. The summer of 2021 was even something of a record summer for the Gotland tourist industry. But like all businesses, we have also been affected by COVID-19, with its contagion and restrictions.

Good adaptability, experience and preparedness have enabled us to deal with the uncertainty and strengthen our collective ability to work across and beyond our operational boundaries. This work is helping to build, develop and strengthen the Gotland community – and our business.

We are seeing major changes and technology shifts across industries that are underpinning the shift towards more climate-smart operations. Technology is developing at a pace that few could have predicted.

Our ambition is to remain constantly at the cutting edge so that we can develop maritime transport and help to bring about better, more sustainable communities in the areas where we operate. We have been a driving force in this work since the 1990s, and it is being accelerated by Gotland Tech Development, an operation that forms part of project partnerships in order to transform shipping and participate in the development of new energy and fuel solutions. At the end of the year, we reached a milestone when we were able to present our new concept ship, the Gotland Horizon – our vision of how fossil-free travel can be created.

The Gotland Horizon will be Sweden's first large-scale, hydrogen-powered ship for transporting both passengers and cargo. A technology where we combine gas turbines with steam turbines will allow services to and from Gotland to continue at the same speed and level of service as today. And the only emissions? Water. What was considered impossible many years ago will soon be reality. Our aim is to be in a position to order the ship as early as 2025 so that she can be used for Destination Gotland services by 2030.

We also launched our new ferry service, Hansa Destinations, at the end of the summer. This line, which carries both cargo and passengers between Nynäshamn in Sweden and Rostock in Germany, is part of our initiative to shift cargo from land to sea. This initiative is also supported by the Swedish government with an eco-bonus. Starting up the new line involved extensive efforts. Our ability to launch a new line with good quality of service and high customer satisfaction, while also handling higher volumes than ever

on the Gotland service, reflects well on our organisation.

We are Sweden's oldest passenger shipping company, and we have been operating since 1865. Since then, we have safely and securely supplied Gotland with both necessities and ferry services. Through various world events and challenging situations, we have always delivered. And I am absolutely certain that our experience and stability will enable us to go on delivering and evolving.

In conclusion, I would like to express my warmest thanks to our employees in all our operations. We have shown over the past year that we can achieve great things if we all pull together. Despite the challenges that Europe is currently facing, I am very confident about the future and what we can achieve going forward.



Photo: Karl Melander



Håkan Johansson,
CEO of Rederi AB Gotland

Long-term ownership lays foundations for the future

Ann-Marie Åström and Björn Nilsson, Chairman and Vice Chairman respectively of Rederi AB Gotland, are looking forward to continuing to evolve and invest in new sustainable solutions for our operations.

Rederi AB Gotland has taken a number of important steps in innovation and technology in 2021, broadening the company's business, while continuing to deliver safely and robustly in all operations.

"It has been inspiring to see what we have been able to achieve in a short time through our new company Gotland Tech Development, which was founded in the spring. We have been able to report on several initiatives to reduce emissions from shipping in the last few months of the year. This is something we have been doing for many years, but which is now being framed more clearly on account of our own activities," says Ann-Marie Åström.

Rederi AB Gotland developed its first concept ship back in 2009, with the

aim of creating a way of crossing between Gotland and the mainland without using fossil fuels. Since then, work has been ongoing to continuously reduce our carbon footprint.

”

We decided early on to be at the forefront of technology development.

"We decided early on to be at the forefront of technology development and invest for the future. Although both of the latest additions to our fleet were in place just over two

years ago, powered by natural gas and biogas, we are constantly looking ahead to the next generation of models and technologies. I am incredibly proud that we launched our future model, the Gotland Horizon, in 2021," says Björn Nilsson.

Looking ahead, we can see that Rederi AB Gotland will go on evolving and contributing to the creation of a more sustainable infrastructure, with emphasis on marine transport, energy and the tourist industry.

"Maritime transport is facing a major challenge. There are thousands of ships on the world's oceans which form an important cornerstone of our trading system but are also totally dependent on fossil fuels. I am absolutely certain that our investments in new vessel models, hydrogen



Björn Nilsson, Vice Chairman and **Ann-Marie Åström**, Chairman.

and biofuels will be an important piece of the puzzle in the transformation of cargo and passenger services, not least in the Baltic Sea region,” continues Ann-Marie Åström.

“We are continuing to develop all our operations so as to assist with good development of the communities in which we operate. It is important to go on building on the foundation available to us, with the Gotland service and the tourist industry, but we also need to focus on peripheral activities that allow the companies to evolve. Property development or securing fossil-free fuels, for instance,” says Björn Nilsson.

The pandemic has highlighted in particular the role played by safe, secure and stable Gotland travel when it comes to maintaining the

island’s supply of provisions and its ability to live and thrive. Services have continued to operate on schedule throughout the year, and Rederi AB Gotland has also expanded its services by opening up a new ferry service to and from Germany.

“I am proud that we have been able to run large parts of our business almost as usual despite the pandemic and the prevailing restrictions, enabling us to continue to develop Gotland as both a visitor destination and a good place to live and work. All our staff have made a fantastic effort. The stability and security of frequent, fast services also play an important role for the business community and society in general,” Ann-Marie Åström points out.

Both Ann-Marie and Björn are clear

when emphasising that investments in development and new technology are based on a long-term plan and a sense of responsibility for the development of society for Gotland, Sweden and our infrastructure.

“The long-term nature of our ownership philosophy is a prerequisite when it comes to venturing to invest in future solutions and new ships,” says Ann-Marie Åström.

“The company has been around since 1865, and our success is based on a combination of aspects; constantly reviewing our offerings and improving our operations. With more than 150 years of experience of operating and building ships, the company has both the expertise and experience needed to create sustainable services for Gotland,” concludes Björn Nilsson.



Photo: Olof Segerberg



Development of the fleet

Rederi AB Gotland purchased a new ship in 2021, and our fleet also underwent a number of other changes and developments.

New ship concept for Marine Atlantic

At the start of the year, Rederi AB Gotland was one of two selected shipping companies to be given the opportunity to submit a tender for a new construction project for Canadian company Marine Atlantic. A new ship design was developed in connection with this; a further development of the LNG ship M/S Visby, with twice the cargo capacity and even better environmental performance. We have learned a lot from the procurement process even though the Canadian company chose to sign a contract with a competing shipping company. This also demonstrates Rederi AB Gotland's ability to design and develop ships at the cutting edge of technology.

M/S Visborg in cooperation with Wallenius Marine

In May 2021, Rederi AB Gotland entered into a partnership with Wallenius Marine to take over the operation and crewing of the M/S Visborg (formerly M/S Visby), which is chartered by Danish shipping company DFDS. The M/S Visborg has operated in the English Channel during the year, providing services between Dunkirk in France and Rosslare in Ireland. The M/S Visborg was also reregistered under the Maltese flag as part of this cooperation.

M/S Drotten to Rostock

The M/S Drotten has been part of Rederi AB Gotland's new business, Hansa Destinations, since August. The ship has undergone a number of changes as a result, with cabins redesigned for greater comfort, and the loungers in the aft saloon have been replaced with a pub and eatery.

M/S Valentine to New Zealand

In November, Rederi AB Gotland acquired the M/S Valentine from Cobelfret Ferries in Belgium. This ship arrived in New Zealand in December, where she is on charter to KiwiRail for services in the Cooks Strait between the North and South Islands. The contract is valid for at least 12 months. The ship was built at Kawasaki Heavy Industries in Sakaide, Japan in 1999.

M/S Visby follows tradition

At the end of the year, the M/S Visborg, one of the LNG ships operating for Destination Gotland, changed its name to M/S Visby. The name change took place when the ship visited the shipyard in Landskrona, and this means we are now following the tradition where Rederi AB Gotland's latest ships are always called M/S Visby and M/S Gotland.

Key figures from 2021

SEK 2,337 million

Annual sales, 2021

Hansa Destinations

New ferry service to Germany

- 4,000 tonnes of CO₂

Destination Gotland's reduction in CO₂ emissions in 2021

20%

Women in Group companies

785

Average number of Group employees

1,731,648

Passengers travelling with Hansa Destinations and Destination Gotland

Using Gotland as a base for the future of transport and tourism



The ability to travel to meet other people, trade and see new places is the foundation for developing destinations and communities.

For almost 160 years, Rederi AB Gotland has been operating passenger and cargo services to and from Gotland, while also developing our business to include shipping, destination and property development both on and off the island of Gotland.

We want to help create vibrant, modern and attractive communities by being open to new ideas and applying our way of working and cooperating with others. We want to make a lasting impact and create the conditions that will allow us to meet the needs and challenges of the future. That is why we are actively working to transform shipping, which includes developing new technologies. We are driving the development of visitor sites at destinations and are helping create new opportunities allowing people to meet. We are helping to develop the business community through trade and transport. This is allowing us to pave the way for better communities.

We are driven by identifying opportunities and investing in solutions that move us forward, helping to bring about the important transformation of society. Based on human needs and the conditions for our environment and climate. This requires new fuels, new forms of transport and new ways of cooperating and developing technology. We take our cue from fossil-free and climate-neutral solutions for everything we do, whether this involves travel, cargo or new venues.

Development of new venues and maritime transport

During the year, we have clarified our commitment to property development and creating more destinations. Gotland Hotels & Properties owns and manages hotels, holiday complexes and residential and commercial properties. Our Property & Development business area has been tasked with managing and developing our property portfolio by means of acquisitions and new construction, as well as refining

our existing properties. This creates new opportunities for both Gotland and new destinations to continue to develop.

As one of Sweden's leading shipping companies, we also play an important role in contributing to the future of shipping, with reduced emissions and safe and secure crossings. New fuels, new technology and new ships mean that we can help show the way towards more sustainable maritime transport. We currently have two gas-powered ships operating on our Gotland service, and we launched a hydrogen-powered concept ship in 2021. By 2030, the Gotland Horizon – as she is named – will make travel to and from Gotland possible while emitting only water.

We are helping to strengthen and grow in our local area with one of the world's most modern maritime transport systems. We are now paving the way for development in decades to come, in more destinations and for more communities.

Accelerating emissions reduction in maritime transport

To meet the 1.5-degree target of the Paris Agreement, shipping needs to accelerate the transition to new fuel technologies and reduced emissions.

Shipping is an important transport industry for both Sweden and the world. Shipping transports some 90 per cent of all cargo to and from Sweden and helps to open up routes for both cargo and passengers. But shipping also faces an enormous challenge with its high dependence on fossil fuels. Although shipping accounts for a smaller share of transport emissions, in 2020 it accounted for over 660,000 tonnes of CO₂e¹ from domestic shipping.²

Within the International Maritime Organization (IMO), shipping has agreed to reduce the industry's greenhouse gas emissions by 50 per cent by 2050, and several ongoing and forthcoming regulations are accelerating the transformation of shipping as presented globally and in the EU to date.

At present, only 16 per cent of countries' climate pledges include

clear targets indicating how much carbon dioxide emissions from the transport sector should be reduced by, according to the OECD's International Transport Forum (ITF). Sweden is one of the countries that has set clear targets, with emissions to be reduced by 70 per cent by 2030.

Fit for 55

In the summer of 2021, the European Commission presented a new package, *Fit For 55*, with the aim of reducing the EU's net emissions by at least 55 per cent compared to 1990 levels. The long-term commitment is for the EU to become climate neutral by 2050. This package contains 13 proposals, of which the EU ETS and FuelEU Maritime are two important elements that also affect our operations.

Maritime transport as part of the EU ETS

The proposal from the European

Commission is for shipping to be part of the EU Emissions Trading System (EU ETS). The proposal includes maritime transport using ships with a gross tonnage in excess of 5000GT within the EU and 50 per cent of maritime transport to or from the EU. The ambition is to implement gradual inclusion of emissions from 2023, when 20 per cent will be included, to 2026, by which time all emissions will be included. Rederi AB Gotland supports the proposal to include shipping in the emissions trading scheme, as paying for carbon dioxide emissions is an effective way forward to allow invest in the transition to renewable fuels and more sustainable shipping.

FuelEU Maritime

FuelEU Maritime aims to increase supply and demand for non-fossil fuels through a mandatory reduction of greenhouse gas emissions from the consumption of marine fuels.

¹Co2e stands for carbon dioxide equivalents – a common unit for all greenhouse gases

²The Swedish Environmental Protection Agency



This proposal includes mandatory reductions in fossil fuels and a requirement in port to use onshore power from 2030. Rederi AB Gotland is preparing itself with ships that can run on fossil-free fuels, and our ferries operating for Destination Gotland are connected to the power grid in port.

Access to biofuels

Transforming shipping requires investment in a technology shift to fossil-free propulsion. One option to achieve significant reductions in emissions from shipping is to switch to biogas. Two of Rederi AB Gotland's ships can run on by 100 per cent biogas. Biogas is a renewable energy source produced from biodegradable household waste or residual products from the agricultural and

food industry, but there is insufficient supply to meet the needs of the transport industry. In 2021, the government has allocated funds for the development of new biogas plants within the framework of the Klimatkivet initiative, but demand is still outstripping supply.

Increased fuel prices

In late 2021, we saw major increases in energy prices, including gas, diesel and electricity, impacting both household and business expenditure and operating costs. Russia's invasion of Ukraine increased uncertainty and reduced the availability of fuel in Europe and we saw huge price changes, not least in respect of natural gas. This has resulted in increased costs for Rederi AB Gotland's operations,

which are heavily dependent on fuel for the entire fleet.

In April 2022, we made the difficult decision to switch to diesel from natural gas for Destination Gotland's two LNG ships. This decision was based on both the sharp rise in prices and the lack of guarantees that gas would have no Russian origin.

Several different fuels and technologies will be needed to make the transition to fossil-free shipping.

More initiatives for a more sustainable Gotland service

Back in 2009, Rederi AB Gotland developed a concept ship with the aim of powering it with hydrogen, and the way to achieve that is to use natural gas and biogas. We are constantly working to develop and improve the performance and carbon footprint of our operations, and here are some of these initiatives.

1997

Destination Gotland is formed

The launch of Destination Gotland, when the company was commissioned to operate the Gotland service, marked the start of a focused journey towards reduced emissions.

1998

Reduced emissions way ahead of its time

Destination Gotland began running on low-sulphur fuel to reduce sulphur emissions at sea 17 years before this became a requirement for shipping on the Baltic Sea. We also installed catalytic converters to reduce nitrogen oxide (NOx) emissions, equivalent to the reduction required by law as of 1 January 2021.

Sorting of all waste from refuse and guest areas on board.

2003

Reduced electricity consumption on board

Destination Gotland is installing reuse of heat in exhaust air, thereby reducing electricity consumption on board.

2007

More efficient ships

Our ferries will have solar film installed on windows, reducing heat gain and the need for a cooling system.

We are also improving efficiency with route optimisation and eco-driving.

2009

Improved waste management

Wastewater from Destination Gotland's ships is discharged ashore so that it can be treated at the Visby wastewater treatment plant.

Water from the deck sweeper and scrubber is treated as hazardous waste, too.

2015

Improved services with larger, more modern ships

A further development of the traffic concept from two large and two smaller ships to three large ships and one smaller ship resulted in significantly higher capacity but lower emissions.

2019

Onshore power and natural gas reduce emissions

The new ship M/S Visborg (now Visby), which runs on liquefied natural gas (LNG) and biogas (LBG), enters service.

Onshore power at the Port of Visby.

Cutting back on plastics on board: paper coffee cups mixed with grass and packaging made from recycled plastic are reducing consumption of plastics.

2020

Two new ships in place

The second ship, M/S Gotland, which also runs on liquefied natural gas (LNG) and biogas (LBG), begins operating on Gotland.

2021

Fossil-free biogas

10 per cent biogas admixture in the tanks of the M/S Gotland and M/S Visby.

The ships are connected to onshore power in Nynäshamn.

Rederi AB Gotland presents its concept ship, the Gotland Horizon, Sweden's first large-scale hydrogen-powered ship for transporting both passengers and cargo.

2025

Next-generation ships

Our ambition is to be able to order the Gotland Horizon concept ship by 2025.

2030

New technology leading the way to fossil-free crossings

We want to be able to put the Gotland Horizon, the next-generation ship, into service by 2030 at the latest.

At least 30 per cent biogas admixture in the tanks of the M/S Gotland and M/S Visby.

Carbon dioxide emissions reduced by 70 per cent (base year 2010).

2045

Fossil-free crossings

Gotland Horizon – the journey to Destination Zero



The Gotland Horizon was launched in 2021. Sweden's first large-scale project to create a hydrogen-powered ship for both passengers and cargo, emitting only water. This project is an important part of our efforts to achieve the goal of fossil-free Gotland services – Destination Zero – while offering the same capacity and crossing time as today.

Fossil-free transport is the only option for the Gotland Transport of the future, from both an environmentally and an economically sustainable standpoint. The development of new climate-smart ships with new fuel technologies is crucial to the success of the transition.

In December 2021, Rederi AB Gotland presented this new ship concept that will make future Gotland services emissions-free, but the first ideas for a hydrogen-powered concept ship were already on the drawing board in 2009. The ship is designed to be powered by fossil-free hydrogen, and it was developed by Rederi AB Gotland together with its subsidiaries Destination Gotland and Gotland Tech Development. The aim is to be able to order the ship in 2025 and then put it into service so as to enable emissions-free Gotland services as early as 2030.

Gas turbines for a faster journey

The Gotland Horizon is designed to be powered by gas turbines in combination with steam turbines, making it possible to maintain the same speed and service for Gotland as today. Gas turbines have long been used in industry, but it is only now that they will be able to run

on hydrogen, providing a unique opportunity to accelerate the transformation of shipping.

Gas turbines are also complemented by steam turbines in what is known as the combined cycle. The steam turbines are located next to the smaller stack on top of the ship. The steam turbine is used to use the residual energy, i.e. the water vapour produced during combustion, and is capable of producing electricity for the ship. This increases efficiency from 35 per cent to around 50 per cent.

Moreover, the gas turbines are designed for what is known as multi-fuel. This means that the ship will be able to run on several types of fossil-free fuels. Fuels such as methanol, e-methanol or biogas (LBG) can also be used in addition to hydrogen. Depending on availability and technology development, the ship can be adapted to the fossil-free fuels available, making the Gotland Horizon well equipped for an effective transition to zero emissions.

Access to hydrogen is crucial

Hydrogen is a key component in the transition to a climate-neutral

society for many industries, not least shipping. This is why increased and stable supply and an expanded infrastructure are needed in order to cope with the transition to hydrogen.

Ensuring access to hydrogen on Gotland and in the surrounding area is an important piece of the puzzle when it comes to developing fossil-free services. Together with Gotland Tech Development, Rederi AB Gotland is participating in several collaborations and cooperation projects within and across industry boundaries in order to push for increased access to hydrogen. Together with Uppsala University and a number of industry stakeholders, we are working with the Gotland Horizon as a model to investigate and develop solutions for hydrogen for Gotland ferry services. The aim of the project is to present a complete and reliable fossil-free hydrogen supply system that can be implemented by 2030.

With the Gotland Horizon, we are taking a big step towards being able to help reduce emissions in shipping and in the entire Baltic Sea region, allowing more shipping companies to follow suit and convert to fossil-free operations.



Our operations



Photo: Jimmy Eriksson

Our activities involve ownership and operation of ferry services and product tankers, shipyard operations and hotel facilities on the island of Gotland, and we focus on:

Destination Gotland

Hansa Destinations

Gotland Tech
Development

Gotland Hotels
& Properties

Gotland Tankers

Stockholms
Reparationsvarv

Destination Gotland

Destination Gotland constitutes the link between Gotland and the mainland and is the hub of Rederi AB Gotland operations.

Key performance indicators

SEK 1,803 million

Annual sales, 2021

31%

Change compared with 2020

With Destination Gotland, we have developed one of Europe's most modern maritime transport systems. Our four high-speed ships create opportunities for both passengers and cargo to travel efficiently between Gotland and the mainland on the Visby – Nynäshamn or Visby – Oskarshamn routes. We also operate the Visby – Västervik route during the summer months.

As in 2020, 2021 was affected by the COVID-19 pandemic, which has placed demands on both us and our passengers. However, despite continued pandemic management with limited capacity at times and infection control measures on board, Destination Gotland had a good year and broke passenger records during both the summer and autumn seasons.

A modern fleet

Destination Gotland has a modern fleet of what are known as RoPax ships for both passengers and cargo. These are high-speed ships, which makes it possible to travel between Gotland and the mainland in just over three hours.

The speed of the journey also allows us to run up to six single crossings per ship per day, thereby meeting the high demand for travel in summer. We know that fast and efficient crossings are very much in demand among the people of Gotland. The Gotland Policy Statements that have been prepared ahead of the procurement of the Gotland service from 2027 onwards demonstrate a clear need for the ferry crossing to take no more than three hours, and preferably for it to be developed so that it goes even faster.

Our efforts to ensure good service frequency, efficient crossing times and just-in-time deliveries that make things easier for both cargo services and passengers are ongoing, and we are constantly developing our service and fleet. In 2021, we had a punctuality rate of 96.9 per cent.

Our ships are also efficient from a climate and environmental standpoint. The two latest additions, the M/S Visby and M/S Gotland, were powered by natural gas (LNG – Liquefied Natural Gas) and biogas (LBG – Liquefied BioGas) in 2021, which allowed us to reduce emission significantly. Natural gas is currently the most commonly used fuel aboard our ships. This is a fossil fuel that reduces CO₂ emissions by about 20 per cent and nitrogen oxide emissions by up to 85 per cent, while almost completely eliminating emissions of sulphur dioxide and particulates. Both ships also run on a certain amount of biogas, and the admixture of biogas was increased to 10 per cent in February 2021.



Photo: Olof Segerberg



A warm welcome

Destination Gotland welcomed a new CEO, Marcus Risberg, in 2021. Marcus has led the company and the changes implemented during the year with great commitment and drive.

“We have adapted and worked hard during the year to deliver record passenger volumes. Few could have predicted at the start of the year that July 2021 would be a record month. We have also launched a brand new ferry service where Destination Gotland staff have helped to build up Hansa Destinations, too.”

Working for a company that carries out transport work all year round in order to transport cargo and passengers places special demands on the business to always be running. Destination Gotland's operations are in a unique position.

“I am enormously impressed by all the staff at Destination Gotland who have acted quickly and adapted to different recommendations and infection situations. The enthusiasm and commitment that everyone here has shown throughout the year to ensure that our ferry is always running is something we should be very proud of,” says Marcus Risberg.

Marcus Risberg

CEO of Destination Gotland



Photo: Karl Melander

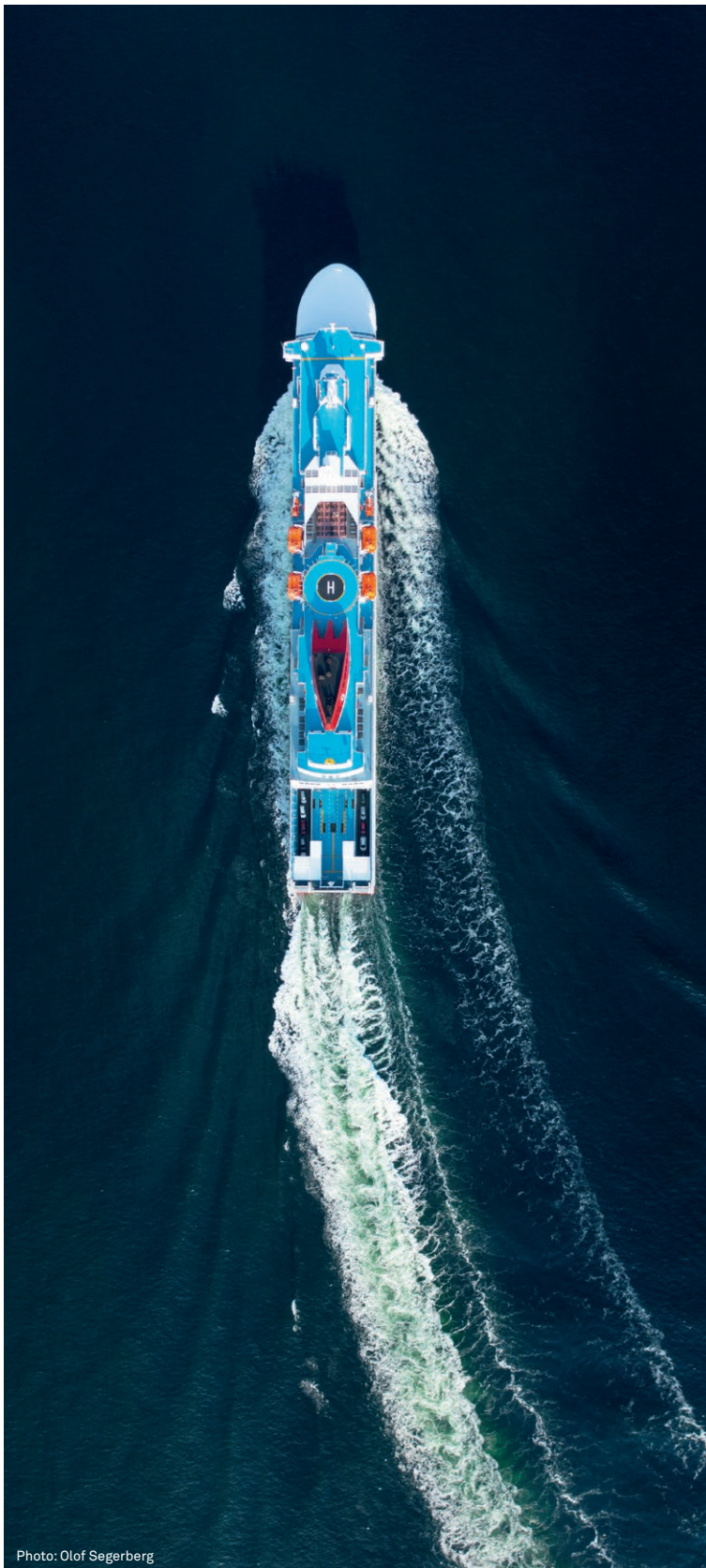


Photo: Olof Segerberg

The development of Gotland is dependent on fast, safe, sustainable crossings.

Towards Destination Zero

Our green roadmap makes it clear that we will be fossil-free by 2045. By 2030, Destination Gotland will have reduced its carbon dioxide emissions by 70 per cent compared to 2010, in line with the Swedish Climate Act. This will mean a 124,000-tonne reduction in CO₂ emissions in 20 years. In 2021, the Gotland service emitted 133,100 tonnes of CO₂, which is a reduction of -3 per cent since 2020 and -25 per cent since 2010.

Reducing emissions is one of our top priorities. We are investing heavily in new innovations together with Rederi AB Gotland's other operations, and during the year we launched the concept ship Gotland Horizon. You can find out more about this on page 16. We are also working through Gotland Tech Development to evaluate the possibility of electrifying our ships and turn them into "hybrid" ships.

High capacity facilitates development of Gotland

Destination Gotland has been operating the Gotland service since 1998. The assignment has formally been allocated to us by the Swedish Transport Administration, but in many ways we are also working for the people of Gotland. Transport is a cornerstone that enables people to work and live on Gotland, and we are proud to be a part of the Gotland community and its development. Safe and secure transport is also essential for everyone to be able to enjoy holidays or visit friends and family, and for business owners to import or export goods to or from the island. We work closely with both the tourist industry and the manufacturing sector to provide the best possible service.

Everyone on our island is dependent on fast, safe, sustainable crossings with good service frequency. This is particularly important for Gotland as a visitor destination, travel during the summer months being several times higher than in winter. We currently offer significantly higher

capacity and more frequent services than our contract with the Swedish Transport Administration demands. We view it as our job to help with Gotland's development by always taking the lead and creating opportunities for everyone wishing to travel to and from our island.

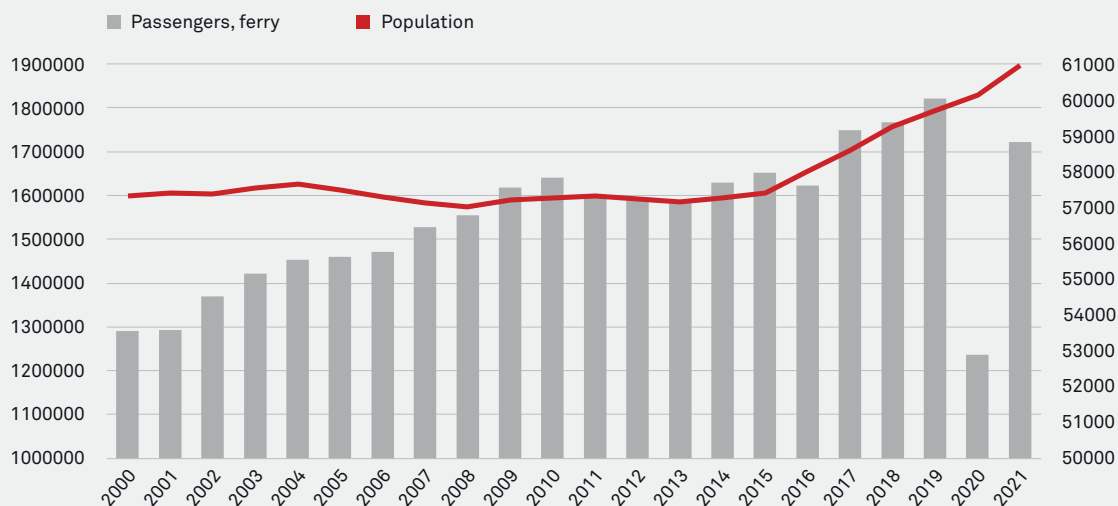
Destination Gotland's contract with the Swedish Transport Administration is valid until January 2027. Procurement procedures are implemented by the Swedish Transport Administration for longer periods, and preparations for the next procurement procedure have been ongoing since 2020. A report on the services of the future was presented by the Swedish Transport Administration in 2021, and Destination Gotland together with Rederi AB Gotland have replied in a consultation response. This report, which advocates nationalised services (from 2033), has received criticism from a number of quarters, and we note that the Gotland perspective and the technological development taking place in shipping are not given the scope they deserve. Regardless

of the outcome of the procurement procedure, Rederi AB Gotland sees opportunities to operate services to and from Gotland even after 2027.

Continued focus on safe and secure travel

When the pandemic took hold in 2020, Destination Gotland took on major responsibility for ensuring that Gotland could continue to be supplied with cargo in the long term, while also safeguarding critical communications with the mainland. This work continued into 2021, with many limitations and restrictions. Thanks to great tenacity when it comes to services, staffing and investments, we have continued to offer safe and secure travel to everyone wishing to travel with us. Our intensive efforts to minimise the risk of infection, comply with the authorities' recommendations and – not least – meet our passengers' expectations for safer crossings have resulted in us having a limited number of bookable places at times. We have also had restrictions on our restaurant operations in terms of opening hours and serving.

Increased capacity for Gotland services keeping up with development of Gotland



Gotland – a popular destination in 2021

Summing up travel for 2021, it is clear that Gotland as a destination and a place to visit has recovered well. The “Travel in Sweden 2021” survey showed that Gotland was Sweden’s most popular destination in 2021, which was also reflected well in this year’s travel statistics. Travel was almost at the same levels as the record year of 2019, with more than 1.7 million trips. The summer months turned out well despite a slow start, with restrictions reducing travel. July was the busiest month for travel, with around 460,000 one-way trips, of which almost 430,000 were made by visitors.

Destination Gotland works actively with the tourist industry to make Gotland an attractive year-round destination. Destination Gotland had more visitors between July and November 2021 than in 2019, which is clear evidence of our efforts to extend the season for Gotland. We are promoting a number of places and activities as part of our “Time for a dose of Gotland” campaign,

which provides reasons to travel outside peak season. This is an important factor in helping to make Gotland a more sustainable visitor destination.

Since the start of the pandemic, we have also seen a clear trend whereby people stay on the island for longer. Travellers stayed for an average of 6.7 days on the summer of 2021, compared to 6.1 days in 2019.

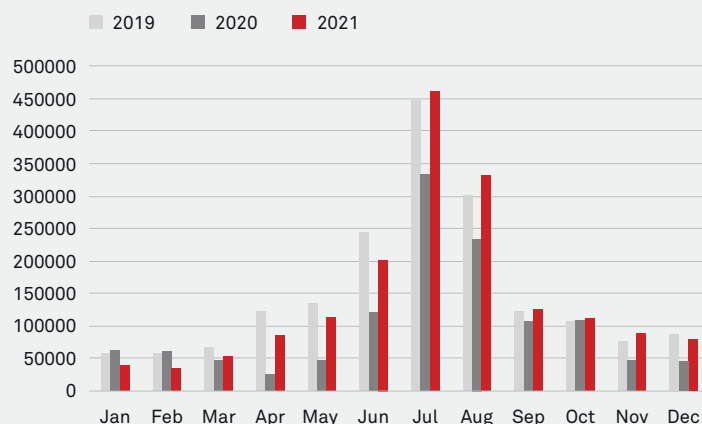
This autumn also saw the launch of Hansa Destinations, which makes

it possible for German travellers to head directly to Visby, while Gotlanders can travel directly to the continent. Travellers are interested in discovering new ways to travel internationally to and from Gotland, and Hansa Destinations will create new opportunities for the island to go on developing as a place for both domestic and foreign tourists. The Hansa Destinations ferry service operates on the Visby – Nynäshamn route and is a cooperation with Destination Gotland services.

Changes in travel 2020–2021, month by month

January	-37%
February	-40%
March	20%
April	244%
May	142%
June	68%
July	38%
August	42%
September	16%
October	1%
November	87%
December	75%

Number of travellers



Number of metres of cargo

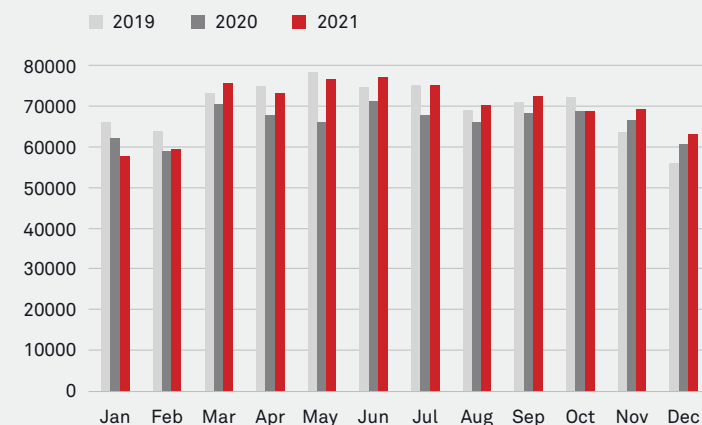




Photo: Karl Melander

Gotlands Stuveri

Gotlands Stuveri primarily assists Destination Gotland with loading and unloading of cargo, provisioning and luggage handling, and with directing cars onto and off the ferries in Visby and Nynäshamn. Stevedoring also takes place in Visby, Slite and Klintehamn. Gotlands Stuveri also includes two smaller companies that provide services for cruise ships and guided tours for cruise guests.

2021 was a positive year for the stevedoring service. The operation has had to handle greater cargo volumes in Nynäshamn with the launch of Hansa Destinations between Rostock and Nynäshamn. Moreover, the summer season brought an unexpected increase in the number of cruises to Gotland. The number of calls by cruise ships was less affected by the pandemic in 2021 compared to 2020. A significant increase in cruise ships, from 25 calls in 2020 to 118 calls in 2021. During the year, operations by the stevedoring service resulted in emissions of 53 tonnes of CO₂.

Key performance indicators

SEK 57 million

Annual sales, 2021

19%

Change compared with 2020

Hansa Destinations

Hansa Destinations is Rederi AB Gotland's new ferry service for cargo and passenger services between Nynäshamn in Sweden and Rostock in Germany.

Key performance indicators

SEK 43 million

Annual sales, 2021

The new Hansa Destinations ferry service was inaugurated at the end of August 2021 with the aim of moving cargo off the roads and facilitating cargo between Mälardalen and the continent. This line, which operates on the route between Nynäshamn and Rostock with a few calls in Visby, gives hauliers an additional transport option and facilitates reduced emissions.

Shipping is an efficient way to transport cargo, with more efficient use of energy and reduced road wear. When fully developed, the line could move more than 75,000 trucks from land to sea each year, which could create significant differences for cargo transport. Hansa Destinations also provides cargo operators with a cost-effective, flexible transport alternative to roads. Allowing truck drivers to spend their rest time on board means that they are able to drive longer distances directly on arrival in Rostock or Nynäshamn.

This initiative has received government support in the form of an eco-bonus from the Swedish Transport Administration to reduce greenhouse gas emissions from traffic, making Hansa Destinations the largest project to receive an eco-bonus to date. The eco-bonus is awarded to companies that reduce

congestion on the Swedish road network and help to achieve Sweden's climate goals. In total, Hansa Destinations' ferry services emitted 20,900 tonnes of CO₂ between August and December 2021.

Hansa Destinations also offers a new option for passengers wishing to travel between Germany and Sweden and creates a direct route for German visitors or Gotlanders who want to travel directly to the continent. This is an important contribution to the ongoing development of the attractiveness of Gotland as a destination for foreign visitors.

Services on the line are provided by the M/S Drotten, which has a capacity of 1,650 metres of cargo and around 1,400 passengers, and is run in conjunction with Destination Gotland.

The M/S Drotten's sailings to Visby also form part of the regular Gotland service. Cargo capacity will be doubled in spring 2022 when an additional RoRo ship will be operating on the Nynäshamn – Rostock route.

When fully developed, the line could carry more than 75,000 trucks from land to sea each year.





Photo: Olof Segerberg

Gotland Tech Development

In 2021, work on technology and transition was further developed through the launch of Gotland Tech Development, which has the stated aim of accelerating work towards fossil-free shipping.

April 2021 saw the launch of the technology development company Gotland Tech Development. This has allowed us to create a distinct operation of our own so that we can drive progress towards more sustainable technology solutions and maritime transport systems. The move towards fossil-free shipping began back in the 1990s, and with a company dedicated entirely to technology development and innovation, we are future-proofing and developing our existing operations while also contributing to the overall transformation of shipping. Our aim is to help phase out fossil fuel emissions completely.

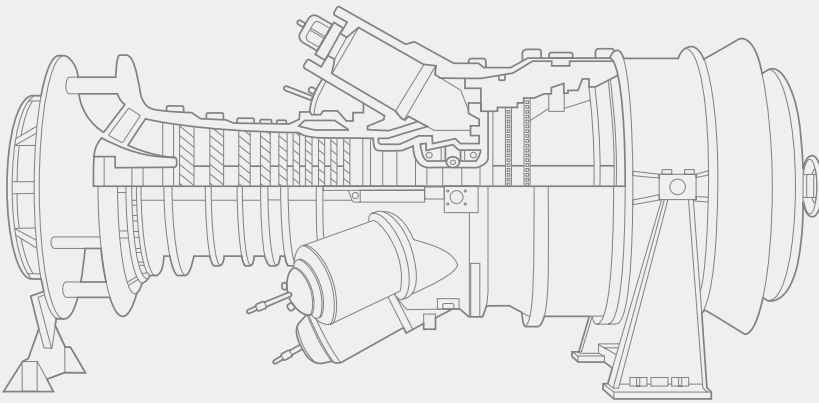
Our fleet of ships provides us with the opportunity to act as a test bed for new ideas and innovations. We are working with partners from the academic community and industry to move technology from the drawing board or test environment to the real world, and together we are developing ideas further. Although our focus is on the transformation of shipping, we are also happy to participate in projects aimed at developing fuels, materials or anything else related to our own operations. This means that we follow developments in the entire transport, energy and fuel sector.

Gotland Tech Development has initiated and participated in several projects since its launch in spring 2021. Find out more about a selection of these projects.

Hydrogen for Gotland services – research project with Uppsala University

December 2021 saw the start of a research project with the aim of developing and ensuring sustainable solutions for hydrogen for Gotland ferry services. This project is led by researchers at Uppsala University (Campus Gotland) in collaboration with a number of industry stakeholders, including Rederi AB Gotland and Gotland Tech Development. The Gotland Horizon, Rederi AB Gotland's concept ship for the Gotland services of the future, is being used as a specific case study, and the project has also received funding from the Swedish Energy Agency. The aim of the project is to present a complete and reliable fossil-free hydrogen system that can be implemented by 2030.

**A test bed for ideas
and innovation in
shipping.**



Sketch of a hydrogen turbine for the Gotland Horizon, a cooperation project with Gotland Tech Development for fossil-free Gotland services.

Electrification of the Gotland ferry

A project was initiated in November 2021 to examine how partial electrification of Destination Gotland's two natural gas/biogas ships could be implemented. This project will look at how the ships' generators can be replaced by a bank of rechargeable batteries. This would allow passengers to have access to fossil-free electricity on board, and the ship could reduce its emissions. This would make the ships into "plug-in hybrids".

Plans are afoot to charge the ship's batteries using solar energy when the ship is docked, and this will include a technical solution with onshore energy storage, with associated chargers and control systems. Supplementing the current generators with rechargeable batteries would significantly reduce CO₂ emissions from ships. This initiative is a cooperation project involving Gotland Tech Development, Helios Nordic Energy, METS Technology AB and ABB AB, which has also received funding from the Swedish Energy Agency.

Biogas Research Center

Gotland Tech Development cooperates with the Biogas Research Center through Region Gotland. This is a national competence centre that aims to create a strong national competence base for industrially and socially motivated research and development of biogas solutions. Biogas plays an important part in the transformation of shipping, and availability is still a limiting factor.

Gotland Hotels & Properties

Gotland Hotels & Properties is the new name of Gotlandsresor, which operates holiday complexes and owns properties on Gotland.

Key performance indicators

SEK 68 million

Annual sales, 2021

48%

Change compared with 2020

Gotland Hotels & Properties is working actively to create reasons to travel to Gotland. Two holiday resorts are operated within the framework of the operation – the Scandic Visby hotel and the Visby Gustavsvik holiday village. Scandic Visby, with 214 rooms, is Gotland's biggest hotel and is in a central location at the Port of Visby. Visby Gustavsvik is just north of Visby and offers apartments, Bed & Breakfast rooms and cottages, offering capacity in excess of 500 beds.

The company also has properties in central locations in Visby, where Gotland Hotels & Properties rents out premises and housing to both companies and private individuals. With the change of name, the business took over the operation of all Rederi AB Gotland properties and thus takes on a clearer role as a property manager and developer on Gotland.

We have more than 30 permanent employees, and we take on more people during peak season. The company employed 160 people at most in 2021. Sales in the company in 2021 amounted to around SEK 68 million, representing an increase of over 48 per cent compared with 2020.

Higher occupancy than ever before

As in 2020, holiday resorts and occupancy have encountered wide fluctuations and uncertainty. After a relatively weak spring in which pandemic restrictions continued, the booking rate increased significantly towards the summer. 2021 was actually a record summer, with higher occupancy than ever before in July. The strong booking rate continued into the autumn, and Gotland has proven to be a strong destination for "staycations".

Besides the staycation trend, Gotland Hotels & Properties has also noted a growing trend towards more bookings over weekends, as well as greater interest in travel in the outdoor segment. The demand for golfing holidays, for example, has evolved during the year. More people are also choosing to discover Gotland outside peak season because of the pandemic. Although the summer months still see the highest concentration of visits, there has been a significant shift and increased interest in both autumn and spring.



Photo: Magdalena Björnsdotter



Major flexibility to meet seasonal variations

In 2021, the pandemic had a major impact on travel development and the tourist industry in general. With major changes in infection rates and recommendations, the ability to adapt has been key.

“I am very proud of our staff, and of how we as an organisation have handled yet another year of uncertainty and volatility in society. We are used to adapting what we do and working flexibly, but this has been more important than ever this year.”

Scandic Visby is the part of the business that is open all year round. The hotel's operations are adapted to cope with the major variations in occupancy that are seen between winter and summer, and as an organisation we have a great deal of experience in adjusting to large visitor flows.

“This meant that we were well equipped to deal with the variations that were partly brought about by the pandemic. We have worked flexibly to manage restrictions and have remained open throughout the year. And we have been able to offer our guests the best possible service, regardless of the situation, thanks to a strong sense of unity cohesion and a great deal of dedication.”

Carina Hammander

CEO, Gotland Hotels & Properties



Photo: Karl Melander

Nordic Swan Ecolabel and reduced use of plastic

Both holiday complexes are working constantly and systematically to reduce their carbon footprint and run the most sustainable facilities possible. The sustainability approach permeates day-to-day operations, but is also an important element in decisions on how to develop the facilities going forward. One important initiative for our facilities involves reducing the use of plastic. All disposable plastic items have been replaced with other alternatives, thereby reducing the risk of littering and the adverse impact of plastic on the environment.

Scandic Visby also bears the Nordic Swan Ecolabel, which is the most stringent ecolabel in our industry. This label was established by the Nordic Council of Ministers and requires us to comply with a number of criteria in terms of energy and water use, waste management and recycling. We also work with the “Ecostay” concept at the hotel, which means that our guests have the opportunity to choose whether their rooms should be cleaned every day or less frequently. Not cleaning rooms unnecessarily can save on large amounts of water and detergent. Since 2018, Scandic Visby has also been affiliated to the Karma app, where food that would otherwise have gone to waste can be resold. Our partnership with Karma since 2018 has allowed us to save more than 1.12 tonnes of food from being thrown away.

In 2021, Gotland Hotels & Properties also invested in a number of charging stations for electric cars at both facilities. This allows our guests to reduce their footprint during their holidays.

Expansion plans for a more attractive Gotland

We are always looking at ways to expand both existing and new properties and make people more interested in Gotland. At Gotland Hotels & Properties, we are always working to come up with more reasons to travel and to make it possible for everyone wishing to visit the island to do so both during and outside peak season. Moreover, we are always looking at ways to expand both existing and new premises and homes.

We acquired new land and properties near Ljugarn, Eastern Gotland in late 2021. This land, which covers more than 48 hectares, is known as Östersjöparken, and given its location, it is an interesting area in which to develop the island's tourist industry. We aim to start a detailed development planning process with authorities and other stakeholders in 2022.

Active efforts are underway at Visby Gustavsvik holiday village to realise the company's vision for the future of the site. So that we can take the next step, we have submitted a request to Region Gotland during the year concerning acquisition of the land, i.e. the site included in the current ground lease agreement that the company has with Region Gotland.

Work was also done in 2021 on development of a new detailed development plan for Scandic Visby. It is hoped that this new detailed development plan will be completed in 2022.





Photo: Joel Nilsson

Gotland Tankers

Gotland Tankers manages and holds operational responsibility for Rederi AB Gotland's product tanker tonnage, with ships operating in a global market.

Key performance indicators

SEK 146 million

Annual sales, 2021

-40%

Change compared with 2020

Its fleet consists of six ships from 49,000 to 53,000 DWT in size, which are leased out to companies on a contract basis or pooled with companies such as Maersk. The ships are in the Medium Range (MR) segment and transport refined oil products, vegetable oils and chemicals, but they can also carry other liquid products such as methanol.

Gotland Tankers is constantly working to develop and implement new technology. Maritime transport is one of the most efficient ways of transporting large volumes of cargo, but emissions from ships still present an important challenge. This technological leap has taken longer than for passenger and cargo (RoPax) ships.

For tanker operations, emissions data is delayed slightly due to data revision. For Gotland Tanker's six ships, emissions from services amounted to 94,000 tonnes of CO₂ for 2020.

The product tanker market has been weak in 2021, resulting in a loss for the company. In recent years, Rederi AB Gotland has halved its holdings in product tankers, resulting in a reduction in the size and scope of the business.

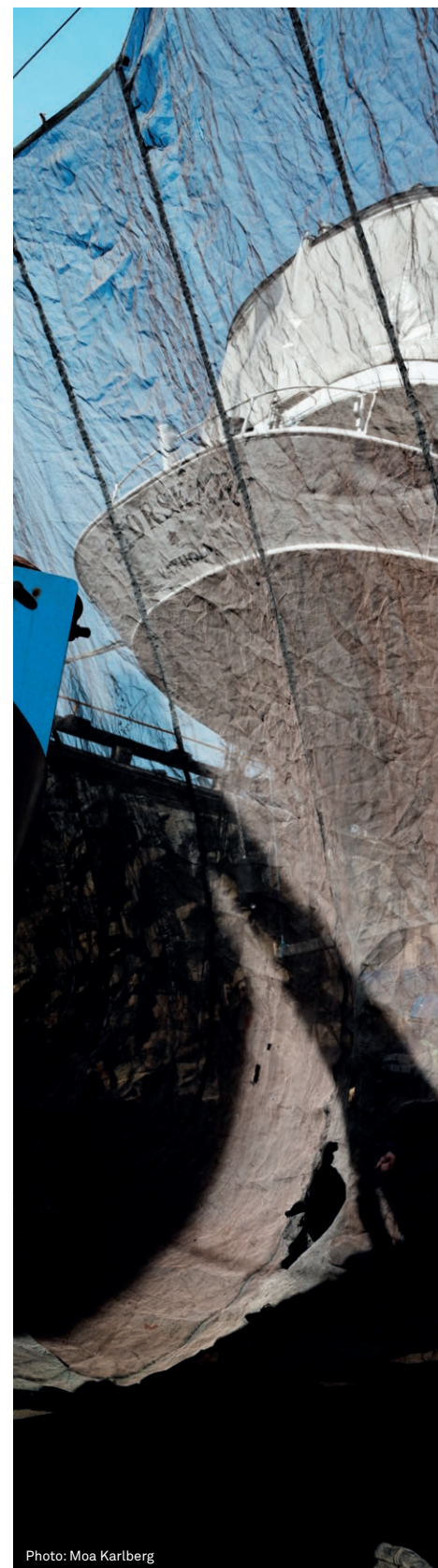


Photo: Moa Karlberg



Stockholms Reparationsvarv

Stockholms Reparationsvarv has been active since 1992 and is situated on the island of Beckholmen in Stockholm. Between 50 and 100 ships are repaired here every year.

Key performance indicators

SEK 152 million

Annual sales, 2021

-20%

Change compared with 2020

This shipyard provides all necessary service for repairs, maintenance, conversion and modernisation for most types of ship. The company also repairs coastguard vessels, road ferries, naval vessels and icebreakers on behalf of the state.

Our operations are divided into three areas; Shipyard, Ship Servicing and Chandlery. The shipyard has a wide range of equipment for servicing ships throughout the Baltic Sea; dry docks, cranes, berths, stores and workshops. Rederi AB Gotland has held a 62.5 per cent holding in the company since 2013.

Quality and environment

We are actively working with quality and the environment at the shipyard and hold certification to ISO 9001 (quality) and ISO 14001 (environment). Our aim is to always prevent pollution and improve environmental performance, as well as to recycle and collect residual materials. A new flushing water treatment plant was installed at the Gustav V dry dock in 2021. This will be subject to test operation in 2022 for permanent installation. Moreover, our job involves working to extend the life of existing ships.

New detailed development plan for 2021

Detailed development planning for Beckholmen began in 2021, and this is being carried out together with Kungliga Djurgårdens Förvaltning (KDF) and the Stockholm City Planning Office with a view to creating opportunities for more long-term investments in the shipyard facility and its future infrastructure. Exhibition prior to consultation on the plans will take place before summer 2022.

The share and development

Rederi AB Gotland was founded on Gotland, and we have close links with Gotland island life and the business community.

On 31 December 2021, at the end of the financial year, Rederi AB Gotland had 2,973 (2,947) shareholders, of whom almost two-thirds are Gotland residents. Institutional ownership totalled 3.9 per cent on 31 December 2021. Our annual general meetings in Visby are normally some of the most popular in Sweden, and they provide an important opportunity for us to communicate with the owners of our company.

Since 2004 Rederi AB Gotland's shares have been traded on the "Mangold list", a market maintained by Mangold Fondkommission.

Share capital

At the end of the 2021 financial year, share capital in Gotlandsbolaget amounted to SEK 2,776,976 (2,776,976), distributed across 2,500,000 shares with a quotient value of SEK 1.11. The shares are divided into 1,811,693 A shares with ten votes each and 688,307 B shares with one vote each.

Share price and sales

The share price rose to SEK 1,400 kronor for the A share and SEK 1,350 for the B share during the 2021 financial year, compared with the previous year in which the share price for the A share was SEK 1,300 and the price for the B share stood at SEK 1,320. OMXSPI, which reflects

developments on the Stockholm Stock Exchange, rose by 35 per cent in 2021.

The highest price paid during the financial year was SEK 1,475 for the A share and SEK 1,500 for the B share. The lowest price paid for the A share was SEK 1,290, and SEK 1,300 for the B share. During the financial year 4,523 shares were traded on the Mangold list for a total value of SEK 6 million. Rederi AB Gotland's B share was the more heavily traded of the company's two classes of share during the financial year.

Dividend policy

The Board has agreed on an objective that dividends should, in principle, reflect growth in reported equity. On 31 December 2021, equity was SEK 4,565 million, compared with SEK 4,470 million on 31 December 2020. The Board therefore proposes a dividend of SEK 8.20 (8.00) per share.

Ratios per share are shown on page 44.



Photo: Karl Melander

Since its registration on the Stockholm Stock Exchange in 1982, the share capital of Rederi AB Gotland has developed as follows:

Year	Transaction	Increase/decrease in number of shares	Increase/decrease of share capital, SEK	Total number of shares	Total share capital, SEK
1983	Bonus issue/split	+210,000	+2,100,000	630,000	6,300,000
1989	Split 10/1	+5,670,000		6,300,000	6,300,000
1998	Redemption	-860,304	-860,304	5,439,696	5,439,696
1999	Redemption	-1,029,524	-1,029,524	4,410,172	4,410,172
2002	Reduction (buy-back)	-410,172	-410,172	4,000,000	4,000,000
2003	Reduction (buy-back)	-153,388	-153,388	3,846,612	3,846,612
2004	Reduction (redemption)	-92,195	-92,195	3,754,417	3,754,417
2005	Reduction (buy-back)	-384,661	-384,661	3,369,756	3,369,756
2005	Reduction (redemption)	-600,000	-600,000	2,769,756	2,769,756
2011	Redemption/bonus issue	-269,756	+7,220	2,500,000	2,776,976

Between 1982 and 2004 the shares were traded on the O list of the Stockholm Stock Exchange.

Ownership structure, 31 December 2021

Shareholders	Total	A shares	B shares	% of votes	% of shares
Trojaborg AB and Eric D. Nilsson and family	1,532,868	1,422,548	110,320	76.2%	61.3%
Svenska Stålbyggen Invest AB (Jonas Åman)	239,430	86,980	152,450	5.4%	9.6%
TJ Gruppen AB and family	114,989	95,874	19,115	5.2%	4.6%
Johan Thorell and companies	114,810	18,668	96,142	1.5%	4.6%
Mats Johansson	34,049	10,273	23,776	0.7%	1.4%
Stiftelsen Mjölkdroppen	28,950	9,650	19,300	0.6%	1.2%
Magnus Wiman and companies	17,662	6,832	10,830	0.4%	0.7%
Sällskapet DBW	14,100	5,000	9,100	0.3%	0.6%
Jerry Martinger	8,358	5,600	2,758	0.3%	0.3%
Birgitta Wiman	5,500	5,100	400	0.3%	0.2%
Foreign trustees	4,510	100	4,410	0.0%	0.1%
Others	384,774	145,068	239,706	9.1%	15.4%
	2,500,000	1,811,693	688,307	100.0%	100.0%

Distribution after shareholding, 31 December 2021

Shareholding	Number of shares	% of shares	Number of shareholders	% of shareholders
1-200	80,271	3.2%	2,634	88.5%
201-500	56,609	2.3%	177	6.0%
501-1000	53,364	2.1%	73	2.5%
1001-5000	121,955	4.9%	62	2.1%
5001-	2,187,801	87.5%	27	0.9%
Total	2,500,000	100%	2,973	100%

The share of institutional ownership of the capital is 3.9%, and 2.1% of the votes.



Photo: Olof Segerberg

Our ships

Rederi AB Gotland owned
thirteen ships at the end of 2021.

Vessels

M/S Visby

M/S Gotland

M/S Visborg

M/S Drotten

HSC Gotlandia

HSC Gotlandia II

M/S Valentine

Tankers

M/T Gotland Aliya

M/T Gotland Marieann

M/T Gotland Sofia

M/T Gotland Carolina

M/T Wisby Atlantic

M/T Wisby Pacific

Coming soon

Gotland Horizon



Vessels Built	M/S Visby 2018 at Guangzhou Shipyard International Co Ltd (GSI), China	M/S Gotland 2019 at Guangzhou Shipyard International Co Ltd (GSI), China	M/S Visborg & M/S Drotten 2003 at Guangzhou Shipyard International Co Ltd (GSI), China
LOA	199.9 m	199.9 m	196 m
Breadth	25.86 m	25.86 m	25.67 m
Draught	6.40 m	6.40 m	6.40 m
Gross tonnage	32,447	32,447	29,746
Net tonnage	11,312	11,312	9,505
Deadweight	4,636/4,589 DWT	4,636/4,589 DWT	5,248 / 5,174 DWT
Speed	28.5 knots	28.5 knots	28.5 knots
Vessel type	RoRo passenger ferry	RoRo passenger ferry	RoRo passenger ferry
Main engines	46,800 kW	46,800 kW	50,400 kW
Passenger capacity	1,650	1,650	1,500
Cabins	98 cabins	98 cabins	115 cabins
Load capacity	500 cars or 1,745 load metres of cargo	500 cars or 1,745 metres of cargo	500 cars or 1,800 load metres of cargo
Class	DNV, Ice Class 1A	DNV, Ice Class 1A	DNV, Ice Class 1A



Vessels Built	HSC Gotlandia 1999 by Alstrom Leroux Naval, Lorient, France	HSC Gotlandia II 2006 at Fincantieri, Riva Trigoso/Genoa, Italy	M/S Valentine 1999 Kawasaki Heavy Industries, Sakaide, Japan
LOA	112.51 m	122 m	162.49 m
Breadth	16.11 m	17.05 m	25.4 m
Draught	2.61 m	3.29 m	6.52 m
Gross tonnage	5,632	6,554	23,986
Net tonnage	1,689	1,996	7,195
Deadweight	450 tonnes	543 DWT	9,677 DWT
Speed	32 knots	32 knots	17 knots
Vessel type	Single-hulled high-speed craft, HSC B	Single-hulled high-speed craft, HSC B	RoRo cargo ship
Main engines	28,320 kW	36,000 kW	2 x 4,920 kW
Passenger capacity	700	780	12
Cabins	-	-	12 cabins
Load capacity	140 cars	160 cars	2,307 metres of cargo
Class	DNV	DNV	LRS, 100A1, Ice 1C

**M/T Gotland Marieann**

2008 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.2 m
13.5 m
29,283
15,939
53,000 DWT
15 knots
GSI Gotland Class –
Tanker for Chemicals and Oil
11,340 kW
–
–
54,000 m³
DNV, +1A1 Super Ice Tanker
for Chemicals and Oil

**M/T Gotland Sofia**

2007 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.2 m
13.5 m
29,283
15,939
53,000 DWT
15 knots
GSI Gotland Class –
Tanker for Chemicals and Oil
11,340 kW
–
–
54,000 m³
DNV, +1A1 Super Ice Tanker
for Chemicals and Oil

**M/T Gotland Carolina**

2006 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.2 m
13.5 m
29,283
15,939
53,000 DWT
15 knots
GSI Gotland Class –
Oil/Chemical Tanker
11,340 kW
–
–
54,000 m³
DNV, +1A1 Super Ice Tanker
for Chemicals and Oil

**M/T Gotland Aliya**

2008 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.2 m
13.5 m
29,283
15,939
53,000 DWT
15 knots
GSI Gotland Class –
Oil/Chemical Tanker
11,340 kW
–
–
54,000 m³
DNV, +1A1 Super Ice Tanker
for Chemicals and Oil

**M/T Wisby Pacific**

2017 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.3 m
18.2 m
29,680
14,235
49,400 DWT
14.5 knots
Oil and Chemical Tanker
6,484 kW
–
–
53,650 m³
Lloyd's Register, Double Hull
Oil and Chemical Tanker

**M/T Wisby Atlantic**

2017 at Guangzhou
Shipyard International
Co Ltd (GSI), China
183.2 m
32.3 m
18.2 m
29,680
14,235
49,400 DWT
14.5 knots
Oil and Chemical Tanker
6,484 kW
–
–
53,650 m³
Lloyd's Register, Double Hull
Oil and Chemical Tanker



Coming soon

Vessels	Gotland Horizon
In service	By 2030
Passenger capacity	1900
Load capacity	600 cars or 100 trucks
Vessel type	RoPax
Emissions	0



Board of Directors' report

The Board of Directors and the CEO of Rederi AB Gotland (publ), corporate identity number 5560008020, hereby submit the annual report for the 2021 financial year for the Parent Company and the Group. Rederi AB Gotland is a subsidiary of Trojaborg AB, based on Gotland, corporate identity number 556339-9574.

Profits and revenues

The Group's sales increased by SEK 326 million, amounting to SEK 2,337 (2,011) million. Operating profit fell by SEK 18 million, amounting to SEK 124 (142) million. Profit after financial income and expenses decreased from SEK 159 million to SEK 150 million. Last year's profits were positively affected by the sale of ships, with a total capital gain of SEK 120 million.

The impairment in profit is largely due to a very weak product tanker market, with a significant loss for Gotland Tankers AB during the year which also accelerated in the last four months of the year.

Demand for travel to Gotland has increased since the government and authorities relaxed the restrictions that were in place during the COVID-19 pandemic.

Company focus

The business primarily comprises shipping operations whereby the subsidiary Destination Gotland AB is responsible for the Gotland service and the wholly owned subsidiary Gotland Tankers AB is responsible for tanker operations. Gotland Hotels & Properties AB is responsible for the Group's hotel operations and property management. Hansa Destinations AB operates ferry services between Sweden and Germany.

Stockholms Reparationsvarv AB carries out ship repair and maintenance, Gotland Tech Development AB works on the development of fossil-free shipping, and Gotland Capital Management AB conducts asset management.

Destination Gotland AB

Destination Gotland, which runs services between Gotland and the Swedish mainland, charters the ships M/S Visby,

M/S Gotland, M/S Drotten, HSC Gotlandia and HSC Gotlandia II. The current contract with the Swedish Transport Administration for Gotland services extends to the end of January 2027.

Destination Gotland's net sales including the subsidiaries Gotland Promotion AB and Gotlands Stuveri AB increased to SEK 1,820 million from SEK 1,387 million in the previous year. This increase is due to an increase in passenger numbers following the easing of pandemic restrictions.

The number of passengers using Destination Gotland's ferries increased by 40 per cent compared with the previous year to a total of 1,723,082 (1,235,480). The number of vehicles increased by 36 per cent to 594,705 (437,564), while the number of lane metres of cargo increased by 6 per cent to 839,221 (794,383). For 2021, the total compensation paid by the Swedish Transport Administration amounted to SEK 535 (461) million, which corresponds to 30 per cent of sales.

Hansa Destinations AB

A new ferry service was launched between Nynäshamn and Rostock at the end of August 2021. Hansa Destinations AB runs the M/S Drotten on the route, which is chartered from Destination Gotland AB. This initiative offers transport between Sweden and Germany with reduced emissions of harmful greenhouse gases as a result, and it has been granted funding through an eco-bonus from the Swedish Transport Administration. Net sales for the year amounted to SEK 17 million.

Gotland Tankers AB

The Group's tanker operations are undertaken by Gotland Tankers together with subsidiaries and other Group companies. The vessels are employed by way of commercial management in pool partnerships or by being chartered on a contract basis.

The product tanker market has remained weak in 2021. This, along with high costs in 2021, has had an adverse impact on earnings for the Group's overall shipping operations throughout the year.

Gotland Hotels & Properties AB

Gotland Hotels & Properties (formerly GotlandsResor AB) is responsible for all properties within the Group, which include the island's biggest hotel – Scandic Visby – and the Visby Gustavsvik holiday complex. There are a total of over 1,000 beds.

Net sales for Gotland Hotels & Properties increased to SEK 60 million from SEK 40 million in the previous year due to increased demand and more visitors to Gotland, mainly during the summer as a result of easing of restrictions.

Stockholms Reparationsvarv AB

The Group owns 62.5 per cent of Stockholms Reparationsvarv, which operates in Beckholmen, Stockholm. Between 50 and 100 vessels of all types are repaired annually. Net sales fell to SEK 150 million from SEK 188 million following increased competition, but are expected to increase over the next few years thanks to a number of major contracts.

Gotland Tech Development AB

The company's mission is to drive development towards more sustainable technology solutions and future fossil-free maritime transport systems. The end of the year saw the presentation of the Gotland Horizon, Rederi AB Gotland's new concept ship for fossil-free travel.

Gotland Capital Management AB

The Group's capital management and liquidity management activities are handled by Gotland Capital Management AB.

Shipping

The ships M/S Visby, M/S Gotland, M/S Drotten and HSC Gotlandia II were employed on the Gotland service throughout the year, with HSC Gotlandia as a reserve ship. The M/S Drotten has been operating scheduled services for Hansa Destinations AB since the end of August.

During the year, the M/S Visborg has been engaged in charters for DFDS between Dunkirk in France and Rosslare in Ireland.

The Group owns four Gotland Class sister ships of 53,000 DWT each, all of which are part of a pool partnership with Maersk Tankers at the balance sheet date. M/T Gotland Carolina and M/T Gotland Marieann have technical and crew management undertaken by Wisby Shipmanagement AB. M/T Gotland Sofia and M/T Gotland Aliya have technical and crew management undertaken by SP Hamburg Tankers GmbH & Co.

The Group also owns 50 per cent of the product tankers M/T Wisby Atlantic and M/T Wisby Pacific, each of 49,000 DWT, which are both chartered to Stena Bulk, with technical and crew management undertaken by Wisby Shipmanagement AB.

During the year, the Group acquired the RoRo ship M/V Valentine, which is chartered by KiwiRail and operates on domestic services between the North and South Islands in New Zealand.

Investments

The Group's gross investments during the period amounted to SEK 192 (110) million.

Sustainability

Destination Gotland has compiled a sustainability report that can be accessed via www.destinationgotland.se.

Risks

The company has observed how the impact of the spread of the SARS-CoV-2 virus, causing the COVID-19 disease, may affect the company's future development and risks that may impact on financial reporting going forward. In this assessment, the company has come to the conclusion that this may have a negative impact on the company's revenues for travel and accommodation in particular, including in 2022.

As the company's business is international, it is exposed to foreign currency risks. Currency flows relating to ferry operations are mainly denominated in SEK. Inward and outward payments relating to product tankers are denominated in USD and EUR. The company does not normally hedge these currency flows in relation to SEK. Investments in USD and EUR counteract the foreign currency risk to a certain extent. As a result of bunker purchases and vessel orders,

variations in exchange rates do, however, have an impact. The agreement between Destination Gotland and the Swedish Transport Administration entails a significant risk in terms of fluctuations in the price of raw materials.

The market risks of fluctuations in demand in the product tanker segment are reduced by the majority of the shipping company's ships in this segment either being included in pool partnerships or being chartered on long-term contracts. Destination Gotland and Gotland Hotels & Properties have a market risk related to demand for accommodation and travel to and from Gotland.

Where the company decides to invest in liquid assets, it does so in the money market, or in banks or commercial papers with high credit ratings.

The work of the Board of Directors

The Board of Directors met twelve times during the year.

Financial position

- The consolidated liquid assets amounted to SEK 2,397 (2,034) million.
- Interest-bearing liabilities amounted to SEK 170 (163) million.
- The equity/assets ratio was 84 (85) per cent.
- Equity per share amounted to SEK 1,826 (1,788).

The Parent Company's earnings and sales

The Parent Company's profit after financial items and expenses amounted to SEK 15 (175) million. Revenues amounted to SEK 123 (209) million.

Proposed appropriation of profits

Parent Company profits at the disposal of the Annual General Meeting (SEK):

Profit brought forward	569,570,128
Net profit for the year	-9,486,391
	<u>560,083,737</u>

The Board of Directors and the CEO propose:

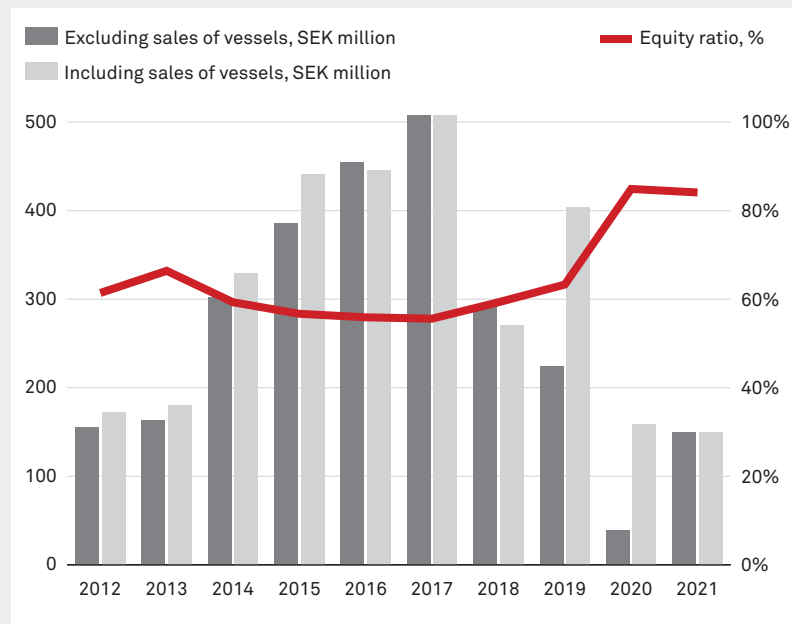
That a dividend of SEK 8.20 be paid to shareholders

(2,500,000 shares)	20,500,000
To be carried forward	<u>539,583,737</u>
	560,083,737

The payment date for the adopted dividend is estimated to be 09/06/2022. The Board finds the proposed dividend reasonable in view of what is stated in §3, Chapter 17 of the Swedish Companies Act regarding the requirements governed by the nature, scope, and risks of the business place in terms of the size of equity and consolidation needs, and the liquidity and general position of the Parent Company and Group.

The income statement and balance sheet will be presented to the Annual General Meeting for adoption.

Profit after net financial items/equity ratio



The business in brief – Group

	2021	2020	2019	2018	2017
From the income statement (SEK million)					
Revenues	2,336.7	2,011.1	2,716.5	2,492.3	2,413.1
Profit after financial items	149.8	159.0	403.4	270.4	508.1
Return (%)					
– on equity after tax ¹	2.5	7.7	7.7	5.5	9.2
– on capital employed ²	3.6	4.4	8.6	6.9	11.1
– on total capital ³	3.3	4.2	8.2	6.5	10.4
From the balance sheet (SEK million)					
Fixed assets	2,768.0	2,949.0	3,573.5	4,036.2	4,005.8
Current non-interest-bearing operating liabilities	391.6	367.7	316.2	297.7	464.5
Non-current liabilities	165.5	160.1	1,290.2	1,702.3	1,867.4
Equity	4,564.7	4,469.7	4,166.9	3,869.5	3,672.9
Total assets	5,429.2	5,264.3	6,584.1	6,522.7	6,601.0
Equity ratio (%) ⁴	84.1	84.9	63.3	59.3	55.6
Per share (SEK)					
Equity	1,825.89	1,787.90	1,666.75	1,547.79	1,469.14
Profit after tax	46.01	133.33	123.92	83.21	129.42
Dividend	8.20*	8.00	0.00	7.40	7.00
Share price at end of accounting period (SEK)					
B shares	1,350	1,320	1,375	1,300	1,200
Other					
Gross investments (SEK million)	192	110	497	926	822
Number of employees	785	605	810	741	730
Average number of shares	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000

Definitions:

¹⁾ Profit after tax in relation to average equity.

²⁾ Profit after financial items plus financial expenses in relation to average total assets less current non-interest-bearing operating liabilities.

³⁾ Profit after financial items plus financial expenses in relation to average total assets.

⁴⁾ Equity in relation to total assets.

* Board's proposal

Income statement 2021

Amounts in SEK thousand	Note	GROUP		PARENT COMPANY	
		2021	2020	2021	2020
Net sales	1, 2	2,291,034	1,870,221	123,024	176,159
Gains on sale of fixed assets		202	120,439	–	32,310
Other revenues	3	45,471	20,557	2	97
Profit from participations in operational associates		–	–87	–	–
Total revenues		2,336,707	2,011,130	123,026	208,566
Operating expenses					
Other external expenses	2, 4	–1,288,775	–1,008,281	–85,600	–50,984
Personnel expenses	5, 6	–545,560	–472,323	–17,598	–13,848
Depreciation vessels	7	–362,535	–372,645	–	–184
Depreciation of other fixed assets	8	–15,798	–15,196	–762	–791
Loss on sale/scrapping of fixed assets	8	–205	–670	–	–
Total operating expenses		–2,212,873	–1,869,115	–103,960	–65,807
Operating profit		123,834	142,015	19,066	142,759
Profit/loss from financial investments					
Profit/loss from participations in Group companies	9	–	35,712	–	–772
Profit from securities and receivables that are fixed assets	10	29,261	6,251	2,050	6,195
Interest income and similar profit/loss items	11	24,414	63,968	3,786	37,416
Interest expenses and similar profit/loss items	12	–27,750	–88,913	–9,654	–10,104
Total profit/loss from financial investments		25,925	17,018	–3,818	32,735
Profit after financial items		149,759	159,033	15,248	175,494
Appropriations					
Reversal depreciation over plan, vessels		–	–	1	20,829
Change in tax allocation reserve		–	–	102,055	33,972
Group contributions received		–	–	289,251	350,619
Group contributions paid		–	–	–416,041	–571,731
Tax for the year	13	–33,766	174,683	–	–
Minority share of net profit/loss for the year		–976	–399	–	–
NET PROFIT FOR THE YEAR		115,017	333,317	–9,486	9,183
Share data					
Earnings per share after tax, SEK		46.01	133.33		
Average number of shares		2,500,000	2,500,000		

Balance sheet as at 31 December 2021

ASSETS		GROUP		PARENT COMPANY	
Amounts in SEK thousand	Note	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Fixed assets					
Intangible fixed assets					
Goodwill	8	668	1,009	–	–
Property, plant, and equipment					
Vessels	7	2,559,311	2,742,642	–	–
New construction vessels and new construction properties	14	2,976	724	–	–
Land and buildings	8	146,528	151,024	26,248	26,981
Equipment	8	38,774	39,277	397	332
Total property, plant, and equipment		2,747,589	2,933,667	26,645	27,313
Financial fixed assets					
Participations in Group companies	15	–	–	167,075	167,013
Shares recognised according to the equity method	16	–	–	–	–
Participations in associates	17	400	400	200	200
Receivables from Group companies	18	–	–	848,266	819,097
Other non-current securities	19	5,682	5,842	5,047	5,047
Other non-current receivables	20	6,901	6,506	375	375
Deferred tax claim	21	6,798	1,561	–	–
Total financial fixed assets		19,781	14,309	1,020,963	991,732
Total fixed assets		2,768,038	2,948,985	1,047,608	1,019,045
Current assets					
Inventories					
Finished goods and goods for resale		23,749	15,456	–	–
Current receivables					
Accounts receivable		69,989	69,705	1,083	4,604
Receivables from Group companies		–	–	673	3,105
Other receivables		54,262	96,146	6,191	44,416
Tax assets		17,681	17,694	8,489	8,489
Percentage of completion	22	5,437	18,278	–	–
Prepaid expenses and accrued income	23	93,053	63,731	1,617	4,902
Total current receivables		240,422	265,554	18,053	65,516
Current investments	24	536,248	732,645	535,821	732,219
Cash and bank balances	25	1,860,789	1,301,627	1,824,822	1,247,557
Total current assets		2,661,208	2,315,282	2,378,696	2,045,292
TOTAL ASSETS		5,429,246	5,264,267	3,426,304	3,064,337

Balance sheet as at 31 December 2021

LIABILITIES AND EQUITY <i>Amounts in SEK thousand</i>	Note	GROUP		PARENT COMPANY	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
Equity					
Share capital		2,777	2,777		
Other capital contributions		2,626	2,626		
Other equity, including income for the year		4,559,325	4,464,346		
Equity attributable to Parent Company's shareholders		4,564,728	4,469,749		
Minority interests		17,426	16,450		
Restricted equity					
Share capital				2,777	2,777
Restricted reserves				2,481	2,481
Total restricted equity				5,258	5,258
Non-restricted equity					
Earnings brought forward				569,570	580,387
Net profit for the year				–9,486	9,183
Total non-restricted equity				560,084	589,570
Total equity		4,582,154	4,486,199	565,342	594,828
Untaxed reserves					
Accumulated depreciation over plan				39	40
Tax allocation reserves				162,190	264,246
Total untaxed reserves				162,229	264,286
Provisions					
Provisions for deferred tax	26	271,317	233,070	–	–
Provisions for pensions and similar obligations		8,103	7,576	–	–
Total provisions		279,420	240,646	0	0
Non-current liabilities					
Liabilities to credit institutions	27	159,034	153,598	–	–
Liabilities to Group companies	28	–	–	1,871,163	1,405,250
Other non-current liabilities		6,477	6,477	6,477	6,477
Total non-current liabilities		165,511	160,075	1,877,640	1,411,727
Current liabilities					
Liabilities to credit institutions	27	10,604	9,601	–	–
Accounts payable		139,448	76,100	23,685	12,250
Tax liabilities		67	2,370	491	488
Liabilities to Group companies		–	–	791,119	691,058
Other liabilities		21,552	97,949	1,020	83,456
Accrued expenses and deferred income	29	230,490	191,327	4,778	6,244
Total current liabilities		402,161	377,347	821,093	793,496
TOTAL LIABILITIES AND EQUITY		5,429,246	5,264,267	3,426,304	3,064,337

Statement of changes in equity

Share capital

Class of share	Number of	Quotient value SEK
A Non-restricted (quotient value SEK 1.11)	1,811,693	2,012,411
B Non-restricted (quotient value SEK 1.11)	688,307	764,565
Total	2,500,000	2,776,976

All shares are fully paid up.

GROUP

Amounts in SEK thousand	Share capital	Other capital contributions	Other equity		Total	Minority interests	Total capital
			Accumulated exchange rate differences	Retained earnings etc.			
Equity 01/01/2020	2,777	2,626	30,875	4,130,599	4,166,877	16,003	4,182,880
Changes for the year 2020:							
Proposed dividend				0	0		0
Deferred tax effects				430	430		430
Restatement of equity in foreign subsidiaries			5,316		5,316		5,316
Realised exchange-rate differences			-36,191		-36,191		-36,191
Net profit for the year				333,317	333,317	447	333,764
Equity 31/12/2020	2,777	2,626	0	4,464,346	4,469,749	16,450	4,486,199
Changes for the year 2021:							
Proposed dividend				-20,000	-20,000		-20,000
Restatement of equity in foreign subsidiaries			-38		-38		-38
Net profit for the year				115,017	115,017	976	115,993
Equity 31/12/2021	2,777	2,626	-38	4,559,363	4,564,728	17,426	4,582,154

PARENT COMPANY

Amounts in SEK thousand	Restricted equity		Non-restricted equity	
	Share capital	Statutory reserve	Retained earnings etc.	Total
Equity 01/01/2020	2,777	2,481	580,387	585,645
Changes for the year 2020:				
Proposed dividend			0	0
Net profit for the year			9,183	9,183
Equity 31/12/2020	2,777	2,481	589,570	594,828
Changes for the year 2021:				
Proposed dividend			-20,000	-20,000
Net profit for the year			-9,486	-9,486
Equity 31/12/2021	2,777	2,481	560,084	565,342

Cash flow statements

Amounts in SEK thousand	Note	GROUP		PARENT COMPANY	
		2021	2020	2021	2020
Operating activities					
Profit after financial items		149,759	159,033	15,248	175,494
Adjustments for items not included in cash flow					
Depreciation and write-downs of fixed assets	7, 8	378,333	387,842	762	975
Capital gains on the sale of fixed assets		3	-119,769	-	-32,310
Exchange rate differences		780	-25,087	7,947	-32,529
Other non-cash items		-	1,677	-	772
		528,875	403,696	23,957	112,402
Income tax paid		-3,046	-32,189	2	-7,059
Cash flow from operating activities before changes in working capital		525,829	371,507	23,959	105,343
Changes in working capital					
Change in inventories		-8,292	-986	-	-
Change in current receivables		30,199	-56,932	48,262	-4,825
Change in current liabilities		105,603	-10,459	106,690	-250,516
Cash flow from operating activities		653,339	303,130	178,911	-149,998
Investing activities					
Acquisition of vessels and new buildings	7	-179,204	44	-	-
New building projects, properties	14	-2,252	-	-	-
Acquisition of other property, plant, and equipment	8	-10,663	-22,808	-94	-
Sale of vessels		-	368,203	-	52,825
Sale of other fixed assets	8	202	817	-	92
Change in other financial fixed assets		-234	-1,164	-62	-50
Acquisition of subsidiaries' net assets		-	-87,500	-	-
Cash flow from investing activities		-192,151	257,592	-156	52,867
Financing activities					
Amortisation of debt		-93,763	-1,318,155	-83,060	-666,000
Change in intra-Group transactions	18, 28	-	-	309,953	106,481
Dividend to shareholders		-20,000	-	-20,000	-
Cash flow from financing activities		-113,763	-1,318,155	206,893	-559,519
Change in cash and cash equivalents		347,425	-757,433	385,648	-656,650
Cash and cash equivalents at start of year		2,034,272	2,788,251	1,979,776	2,611,759
Exchange rate differences in cash and cash equivalents		15,340	3,454	-4,781	24,667
Cash and cash equivalents at year-end	30	2,397,037	2,034,272	2,360,643	1,979,776

Accounting and valuation policies

General accounting policies

The annual accounts and consolidated financial statements have been prepared in accordance with the Annual Accounts Act and the general guidance of the Swedish Accounting Standards Board, BFNAR 2012:1 Annual Accounts and Consolidated Financial Statements (K3).

Valuation policies

Assets and liabilities have been valued at their cost of acquisition unless stated otherwise below.

Revenues

Revenues are reported on the basis of the actual amount received, or the amount expected, and are reported where it is probable that economic benefits will fall to the company. State subsidies are reported at fair value where there is reasonable assurance that the subsidy will be received and all associated conditions will be met. A state subsidy attributable to expected costs is reported as deferred income. The subsidy is taken up as income in a period in which the costs that the state subsidy is intended to compensate arise.

Receivables and liabilities in foreign currency

The receivables and liabilities in foreign currency of the Parent Company and Swedish Group companies have been translated at rate at the end of the reporting period. Currency gains and losses on operational receivables and liabilities are added to or deducted from the operating profit. Gains and losses on financial receivables and liabilities are reported as financial items.

Consolidated financial statements

The consolidated financial statements relate to the Parent Company and the companies in which Rederi AB Gotland directly or indirectly holds more than 50 per cent of the voting rights (Group companies).

Appropriations and untaxed reserves are not reported in the Group. These are instead divided between equity and deferred tax liabilities.

The consolidated accounts have been prepared in accordance with the acquisition accounting method, whereby the equity in Group companies on the acquisition date is fully eliminated. The procedure means that only earnings arising after the acquisition date are included in the Group's equity.

Intra-Group profit is eliminated in its entirety.

Translation of foreign subsidiaries

Subsidiaries in other countries prepare their annual report in a foreign currency. On consolidation, entries in these companies' balance sheets and income statements are translated at the closing rate and average rate respectively. The resulting exchange rate differences are recognised in cumulative exchange rate differences in equity.

Taxes, including deferred taxes

Reported income taxes include tax that is to be paid or received in respect of the current year, adjustments to tax in respect of previous years, changes in deferred tax, and a share of associated companies' tax.

All tax liabilities and assets are reported at their nominal value, in line with the tax regulations and tax rates that have been decided on or that have been announced and will in all probability be adopted. Deferred tax is calculated on all temporary differences arising between reported values of assets and liabilities and their values for tax and accounting purposes.

Deferred tax assets are recognised in respect of all deductible temporary differences and unutilised loss carry-forwards, where it is likely that there will be future taxable profits against which the temporary differences or unutilised loss carry-forwards can be offset. The reported value of the deferred tax assets is reviewed at the end of each reporting period.

Receivables

Receivables are reported as the payment expected in each individual case.

Inventories

Inventories are valued, applying the first-in/first-out principle, at the lower of the cost of acquisition and fair value at the end of the reporting period.

Fixed assets

Interest on capital borrowed to finance the production of an asset is not included in the cost of acquisition. All types of fixed assets are depreciated/amortised on a straight-line basis. For the depreciation/amortisation periods applied, see the relevant notes for the fixed assets. Where the value reported exceeds the calculated recoverable amount, the value reported is written down directly to this recoverable amount.

Companies that are not subsidiaries are considered as associates but where the Parent Company directly or indirectly holds at least 20 per cent of the votes for all shares, or otherwise has a significant influence.

The reporting of associated companies is dependent on how Rederi AB Gotland controls and monitors the companies' operations. The Group applies the equity method for unlisted holdings in cases where Rederi AB Gotland is involved in the business to a significant extent, which means that the shareholding is an integral part of the Group's core activities. From an accounting point of view, such a shareholding is classified as operational and the Group's share of the associated company's profit after tax is recognised in operating profit.

Other holdings in associated companies are classified as strategic holdings and the Group's share of these companies' profit after tax is recognised in net financial items.

Leases

All leases are treated as operational leases. The costs of operational leases are small amounts.

Cash flow statements

The cash flow statements have been prepared using the indirect method. The cash flow reported only includes transactions that involve inward or outward payments. Cash and cash equivalents are classified as bank balances and current financial investments.

Borrowings

Borrowings are initially reported as the amount received less transaction costs. If the amount reported differs from the amount to be repaid at the due date, the difference is allocated as an interest expense or interest income over the term of the loan. As a result, the amount reported and the amount to be repaid match at the due date.

Provisions

Provisions are made when there is a legal or constructive obligation and when a reliable estimate of the amount can be made.

Appropriations

Changes in untaxed reserves are recognised as appropriations in the income statement for the Parent Company. Group contributions are recognised as appropriations.

Shareholdings and participations in subsidiaries

Participations in Group companies are recognised at their cost of acquisition less any impairment losses. The cost of acquisition includes the purchase price paid for the shares and acquisition costs. Any capital injection and Group contributions are added to the cost of acquisition when made. Dividends from subsidiaries are recognised as income.

Untaxed reserves

Untaxed reserves in the Parent Company are recognised gross in the balance sheet, including the deferred tax liability attributable to the reserves.

Assessments and estimates

Market value assessments are carried out each year to assess the carrying amounts of vessels and commercial premises. Market value assessments for vessels are conducted both by way of market valuations based on official publications and individual valuations by brokers, as well as by discounted cash flow valuations based on estimated cash flow during the vessel's serviceable life and the present value calculation based on a weighted average of the required return on equity and interest on the capital borrowed.

Discounted cash flow valuations apply for commercial properties; that is, hotel operations and properties leased commercially. These are based on the forecast cash flow for the coming year calculated at present value based on a weighted average of the required return on equity and interest on the capital borrowed.

Notes to the consolidated and Parent Company financial statements

Amounts in SEK thousands unless stated otherwise

NOTE 1 NET SALES BY OPERATING SEGMENT

Net sales	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Foreign shipping operations	235,915	249,984	108,801	169,367
Passenger and cargo traffic, Sweden ¹⁾	1,706,866	1,327,278	–	–
Travel agency operations, Sweden	118,384	49,832	–	–
Hotel operations, Sweden	59,961	40,192	–	–
Shipyard operations, Sweden	149,872	188,488	–	–
Other, Sweden ²⁾	20,036	14,447	14,223	6,792
Total	2,291,034	1,870,221	123,024	176,159

¹⁾ Relates to Destination Gotland AB and Hansa Destinations AB. Revenues include SEK 535 (461) million as payment from the Swedish Transport Administration for the ferry services provided, and SEK 117 (80) million as payment for shipping support, which is proportionate to employer contributions and tax deductions on shipping income.

²⁾ Relates to Gotlands Stuveri AB with subsidiary, which is 94% owned by Destination Gotland AB, plus the property management in the Parent Company.

NOTE 2 PERCENTAGE OF PURCHASES AND SALES RELATING TO GROUP COMPANIES

	PARENT COMPANY	
	2021	2020
Sale of internal services	52%	95%
Purchase of internal services	62%	47%

NOTE 3 PUBLIC FUNDING

As a consequence of the COVID-19 pandemic, Group companies have received furlough funding for employees amounting to SEK 0 (2.2) million, as well as remuneration for high sick pay expenses amounting to SEK 1.6 (3.3) million. SEK 26 million has also been received as an additional bonus for the transfer of cargo transport from road to sea between Nynäshamn and Rostock, Germany.

NOTE 4 REMUNERATION TO AUDITORS

The following remuneration has been paid to the company's auditors:	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
<i>Öhrlings PriceWaterhousecoopers AB</i>				
Auditing assignments	1,890	2,034	881	943
Auditing activities other than auditing tasks	339	170	125	–
Other services	295	135	290	135
<i>KPMG</i>				
Other services	150	–	150	–
Total	2,674	2,339	1,446	1,078

Audit assignments refer to the auditor's work for the statutory audit and the term auditing activities refers to various types of quality assurance services. "Other services" are those that are not included in audit assignments, auditing activities, or tax consultancy.

NOTE 5 EMPLOYEE SALARIES AND BENEFITS AND PAYMENTS TO THE BOARD OF DIRECTORS AND MANAGEMENT

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Salaries and other remuneration				
Board of Directors and CEO	13,556	14,373	4,236	4,078
Other employees	363,148	311,901	7,637	5,496
Total	376,704	326,274	11,873	9,574
Social security contributions				
Pension costs for the Board of Directors and CEO	3,832	4,313	968	927
Pension costs for other employees	38,490	30,838	2,035	1,558
Other social security contributions in accordance with the law and agreements	113,145	100,195	3,638	2,693
Total	155,467	135,346	6,641	5,178

Remuneration to the CEO is prepared and determined by the Board of Directors. No variable remuneration is paid to senior management. The company has no outstanding pension commitments.

NOTE 6 AVERAGE NUMBER OF EMPLOYEES, ETC

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Average number of employees in Sweden				
Women	256	223	4	4
Men	529	382	6	6
Total	785	605	10	10
Board members at the end of the reporting period				
Women	6	23	2	2
Men	92	95	5	5
Total	98	118	7	7
Senior executives at the end of the reporting period				
Women	1	1	–	–
Men	6	7	1	1
Total	7	8	1	1

NOTE 7 VESSELS

Planned depreciation for the fast ferries M/S Visborg, M/S Gotland, M/S Visby, M/S Drotten, HSC Gotlandia, and HSC Gotlandia II is based on an economic life of 10 years from the year of construction. For conventional ferries, the depreciation period is normally 20 years. For product tankers, the depreciation period is 15 years with 10 per cent residual value. Planned dockings are depreciated over 5 years.

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Accumulated costs of acquisition				
At start of year	5,589,345	6,068,236	900,225	1,029,637
New acquisitions during the year	179,204	–44	–	–
Disposals for the year	–	–478,847	–	–129,412
Total accumulated costs of acquisition	5,768,549	5,589,345	900,225	900,225
Accumulated depreciation and impairment				
At start of year	–2,846,703	–2,704,324	–900,225	–1,008,846
Disposals for the year	–	230,266	–	108,805
Planned depreciation for the year	–362,535	–372,645	–	–184
Total accumulated depreciation and impairment losses	–3,209,238	–2,846,703	–900,225	–900,225
Residual value at year-end	2,559,311	2,742,642	0	0

NOTE 8 OTHER FIXED ASSETS

GOODWILL: Goodwill is amortised over five years.

	GROUP	
Accumulated costs of acquisition	31/12/2021	31/12/2020
At start of year	26,601	26,690
Reclassification	–	–89
Total accumulated costs of acquisition	26,601	26,601
Accumulated depreciation and impairment		
At start of year	–25,592	–25,339
Planned depreciation for the year	–341	–341
Reclassification	–	88
Total accumulated depreciation and impairment losses	–25,933	–25,592
Residual value at year-end	668	1,009

BUILDINGS AND LAND: Planned depreciation on buildings is calculated per building divided by components with different depreciation periods.

	GROUP		PARENT COMPANY	
Accumulated costs of acquisition	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	246,499	244,456	55,758	55,758
New acquisitions during the year	1,324	1,665	–	–
Reclassification	–	1,377	–	–
This year's scrappage	–383	–999	–	–
Total accumulated costs of acquisition	247,440	246,499	55,758	55,758
Accumulated depreciation and impairment				
At start of year	–95,475	–88,744	–28,777	–28,024
Planned depreciation for the year	–5,614	–5,683	–733	–753
Reclassification	–	–1,377	–	–
This year's scrappage	177	329	–	–
Total accumulated depreciation and impairment losses	–100,912	–95,475	–29,510	–28,777
Residual value at year-end	146,528	151,024	26,248	26,981

According to the cash flow method, the fair value of the investment properties within the Group has been calculated at SEK 130 million, which is higher than the book value of SEK 103 million. Corresponding values for investment properties in the Parent Company are SEK 23 million and SEK 8 million respectively: see above for valuation policies. The remaining properties are commercial properties.

EQUIPMENT: Planned depreciation on equipment, tools, and fixtures and fittings is calculated at 20 per cent of their acquisition value per annum.

	GROUP		PARENT COMPANY	
Accumulated costs of acquisition	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	162,843	153,370	5,536	5,828
New acquisitions during the year	9,339	20,873	94	–
Divestments and disposals during the year	–10,821	–5,852	–17	–276
Reclassification	–	–5,548	–	–16
Total accumulated costs of acquisition	161,361	162,843	5,613	5,536
Accumulated depreciation				
At start of year	–123,566	–125,794	–5,204	–5,458
Divestments and disposals during the year	10,822	5,851	17	276
Planned depreciation for the year	–9,843	–9,172	–29	–38
Reclassification	–	5,549	–	16
Total accumulated depreciation	–122,587	–123,566	–5,216	–5,204
Residual value at year-end	38,774	39,277	397	332

NOTE 9 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Capital gains/losses	–	35,712	–	–342
Impairment losses	–	–	–	–430
Total	0	35,712	0	–772

The Group's capital gains in 2020 relate to the realisation of translation differences in connection with the liquidation of Gotland Shipping Bahamas Ltd.

NOTE 10 RESULT FROM SECURITIES AND RECEIVABLES ACCOUNTED FOR AS NON-CURRENT ASSETS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Dividend	27,488	4,547	1,139	4,547
Impairment losses	–	–1	–	–
Results achieved on sales	1,773	1,705	911	1,648
Total	29,261	6,251	2,050	6,195

NOTE 11 INTEREST INCOME AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest income	3,993	1,075	3,786	1,463
Exchange rate gains	20,421	62,893	–	35,953
Total	24,414	63,968	3,786	37,416
Of which related to Group companies	–	–	1	391

NOTE 12 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Interest expenses	–6,504	–20,223	–1,700	–6,674
Exchange rate losses	–21,239	–68,680	–7,947	–3,424
Other financial expenses	–7	–10	–7	–6
Total	–27,750	–88,913	–9,654	–10,104
Of which related to Group companies	–	–	–	–

NOTE 13 TAX FOR THE YEAR

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
Current tax	-420	-1,402	-	-
Adjustment concerning previous year	-337	-	-	-
Deferred tax	-33,009	176,085	-	-
Reported tax expense	-33,766	174,683	0	0
Profit after financial items	149,759	159,033	15,248	175,494
Tax on profit after financial items, 20.6% (21.4) according to Swedish tax rate	-30,850	-34,033	-3,141	-37,556
Changes due to:				
Non-taxable income	6,032	29,691	235	-
Group contributions paid (net)	-	-	26,119	47,318
Non-deductible expenses	-1,071	-22,931	-655	-326
Tax effect, temporary differences, ships	-9,067	-22,255	-	-
Tax effect of other temporary differences	-	-11,564	-	-
Use of loss carryforward	35,718	2,828	-	2,828
Flat-rate income on tax allocation reserves	-1,570	-558	-1,534	-537
Corrections from previous year	-337	-	-	-
Increase in tax due to reversal from untaxed reserves	-	-	-21,024	-11,727
Settlement of coupon taxes paid on foreign securities upon acquisition	-	233,505	-	-
Tax credit for the purchase of equipment in 2021	5,129	-	-	-
Deferred tax on provisions for accelerated depreciation	-37,750	-	-	-
Reported tax expense	-33,766	174,683	0	0

NOTE 14 NEW BUILDING PROJECTS, PROPERTIES

	GROUP		PARENT COMPANY	
	2021	2020	2021	2020
At start of year	724	454	0	0
New acquisitions during the year	2,252	5,036	-	-
Reclassification	-	-4,766	-	-
Carrying amount at year-end	2,976	724	0	0



NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

	PARENT COMPANY	
	31/12/2021	31/12/2020
Opening cost of acquisition	167,013	167,736
Acquisitions during the year	62	100
Disposals for the year	–	–393
Revaluation	–	–430
Carrying amount at year-end	167,075	167,013

Specification of the Group's shareholdings and participations in Group companies

Swedish Group companies	Corp. ID. no.	Based	Number of	Carrying amount	Equity and share of votes, %	Equity	Financial outcome
Destination Gotland AB	556038-2342	Gotland	5,000	80,389	100	215,786	40,256
Gotland Hotels & Properties AB	556141-1009	Gotland	500	2,507	100	64,582	646
Gamla Wisby Bryggeri	556035-4341	Gotland	4,320	890	100	650	0
Gotlandsbolaget AB	556643-7850	Gotland	1,000	100	100	507,858	0
Rederi AB Hoburgen	556207-3816	Gotland	1,000	132	100	107,982	0
Rederi AB Våndburg	556496-2222	Gotland	1,000	1,120	100	1,120	0
Gotland Tankers AB	556762-3342	Gotland	1,000	68,100	100	63,983	7,092
Wisby Tanker Trading AB	556798-0700	Gotland	500	50	100	95	0
Rederi AB Lauter	556815-1293	Gotland	1,000	50	100	51	0
Rederi AB Djupvik	556815-1160	Gotland	1,000	50	100	50	0
Rederi AB Kyllaj	556864-0931	Gotland	500	50	100	51	0
Rederi AB Burgsvik	556864-0949	Gotland	500	50	100	51	0
Rederi AB Asunden	556899-3892	Gotland	1,000	50	100	50	0
Rederi AB Botvaldevik	556899-3884	Gotland	1,000	50	100	51	0
Sundre Rederi AB	556937-7764	Gotland	500	50	100	51	0
Hallshuk Rederi AB	556937-7756	Gotland	500	50	100	51	0
Nya Skärgårdsbolaget 2017 AB	556978-3573	Gotland	100	50	100	12,868	-3
Rederi Utholmen AB	556980-3660	Gotland	100	50	100	11,834	0
Stockholms Reparationsvarv AB	556426-2391	Stockholm	625	12,625	62.5	35,190	1,487
Hangvar Rederi AB	559019-6977	Gotland	1,000	50	100	51	0
Hellvi Rederi AB	559019-7025	Gotland	1,000	50	100	51	0
Rederi Sysne AB	559069-4807	Gotland	1,000	50	100	81,824	81,773
Rederi Grynge AB	559069-4831	Gotland	1,000	50	100	93,091	93,041
Rederi Boge AB	559122-3457	Gotland	1,000	50	100	50	0
Rederi Othem AB	559122-3374	Gotland	1,000	50	100	51	0
Rederi Enholmen AB	559164-8703	Gotland	500	50	100	2,198	2,147
Gotland Capital Management AB	559164-9149	Gotland	500	50	100	1,399,704	0
Gotland Tech Development AB	559212-4126	Gotland	500	50	100	50	0
Rederi Petesvik AB	559212-4167	Gotland	500	50	100	29	-21
Rederi Tubod AB	559265-9980	Gotland	500	50	100	50	0
Rederi Tomtbod AB	559266-1051	Gotland	500	50	100	50	0
Rederi Nordbod AB	559329-3151	Gotland	100	25	100	25	0
Rederi Grumbod AB	559332-4626	Gotland	100	25	100	25	0
Foreign Group companies							
Gotland Shipping Company Ltd		Malta	100	12	100		
Carrying amount at year-end				167,075			



CONT. NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

The following companies are sub-subsidiaries of Rederi AB Gotland, with their respective owner companies	Based	Equity and share of votes, %
Gotland Tankers AB		
Rederi AB Torsburgen	Gotland	100
Rederi AB Gute	Gotland	100
Rederi AB Ljugarn	Gotland	100
Rederi AB Klintehamn	Gotland	100
Rederi AB Kappelshamn	Gotland	100
Rederi AB Katthammarsvik	Gotland	100
Rederi AB Gnisvård	Gotland	100
Rederi AB Västergarn	Gotland	100
Gotland Class Shipping KB	Gotland	1
Destination Gotland AB		
Gotland Promotion	Gotland	100
Gotland Stuveri AB	Gotland	94
AB Carl E Ekman	Gotland	100
Gotland Excursion AB	Gotland	100
Rederi AB Lauter		
Gotland Class Shipping KB	Gotland	99
Rederi AB Hoburgen		
Rederi AB Vrenen	Gotland	100
Rederi AB Våndburg		
Rederi AB Sundersand	Gotland	100

NOTE 16 SHARES RECOGNISED USING THE CAPITAL INVESTMENT METHOD

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	0	194	–	–
Disposals	–	–194	–	–
Revaluation	–	–	–	–
Carrying amount at year-end	0	0	0	0

NOTE 17 PARTICIPATIONS IN ASSOCIATES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	400	400	200	200
Carrying amount at year-end	400	400	200	200

Specification of associates	Corp. ID. no.	Based	Number of	Carrying amount	Equity and share of votes, %
Victvädden på Gotland AB	556094-3549	Gotland	400	400	34.8
Total Group				400	
Of which Parent Company:					
Victvädden på Gotland AB	556094-3549	Gotland	200	200	17.4
Total Parent Company				200	

NOTE 18 RECEIVABLES FROM GROUP COMPANIES

	PARENT COMPANY	
	31/12/2021	31/12/2020
At start of year	819,097	1,581,254
Additional receivables	29,169	–
Settled receivables	–	-762,157
Carrying amount at year-end	848,266	819,097

NOTE 19 OTHER NON-CURRENT SECURITIES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	5,842	5,843	5,047	5,047
Sales	-160	–	–	–
Impairment losses	–	-1	–	–
Carrying amount at year-end	5,682	5,842	5,047	5,047

NOTE 20 OTHER NON-CURRENT RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
At start of year	6,506	5,149	375	375
Additional receivables	395	1,357	–	–
Carrying amount at year-end	6,901	6,506	375	375

NOTE 21 DEFERRED TAX ASSET

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Deferred tax asset attributable to temporary differences in assets				
Amount at start of year	1,561	12,860	–	–
Change for the year	5,237	-11,299	–	–
Carrying amount at year-end	6,798	1,561	–	–

NOTE 22 PERCENTAGE OF COMPLETION

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Reported income	75,344	178,562	–	–
Invoiced amount	-69,907	-160,284	–	–
Carrying amount at year-end	5,437	18,278	0	0

NOTE 23 PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Prepaid expenses	77,658	41,743	1,617	4,902
Other accrued income	15,395	21,988	–	–
Carrying amount at year-end	93,053	63,731	1,617	4,902

NOTE 24 CURRENT INVESTMENTS

Money market investments in banks with low risk.

NOTE 25 BANK OVERDRAFT FACILITIES

A revolving credit facility of SEK 0 (600,000) thousand has been granted.

NOTE 26 DEFERRED TAX LIABILITY

	GROUP	
	31/12/2021	31/12/2020
Deferred tax liability attributable to temporary differences in assets		
Amount at start of year	7,354	18,193
Change for the year	46,851	-10,839
Total	54,205	7,354
Deferred tax liabilities attributable to untaxed reserves in legal entities		
Amount at start of year	225,716	488,562
Change for the year	-8,604	-262,846
Total	217,112	225,716
Carrying amount at year-end	271,317	233,070

NOTE 27 LIABILITIES TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Due date 0–1 years from the end of the reporting period	10,604	9,601	–	–
Due date 1–5 years from the end of the reporting period	42,415	38,405	–	–
Due date over 5 years from the end of the reporting period	116,619	115,193	–	–
Carrying amount at year-end	169,638	163,199	0	0

Of the Group's liabilities to credit institutions, 169,638 (163,199) is in USD.

NOTE 28 LIABILITIES TO GROUP COMPANIES

	PARENT COMPANY	
	31/12/2021	31/12/2020
At start of year	1,405,250	1,839,814
Additional liabilities	465,913	–
Settled liabilities	–	-434,564
Carrying amount at year-end	1,871,163	1,405,250

These liabilities fall due for payment on demand.

NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Accrued personnel expenses	104,679	95,128	3,960	2,654
Accrued interest	156	126	–	–
Prepaid income	88,173	22,427	82	1,066
Other accrued expenses	37,482	73,646	736	2,524
Carrying amount at year-end	230,490	191,327	4,778	6,244

**NOTE 30 CASH AND CASH EQUIVALENTS**

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Bank deposits	1,860,789	1,301,627	272,530	75,288
Current investments	536,248	732,645	535,821	732,219
Funds in Group account	–	–	1,552,292	1,172,269
Carrying amount at year-end	2,397,037	2,034,272	2,360,643	1,979,776

NOTE 31 ASSETS PLEDGED TO CREDIT INSTITUTIONS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Mortgages	11,260	11,260	7,860	7,860
Ship mortgages	243,932	263,318	–	–
Chattel mortgages	13,475	13,475	1,825	1,825
Mortgage in shares	80,389	80,389	80,389	80,389
Guarantees	12,800	7,900	–	–
For own pension commitment	8,103	7,576	–	–
Total	369,959	383,918	90,074	90,074

NOTE 32 CONTINGENT LIABILITIES

	PARENT COMPANY	
	31/12/2021	31/12/2020
Guarantees on behalf of subsidiaries	212,537	206,099

Besides this, Rederi AB Gotland has an unlimited guarantee commitment with regard to Destination Gotland AB.

NOTE 33 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have occurred since the end of the financial year with regard to the company's financial position.

NOTE 34 PROPOSAL FOR PROFIT DISPOSAL

Parent Company profits at the disposal of the Annual General Meeting:

	SEK
Profit brought forward	569,570,128
Net profit for the year	–9,486,391
	560,083,737

The Board of Directors and the Chief Executive Officer propose:

That a dividend of SEK 8.20 be paid to the shareholders (2,500,000 shares)	20,500,000
To be carried forward	539,583,737
	560,083,737



Visby, 19 April 2022

Ann-Marie Åström
Chairman

Björn Nilsson
Vice Chairman

Annelie Hamberg

Eric D. Nilsson

Peter Skoglund

Lars Wedenborn

Jonas Åman

Håkan Johansson
President

Our audit report was submitted on 20 April 2022

Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorised Public Accountant

The Board of Directors



From left: *Annelie Hamberg (member, employee representative), Lars Wedenborn (member), Ann-Marie Åström (Chairman), Jonas Åman (member), Eric D. Nilsson (member and Honorary Chairman), Björn Nilsson (Vice Chairman), Peter Skoglund (member, employee representative), Maria Jansson (deputising member, employee representative).*

Audit report

To the general meeting of the shareholders of Rederiaktiebolaget Gotland, corporate identity number 556000-8020

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Rederiaktiebolaget Gotland for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 42–63 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–41 and 66–67. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated

accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Rederiaktiebolaget Gotland for the year 2021 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and

risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm 20 April 2022
Öhrlings PricewaterhouseCoopers AB

Magnus Thorling
Authorized Public Accountant





M/T Wisby Pacific

M/G Gotland Carolina

Gotland Sofia

M/S Valentine



Annual Report 2021

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