



Szczecin, 30-12-2019

COMMERCIAL ANNOUNCEMENT

Reg.: Compensation of the exchange rate differences

Dear Sirs,

The passing 2019 year is another uninterrupted period of significant depreciation of the Swedish crown against the European currency over the past three years. In the business model of the Unity Line ferry service, based on the revenue side of prices and freight counted in Swedish crown, and on the side of the costs mainly incurred by the euro currency, the big problem is to achieve the results giving the Ship owners the prospect of unwavering functioning. With long-standing stable SEK/EUR exchange rates in mind, significant exchange rate changes recorded in 2017 and 2018 were treated by our Ship owners as a course incident, in hopes of a slow rebuild SEK rate in 2019. Unfortunately, the trend has not been reversed, the depreciation of the crown against the euro after three years reaches 13,2 %. In addition, the available analyses for the coming period are quite pessimistic and do not provide for an improvement of the situation in this matter.

Such a picture of reality forces our Ship owners to implement mechanisms to protect the operation of the ferry service during this difficult period, making a tough decision to introduce to the Freight Tariff from 1 March 2020 a new freight surcharge (CAF – currency adjustment factor) compensating the changing Swedish crown exchange rate against the euro. Only the depreciation of the SEK rate of the last year was adopted to create a compensating mechanism, and this, according to Sveriges Riksbank data, reaches 3.27 % after 11 months. With regard to the reference freight rate, this corresponds to the difference in 5 SEK per meter of the vehicle and this size of the new CAF freight surcharge will be introduced. The algorithm set up will take into account any recorded change in the value of the Swedish crown compared to the euro by every 0,10 SEK, counting the increasing sum of average monthly rates from the previous 11 months of the year published by Sveriges Riksbank, becoming the basis for the correction of the CAF freight surcharge by 1,0 SEK per meter of the vehicle. The correction will take effect from the following month after the publication of our announcement on this matter.

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we własnym imieniu oraz jako agent I menager dla Euroafrica Shipping Lines Cyprus Limited.



The CAF surcharge will be reset if the average conversion rate in the year drops below SEK/EUR 10,10.

In addition to the above, we would like to inform you that we are proceeding with the work to convert our Freight Tariff from Swedish crowns to the euro. The real deadline for the introduction of such a tariff may be the beginning of 2021. For those interested in an earlier transition to settlements in the euro, we will already offer temporary solutions in this regard over the coming year 2020.

Unity Line Limited
Management

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