



# Unifeeder A/S

Hveensgade 1, 8000 Aarhus C

CVR No 11 81 05 43

## Annual Report for 2015

29th Financial Year

The Annual Report has been presented and adopted at the Annual General Meeting of the Company on 25 / 5 2016

Chairman

A handwritten signature in blue ink, consisting of several fluid, overlapping loops and strokes, positioned to the right of the word 'Chairman'.

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# Management's Statement on the Annual Report

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Unifeeder A/S for the financial year 1 January 2015 - 31 December 2015.

The Annual Report was prepared in accordance with the Danish Financial Statements Act. In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company, of the results of the Group and Parent Company operations and of consolidated cash flows.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Company, of the results for the year and of the financial position of the Group and the Company, as well as a description of the most significant risks and elements of uncertainty facing the Group and the Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

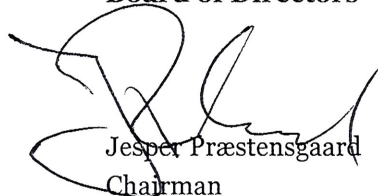
Aarhus, 28 April 2016

## Executive Board



Jesper Kristensen

## Board of Directors



Jesper Præstensgaard  
Chairman



Kim Gulstad



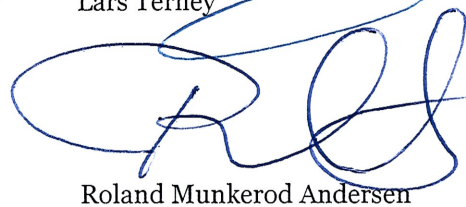
Lars Terney



Jess Ørgaard Libak Tropp



Hans Kasper Madsen



Roland Munkerod Andersen

# Independent Auditor's Report

To the Shareholder of Unifeeder A/S

## Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Unifeeder A/S for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, notes and accounting policies for both the Group and the Parent Company, as well as consolidated cash flow statement. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements in accordance with Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

# Independent Auditor's Report

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 December 2015 and of the results of the Group and Company operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

## Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Aarhus, 28 April 2016

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31



Michael Nielsson

State Authorised Public Accountant



Lars Greve Jensen

State Authorised Public Accountant

## Company Information

**The Company's name** Unifeeder A/S

**Address** "Shipping Huset"  
Hveensgade 1  
DK-8000 Aarhus C

CVR No: 11 81 05 43

Financial Period: 1 January – 31 December

Financial Year: 29th Financial Year

Municipality of reg. office: Aarhus

**Board of Directors** Jesper Præstensgaard (Chairman)  
Kim Gulstad  
Lars Terney  
Jess Ørgaard Libak Tropp  
Hans Kasper Madsen  
Roland Munkerod Andersen

**Executive Board** Jesper Kristensen

**Auditors** PricewaterhouseCoopers  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# Group Chart

## Parent Company

Unifeeder A/S, Denmark  
Nom. DKK 10,000,000

## Consolidated subsidiaries

Unifeeder Norway AS, Norway  
Nom. NOK 500,000

100 %

- Branches of Unifeeder A/S
- Unifeeder Germany
  - Unifeeder Sweden
  - Unifeeder The Netherlands
  - Unifeeder Finland
  - Unifeeder Russia
  - Unifeeder Poland
  - Unifeeder Great Britain
  - Unifeeder Estonia
  - Unifeeder Lithuania
  - Unifeeder Belgium

## Associates

50 %

Oslo Container Terminal A/S,  
Norway  
Nom. NOK 2,262,000

Companies with no activity are omitted from the overview.

## Financial Highlights of the Group

Seen over a five-year period, the development of the Group is described by the following financial highlights:

Key figures	2015	2014	2013	2012	2011
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Profit/loss</b>					
Revenue	2 622 250	3 140 169	3 264 060	3 153 349	3 207 226
EBITDA	90 478	250 242	262 821	314 850	310 800
Operating profit/loss	61 425	220 099	235 384	298 956	295 180
Profit/loss before financial income and expenses	64 531	222 686	237 837	301 496	298 036
Net financials	23 735	1 942	1 930	26 673	- 839
Profit/loss before tax	88 266	224 628	239 767	328 169	297 197
Profit/loss for the year	83 266	220 875	235 148	320 610	284 198
<b>Balance Sheet</b>					
Equity	501 889	568 783	423 175	738 048	432 129
Investments in property, plant and equipment	1 024	2 005	3 176	3 509	1 560
Current assets	571 714	735 730	479 887	796 059	599 816
Short-term debt	431 394	514 118	421 285	444 022	351 560
Balance sheet total	943 343	1 092 402	853 252	1 190 778	792 023
<b>Ratios</b>					
Profit margin	2.5%	7.1%	7.3%	9.6%	9.3%
Return on assets	6.8%	20.4%	27.9%	25.3%	37.6%
Return on equity	15.6%	44.5%	40.5%	54.8%	64.5%
Liquidity ratio	132.5%	143.1%	113.9%	179.3%	170.6%
Solvency ratio	53.2%	52.1%	49.6%	62.0%	54.6%



## Financial Highlights of the Group

### Explanation of financial ratios

The ratios have been prepared in accordance with the recommendations issued by the Danish Society of Financial Analysts and are calculated as follows:

$$\text{Profit Margin} = \frac{\text{Profit before financials} \times 100}{\text{Revenue}}$$

$$\text{Return on assets} = \frac{\text{Profit before financials} \times 100}{\text{Total assets}}$$

$$\text{Return on equity} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets} \times 100}{\text{Short - term debt}}$$

$$\text{Solvency Ratio} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

## Review

The Group's main activities are international freight transport services such as Container Feeder Services and Shortsea Services. Unifeeder's asset light and agile business model has not changed during 2015.

In 2015, we saw low growth in the European economies and subsequently a decrease in the container transports into Europe, which affected Unifeeder.

Again in 2015, Unifeeder has seen a mixed tendency of mainliner's in-/outsourcing. However, due to compelling arguments of low and variable costs, a significant re-outsourced volume has returned to the Unifeeder vessels during late 2015. During the year, one of the deepsea line alliances started direct calls into Poland and Sweden, removing considerable volumes from the feeder markets. Due to the ongoing depressed freight rate situation amongst deepsea lines, certain market participants have decided to scale down their focus on outport markets.

Unifeeder continues to take active part in the consolidation efforts in the feeder and shortsea markets. As of October 2015, Unifeeder acquired the shortsea activities from Tschudi Logistics. Along with the general growth in Unifeeder's shortsea business, this acquisition has helped to even further underline Unifeeder's presence in this segment. Furthermore, the growth in the shortsea activities creates an even more balanced business model for the Group.

During the year exceptional operational challenges were experienced, both through significant congestion in the hub-ports on the European Continent and with poor performance of the locks in the Kiel Canal – a very important waterway for the majority of Unifeeder's Northern European network. The ports and terminals seem to struggle to find an operational model that will be able to cope with fluctuating mainliner volumes, alternative arrival times, effects of increasing vessel sizes, and higher automation of container terminals.

The organization of the Group has been adjusted during the year to match the activity level and to further leverage the Shared Service Center established in Poland during 2014.

## Review

The operating profit of the Group is lower than expected as especially the development in the European (including Russia) import has been below expectations. The fleet and service offered has continuously been adapted to the volatile market conditions, however in a decreasing market the adjustments will only take effect with a short timelag. Taking the abnormal situation into consideration the result is acceptable, however not satisfactory.

The foreign entities achieved satisfactory results which, above all, reflects the Group's overall development and improved balance of activities in various geographies.

By persistent cash flow management, the Group has maintained a high cash conversion rate.

Overall expectations for volumes during 2016 remain relatively modest. The situation around Russia is not expected to change and the overall economic activity in Europe is also not seen to be boosted significantly. Therefore, feeder volumes are not expected to outgrow general GDP development. The Group will continue to work on convincing customers that volatile and erratic markets call for outsourcing and flexible cost solutions. The Shortsea segment is expected to grow at a higher rate continuously converting volumes from road to sea and through further geographical diversification. It is expected that the profit for 2016 will be at a higher level compared to 2015.

The Group's sales and most significant cost items are concentrated in markets and products linked to EUR and USD. In all materiality, customers and purchase agreements are seen to set off possible foreign exchange risks. The Groups currency exposure is continuously being assessed. The overall currency policy is that the Group hedges the most significant currency risks against other currencies than EUR.

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

# Review

## Unifeeder's social responsibility (CSR)

(Statutory Report on Corporate Social Responsibility, in accordance with the Danish Financial Statements Act § 99 a)

For Unifeeder, responsibility is a question of integrating environmental and social considerations in the decisions we make, and in the actions we take. We remain with unchanged focus on three areas:

### 1. Reducing environmental impact

As a logistics provider with an emphasis on sea carriage, Unifeeder recognizes that our activities have an impact on the environment. The impact starts when the vessel is built, continues while it is in service and ends when it is scrapped. As a charterer of tonnage, Unifeeder carries part of the responsibility for making sure that at all stages conscious efforts are made to ensure the responsible use of resources and preservation of the environment. Unifeeder does not build vessels, but aims at chartering modern, efficient and resource-saving vessels built at reputable shipyards. In the day-to-day operation, Unifeeder's greatest direct influence is on fuel consumption and its resulting impacts and has therefore chosen to focus specifically on this parameter.

### 2. Employee well-being and working conditions

Unifeeder is an international company with offices and representatives in many countries around the North Sea and Baltic Sea. Management believes that diversity better enables Unifeeder to generate ideas and develop business while at the same time strengthening the Company spirit.

Unifeeder wishes to develop and benefit from the collective potential of all employees and strives to have all employees realise their full potential. It is consequently important that all employees are offered equal opportunities for development and career, regardless of gender, religion, age, sexual preferences, geographical origin or otherwise.

Motivated employees are regarded by Unifeeder as one of the cornerstones of success.

### 3. Ethical Business Conduct

It is important for Unifeeder to be a trustworthy and serious partner in all circumstances and towards all stakeholders. Unifeeder therefore strives to be a responsible and positive contributor to both the local and the international community. Relevant laws and regulations, including applicable environmental conventions, must be adhered to, and employees, customers, and suppliers must be treated with respect. Unifeeder respects human rights and the cultural, religious and political traditions and systems of the countries that are served; just as Unifeeder distances itself from all forms of discrimination based on geographical origin, religion, gender, age, sexual orientation, or the like.

# Review

## **Ref 1: Reducing environmental impact**

As mentioned above, Unifeeder's particular focus has been fuel consumption, and in 2015 we have focused on the following:

### Daily optimization of consumption

- Through diligent monitoring, ensuring that the vessels travel between two ports at the optimal speed
- Through involvement of the crews and owners, ensuring that the vessel command has focus on sailing efficiently
- Through reducing time in port, ensuring that we have more time for steaming, thereby being able to reduce speed
- Broaden data collection in order to discover new areas of improvement.

## **Ref 2: Employee well-being and working conditions**

The cooperation between employees and management is based on honesty, both when it comes to the good and the bad message.

The starting point is the individual employee's performance and needs, and each employee per annum has minimum two development meetings where managers and employees discuss the employee's current performance and future development, as well as the cooperation between the manager and the employee, and the working environment in the Company. At regular intervals, an employee satisfaction survey is conducted. The results are analyzed and shared with managers and employees and action plans are prepared both for the Company as a whole and in the individual countries to address identified problems.

## **Ref 3: Ethical Business Conduct**

In order to guide the employees in dealing with ethical business practices, Unifeeder has developed a Code of Conduct which sets out how employees are expected to act in relation to customers, suppliers, competitors, and the world in general. The Code of Conduct is distributed to all employees. It has also been distributed to Unifeeder's business partners and made available to all interested parties on the individual companies' websites.

Unifeeder will work within the laws and regulations of each country, and managers, sales staff, and other relevant staff are trained in competition law and they have signed that they

- understand the rules and the consequences for Unifeeder if these are not complied with,
- at all times will comply with the rules.

Employees and business associates have been asked to approach the CEO directly, should they suspect a breach of the guidelines.

# Review

## The main achievements in 2015

### Fuel consumption:

- Diligent monitoring: Twice per day, the speed of all vessels are checked and if found non- optimal, the vessel is requested to adjust. In addition to this, the Central Duty Function make checks outside office hours and revise instructions. We estimate that this leads to over 750 adjustments on a yearly basis. Furthermore, speed adjustments are requested whenever the operations time is changing
- Involvement of crews and owners: Based on interviews with seven representative vessels, the idle times in ports has been analysed, leading to identification of two specific focus areas. Data is now being collected to verify the potential of the two areas
- Reduce time in port: Implementation of a new operations system has enabled us to register productivity data in more details. Data is now being shared with terminals and is used as basis for a dialogue on how to improve productivity
- Trim optimisation software has been installed on further 2 vessels. The calibration is completed and data collection has commenced.

The average consumption of bunker measured in kg/nautical mile (cleaned for the effect of changes in the vessel size) decreased by 6.6 % compared to 2014.

### Employee well-being and working conditions:

We monitor the absence caused by sickness and it continues to be well below industry standard in all countries.

### Business Ethics

We have completed a follow-up and training session regarding the anti-trust program. The involved employees have with their signature confirmed their understanding and comply with the regulation.

Unifeeder wants to comply with applicable regulatory requirements in all geographies where we provide our services. In the previous year Unifeeder has therefore launched a compliance program that addresses relevant issues. The compliance program covers among others procedures for “Anti-Bribery”, “Sanctions”, “Export Control”, and “Money Laundering”. We use automated, well-proven compliance tools wherever possible, and any incident is handled immediately and reported to the management according to internal procedures. The program has enhanced further in Unifeeder during 2015.

During the year the escalation of the sanctions related to Russia has expanded the scope of the screening procedures.

# Review

## Policy – equal opportunities

Equal opportunities and focus on diversity is an integrated part of Unifeeder's policy for Employee well-being and working conditions.

Opportunities for development and career must be available for everybody possessing skills and showing intention, and shall in no way be restricted by the person's gender, nationality, age, sexual orientation and religion, or other like factors.

Unifeeder has for the time being no female board members. The board is cognisant of this under-representation and wants to contribute to increasing the number of female board members, mind bearing that within the logistics sector there is traditionally a low ratio of women at board level and also at top- and middle management levels.

The members of the board are appointed by Unifeeder's shareholders at the general assembly. As and when the board nominates new candidates, the board will include gender as a parameter. When appointing candidates to Unifeeder's board it is however, important that the members represent professional competencies which are relevant for Unifeeder's activities within feeder and short sea. Finding the member with the right qualifications will always take priority over gender. Currently the Board of Directors consists of six members of which zero is female. In 2015 all members of the board were re-elected and therefore no increase in female members of the board was achieved. Unifeeder's ambition is to have one female member of the board within 5 years.

In Unifeeder's management team, 14 % are currently women. Due to the limited recruiting possibilities for leading women within logistics, the current level is seen as satisfactory. Meanwhile, it is Unifeeder's aim to increase the ratio of women in the management team. In 2015 we have continued to

- Seek to have candidates of both gender when recruiting for new management positions
- Considering women when making career and succession planning.

Both to be done without compromising the qualifications needed to hold the position in question. No change in the gender composition of the management group has been registered in 2015.

## Consolidated Income Statement

	Note	2015	2014
		DKK '000	DKK '000
<b>Revenue</b>	1	<b>2 622 250</b>	<b>3 140 169</b>
Cost of sales		- 2 329 432	- 2 670 520
<b>Gross profit/loss</b>		<b>292 818</b>	<b>469 649</b>
Administrative expenses	2	- 231 393	- 249 550
<b>Operating profit/loss</b>		<b>61 425</b>	<b>220 099</b>
Other operating income		4 086	4 087
Other operating expenses		- 980	- 1 500
<b>Profit/loss before financial income and expenses</b>		<b>64 531</b>	<b>222 686</b>
Income from investments in associates		20 577	5 188
Financial income		3 989	653
Financial expenses		- 831	- 3 899
<b>Profit/loss before tax</b>		<b>88 266</b>	<b>224 628</b>
Tax on profit/loss for the year	3	- 5 000	- 3 753
<b>Net profit/loss for the year</b>		<b>83 266</b>	<b>220 875</b>



## Consolidated Balance Sheet 31 December

### Assets

	Note	2015 DKK '000	2014 DKK '000
IT software		19 377	12 961
Goodwill		342 625	289 231
<b>Intangible assets</b>	<b>4</b>	<b>362 002</b>	<b>302 192</b>
Building on leased land		660	1 250
Other fixtures and fittings, tools and equipment		7 958	5 627
<b>Property, plant and equipment</b>	<b>5</b>	<b>8 618</b>	<b>6 877</b>
Investments in associates		0	46 923
Deposits		1 009	680
<b>Fixed asset investments</b>	<b>6</b>	<b>1 009</b>	<b>47 603</b>
<b>Fixed assets</b>		<b>371 629</b>	<b>356 672</b>
Bunker inventories		16 883	38 788
<b>Bunker inventories</b>		<b>16 883</b>	<b>38 788</b>
Trade receivables		283 741	321 875
Receivables from group enterprises		5 647	7 623
Other receivables		16 837	38 266
Deferred tax asset		7	175
Corporation tax		0	63
Prepayments	7	69 449	71 141
<b>Receivables</b>		<b>375 681</b>	<b>439 143</b>
<b>Current asset investments</b>		<b>19</b>	<b>19</b>
<b>Cash at bank and in hand</b>		<b>179 131</b>	<b>257 780</b>
<b>Current assets</b>		<b>571 714</b>	<b>735 730</b>
<b>Assets</b>		<b>943 343</b>	<b>1 092 402</b>

## Consolidated Balance Sheet 31 December

### Liabilities and equity

	Note	2015	2014
		DKK '000	DKK '000
Share capital		10 000	10 000
Reserve for net revaluation under the equity method		0	33 379
Retained earnings		341 889	375 404
Proposed dividend		150 000	150 000
<b>Equity</b>	<b>8</b>	<b>501 889</b>	<b>568 783</b>
Provisions		10 060	9 501
<b>Provisions</b>	<b>9</b>	<b>10 060</b>	<b>9 501</b>
Trade payables		236 496	299 452
Payables to group enterprises		119 811	170 058
Payables to associates		0	2 890
Corporation tax		3 319	1 826
Other payables		56 684	37 982
Deferred income	10	15 084	1 910
<b>Short-term debt</b>		<b>431 394</b>	<b>514 118</b>
<b>Debt</b>		<b>431 394</b>	<b>514 118</b>
<b>Liabilities and equity</b>		<b>943 343</b>	<b>1 092 402</b>
Contingent liabilities and other financial obligations	11		
Fee to auditors appointed at the general meeting	12		

## Consolidated Cash Flow Statement

	Note	2015	2014
		DKK '000	DKK '000
Net profit/loss for the year		83 266	220 875
Adjustments	13	576	25 481
Change in working capital	14	22 611	- 65 919
<b>Cash flows from operating activities before financial income and expenses</b>		<b>106 453</b>	<b>180 437</b>
Financial income		3 989	653
Financial expenses		- 831	- 3 899
<b>Cash flows from ordinary activities</b>		<b>109 611</b>	<b>177 191</b>
Corporation tax paid		- 3 280	- 2 933
<b>Cash flows from operating activities</b>		<b>106 331</b>	<b>174 258</b>
Purchase of intangible assets		- 11 193	- 6 972
Purchase of property, plant and equipment		- 1 024	- 2 005
Fixed asset investments made		- 310	0
Acquisition of activities		- 48 317	0
Sale of property, plant and equipment		120	224
Sale of fixed asset investments		62 005	45
Dividends received		5 536	2 214
<b>Cash flows from investing activities</b>		<b>6 817</b>	<b>- 6 494</b>
Financing group enterprises		- 48 271	87 524
Dividend paid		- 150 000	- 75 000
<b>Cash flows from financing activities</b>		<b>- 198 271</b>	<b>12 524</b>
<b>Change in cash and cash equivalents</b>		<b>- 85 123</b>	<b>180 288</b>
Cash and cash equivalents at 1 January		257 799	72 442
Exchange adjustments		6 474	5 069
<b>Cash and cash equivalents at 31 December</b>		<b>179 150</b>	<b>257 799</b>
Cash and cash equivalents are specified as follows:			
Current asset investments		19	19
Cash at bank and in hand		179 131	257 780
<b>Cash and cash equivalents at 31 December</b>		<b>179 150</b>	<b>257 799</b>

# Notes to the Consolidated Annual Report

## 1 Revenue

The Group's activity comprises international goods transports within the business units Feeder Service and Shortsea Service with the below part of the revenue. Geographical the group's activities has taken place in two areas: Northern Europe and the Mediterranean with the below split of the revenue. The Group stopped operating in the Mediterranean in June 2014.

	2015	2014
<b><i>Business segments</i></b>		
Feeder Service	70%	84%
Shortsea Service	30%	16%
	<b>100%</b>	<b>100%</b>
<b><i>Geographical segments</i></b>		
Northern Europe	100%	95%
The Mediterranean	0%	5%
	<b>100%</b>	<b>100%</b>
	2015	2014
	DKK '000	DKK '000

## 2 Administrative expenses

Administrative expenses include the following:

Wages, salaries and remuneration	116 197	134 372
Pensions	8 287	8 597
Remuneration to the Executive Board and the Board of Directors	3 486	4 964
Social security expenses	10 781	12 834
	<b>138 751</b>	<b>160 767</b>
<b>Average number of employees exclusive crew on chartered vessels</b>	<b>316</b>	<b>334</b>

### ***Incentive programmes***

To attract and retain Executive Board and Board of Directors, they have been offered warrants. As a main rule, the option to purchase can only be applicable in connection with the sale of the Company. The plan is based on share capital.

As at 31 December 2015 the Executive Board and the Board of Directors have bought warrants amounting to 2.3 % of the shares in the Danish Group controlled by Nordic Capital Fund VIII. The warrants are issued at market price at the date of issue and as a result, cost of the warrants are not included in the income statement of the Company. The value of the warrants is effected by the development in EBITDA and the agreed hurdle rate.

## Notes to the Consolidated Annual Report

	2015	2014
	DKK '000	DKK '000
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	3 759	2 798
Deferred tax for the year	0	738
Adjustment of tax concerning previous years	1 241	217
<b>Total tax for the year</b>	<b>5 000</b>	<b>3 753</b>

### 4 Intangible assets

	IT software	Goodwill	Total
	DKK '000	DKK '000	DKK '000
Cost at 1 January	31 342	343 195	374 537
Additions from acquisition of activities	10	0	10
Additions for the year	11 193	71 471	82 664
Disposals for the year	- 549	0	- 549
<b>Cost at 31 December</b>	<b>41 996</b>	<b>414 666</b>	<b>456 662</b>
Amortisation at 1 January	18 381	53 964	72 345
Amortisation for the year	4 787	18 077	22 864
Amortisation on disposals for the year	- 549	0	- 549
<b>Amortisation at 31 December</b>	<b>22 619</b>	<b>72 041</b>	<b>94 660</b>
<b>Carrying amount at 31 December</b>	<b>19 377</b>	<b>342 625</b>	<b>362 002</b>
<b>Carrying amount at 1 January</b>	<b>12 961</b>	<b>289 231</b>	<b>302 192</b>

## Notes to the Consolidated Annual Report

### 5 Property, plant and equipment

	Building on leased land	Other fixtures and fittings, tools and equipment	Total
	DKK '000	DKK '000	DKK '000
Cost at 1 January	17 127	22 685	39 812
Additions from acquisition of activities	0	5 094	5 094
Exchange rate adjustments	0	- 49	- 49
Additions for the year	59	965	1 024
Disposals for the year	0	- 3 373	- 3 373
<b>Cost at 31 December</b>	<b>17 186</b>	<b>25 322</b>	<b>42 508</b>
Depreciation at 1 January	15 877	17 058	32 935
Additions from acquisition of activities	0	1 231	1 231
Exchange rate adjustments	0	- 30	- 30
Depreciation for the year	649	2 434	3 083
Depreciation of sold assets for the year	0	-3 329	-3 329
<b>Depreciation at 31 December</b>	<b>16 526</b>	<b>17 364</b>	<b>33 890</b>
<b>Carrying amount at 31 December</b>	<b>660</b>	<b>7 958</b>	<b>8 618</b>
<b>Carrying amount at 1 January</b>	<b>1 250</b>	<b>5 627</b>	<b>6 877</b>

## Notes to the Consolidated Annual Report

### 6 Fixed asset investments

	Investments in associates	Deposits etc	Total
	DKK '000	DKK '000	DKK '000
Cost at 1 January	13 544	725	14 269
Additions from acquisition of activities	0	61	61
Additions for the year	0	310	310
Disposals for the year	- 13 544	- 87	- 13 631
<b>Cost at 31 December</b>	<b>0</b>	<b>1 009</b>	<b>1 009</b>
Value adjustments 1 January	33 379	-45	33 334
Value adjustments for the year	15 041	45	15 086
Value adjustment of sold investment	- 48 420	0	- 48 420
<b>Value adjustments 31 December</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>1 009</b>	<b>1 009</b>
<b>Carrying amount at 1 January</b>	<b>46 923</b>	<b>680</b>	<b>47 603</b>

### 7 Prepayments (assets)

Prepayments consist of expenses in relation to charter of ships and other transport expenses.

### 8 Equity

	Share capital	Reserve for net revaluation under the equity method	Proposed dividend	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Equity 1 January</b>	<b>10 000</b>	<b>33 379</b>	<b>150 000</b>	<b>375 404</b>	<b>568 783</b>
Equity adjustments in group enterprises and associates				- 160	- 160
Net profit for the year		- 33 379		116 645	83 266
Dividend paid for 2014			- 150 000		- 150 000
Proposed dividend for the year			150 000	- 150 000	0
<b>Equity 31 December</b>	<b>10 000</b>	<b>0</b>	<b>150 000</b>	<b>341 889</b>	<b>501 889</b>

### 9 Provisions

Provisions consist of provisions for claims, pensions, deferred tax and re-establishment costs.

## Notes to the Consolidated Annual Report

### 10 Deferred income (liabilities and equity)

Deferred income consists of accrued income regarding activities in new year.

### 11 Contingent liabilities and other financial obligations

Of cash in hand and in bank DKK 163.2m is held as security for loan in the Parent Company Unicorn ApS.

At the balance sheet date the Group has rent obligations amounting to DKK 9.8m.

The Group currently enters into contracts for charter of vessels for periods of up to 5 years. The charter obligation amounts to DKK 247.9m at 31 December 2015.

The Group's leasing obligation at the balance sheet date amounts to DKK 5.2m.

In relation to the Group's building on leased land the Company has contracted to give back the land with no building on it at the end of the lease. A provision has been estimated to DKK 5.0m.

Of the cash in hand and in bank DKK 1.6m has been pledged as guarantee for rent obligations.

### 12 Fee to auditors appointed at the general meeting

	2015	2014
	DKK '000	DKK '000
Audit fee	538	679
Other assurance services	81	0
Tax advise	606	587
Non-audit services	1 047	982
	<b>2 272</b>	<b>2 248</b>



## Notes to the Consolidated Annual Report

	2015	2014
	DKK '000	DKK '000
<b>13 Cash flow statement - adjustments</b>		
Financial income	- 3 989	- 653
Financial expenses	831	3 899
Depreciation, amortisation and impairment losses, including losses	25 872	28 077
Income from investments in associates	- 20 577	- 5 188
Tax on profit/loss for the years	5 000	3 753
Provisions	150	721
Other adjustments	-6 711	-5 128
	<b>576</b>	<b>25 481</b>
<b>14 Cash flow statement - change in working capital</b>		
Change in bunker inventories etc	22 466	7 950
Change in receivables	72 689	- 75 790
Change in short-term debt	- 72 544	1 921
	<b>22 611</b>	<b>- 65 919</b>

## Income Statement for the Parent Company

	Note	2015 DKK '000	2014 DKK '000
Revenue	1	2 618 192	3 113 388
Cost of sales		- 2 335 843	- 2 654 233
<b>Gross profit/loss</b>		<b>282 349</b>	<b>459 155</b>
Administrative expenses	2	- 222 662	- 240 396
<b>Operating profit/loss</b>		<b>59 687</b>	<b>218 759</b>
Other operating income		4 854	4 932
Other operating expenses		- 980	- 1 500
<b>Profit/loss before financial income and expenses</b>		<b>63 561</b>	<b>222 191</b>
Income from investments in subsidiaries		691	533
Income from investments in associates		20 857	3 805
Financial income	3	3 900	649
Financial expenses	4	- 615	- 3 871
<b>Profit/loss before tax</b>		<b>88 394</b>	<b>223 307</b>
Tax on profit/loss for the year	5	- 5 128	- 2 432
<b>Net profit/loss for the year</b>		<b>83 266</b>	<b>220 875</b>
<b>Proposed distribution of profit</b>			
Proposed dividend for the year		150 000	150 000
Retained earnings		- 66 734	70 875
		<b>83 266</b>	<b>220 875</b>

## Balance Sheet for the Parent Company 31 December

### Assets

	Note	2015	2014
		DKK '000	DKK '000
IT-software		19 377	12 961
Goodwill		342 625	289 231
<b>Intangible assets</b>	<b>6</b>	<b>362 002</b>	<b>302 192</b>
Building on leased land		660	1 250
Other fixtures and fittings, tools and equipment		7 935	5 543
<b>Property, plant and equipment</b>	<b>7</b>	<b>8 595</b>	<b>6 793</b>
Investments in subsidiaries		1 322	1 550
Investments in associates		801	48 778
Deposits		1 006	638
<b>Fixed asset investments</b>	<b>8</b>	<b>3 129</b>	<b>50 966</b>
<b>Fixed assets</b>		<b>373 726</b>	<b>359 951</b>
Bunker inventories		16 883	38 788
<b>Bunker inventories</b>		<b>16 883</b>	<b>38 788</b>
Trade receivables		282 352	315 660
Receivables from group enterprises		6 464	8 440
Other receivables		15 902	35 398
Deferred tax asset		2	175
Corporation tax		0	59
Prepayments	9	69 268	70 993
<b>Receivables</b>		<b>373 988</b>	<b>430 725</b>
<b>Current asset investments</b>		<b>19</b>	<b>19</b>
<b>Cash at hand and in bank</b>		<b>177 136</b>	<b>255 980</b>
<b>Current assets</b>		<b>568 026</b>	<b>725 512</b>
<b>Assets</b>		<b>941 752</b>	<b>1 085 463</b>

## Balance Sheet for the Parent Company 31 December

### Liabilities and equity

	Note	2015	2014
		DKK '000	DKK '000
Share capital		10 000	10 000
Retained earnings		341 889	408 783
Proposed dividend		150 000	150 000
<b>Equity</b>	10	<b>501 889</b>	<b>568 783</b>
Provisions		9 343	9 190
<b>Provisions</b>	11	<b>9 343</b>	<b>9 190</b>
Trade payables		235 971	295 069
Payables to group enterprises		121 663	172 495
Payables to associates		0	2 890
Corporation tax		3 093	1 515
Other payables		54 708	33 611
Deferred income	12	15 085	1 910
<b>Short-term debt</b>		<b>430 520</b>	<b>507 490</b>
<b>Debt</b>		<b>430 520</b>	<b>507 490</b>
<b>Liabilities and equity</b>		<b>941 752</b>	<b>1 085 463</b>
Contingent liabilities and other financial obligations	13		
Fee to auditors appointed at the general meeting	14		

## Notes to the Annual Report for the Parent Company

	2015	2014
	DKK '000	DKK '000
<b>1 Revenue</b>		
Please see note 1 in the Consolidated Annual Report.		
<b>2 Administrative expenses</b>		
Administrative expenses include the following:		
Wages, salaries and remuneration	111 451	124 122
Pensions	8 148	7 386
Remuneration to the Executive Board and the Board of Directors	3 486	4 964
Social security expenses	10 120	11 934
	<u>133 205</u>	<u>148 406</u>
<b>Average number of employees exclusive crew on chartered vessels</b>	<u>307</u>	<u>313</u>
Incentive programmes - Please see note 2 in the Consolidated Annual Report.		
<b>3 Financial income</b>		
Other financial income	<u>3 900</u>	<u>649</u>
	<u>3 900</u>	<u>649</u>
<b>4 Financial expenses</b>		
Interest paid to group enterprises	7	6
Other financial expenses	<u>608</u>	<u>3 865</u>
	<u>615</u>	<u>3 871</u>
<b>5 Tax on profit/loss for the year</b>		
Current tax for the year	3 613	2 205
Deferred tax for the year	0	12
Adjustment of tax concerning previous years	<u>1 515</u>	<u>215</u>
<b>Total tax for the year</b>	<u>5 128</u>	<u>2 432</u>

## Notes to the Annual Report for the Parent Company

### 6 Intangible assets

	IT software	Goodwill	Total
	DKK '000	DKK '000	DKK '000
Cost at 1 January	31 342	343 195	374 537
Additions for the year	11 203	71 471	82 674
Disposals for the year	- 549	0	- 549
<b>Cost at 31 December</b>	<b>41 996</b>	<b>414 666</b>	<b>456 662</b>
Amortisation at 1 January	18 381	53 964	72 345
Amortisation for the year	4 787	18 077	22 864
Amortisation on disposals for the year	- 549	0	- 549
<b>Amortisation at 31 December</b>	<b>22 619</b>	<b>72 041</b>	<b>94 660</b>
<b>Carrying amount at 31 December</b>	<b>19 377</b>	<b>342 625</b>	<b>362 002</b>
<b>Carrying amount at 1 January</b>	<b>12 961</b>	<b>289 231</b>	<b>302 192</b>

### 7 Property, plant and equipment

	Building on leased land	Other fixtures and fittings, tools and equipment	Total
	DKK '000	DKK '000	DKK '000
Cost at 1 January	17 127	22 332	39 459
Additions from acquisition of activities	0	5 044	5 044
Exchange rate adjustments	0	- 41	- 41
Additions for the year	59	965	1 024
Disposals for the years	0	- 3 133	- 3 133
<b>Cost at 31 December</b>	<b>17 186</b>	<b>25 167</b>	<b>42 353</b>
Depreciation at 1 January	15 877	16 789	32 666
Additions from acquisition of activities	0	1 231	1 231
Exchange rate adjustments	0	8	8
Depreciation for the year	649	2 336	2 985
Depreciation of sold assets for the year	0	-3 132	-3 132
<b>Depreciation at 31 December</b>	<b>16 526</b>	<b>17 232</b>	<b>33 758</b>
<b>Carrying amount at 31 December</b>	<b>660</b>	<b>7 935</b>	<b>8 595</b>
<b>Carrying amount at 1 January</b>	<b>1 250</b>	<b>5 543</b>	<b>6 793</b>

## Notes to the Annual Report for the Parent Company

### 8 Fixed asset investments

	Investments in subsidiaries	Investments in associates	Deposits	Total
	DKK '000	DKK '000	DKK '000	DKK '000
Cost at 1 January	121 450	16 405	638	138 493
Additions from acquisition of activities	17 255	0	61	17 316
Additions for the year	0	0	307	307
Disposals for the year	- 17 255	-13 544	0	- 30 799
Cost at 31 December	121 450	2 861	1 006	125 317
Value adjustments at 1 January	- 119 900	32 373	0	- 87 527
Disposals for the year	- 18	-48 421	0	-48 439
Value adjustments for the year	613	20 777	0	21 390
Dividend	- 823	- 6 789	0	- 7 612
Value adjustments at 31 December	- 120 128	- 2 060	0	- 122 188
<b>Carrying amount at 31 December</b>	<b>1 322</b>	<b>801</b>	<b>1 006</b>	<b>3 129</b>
<b>Carrying amount at 1 January</b>	<b>1 550</b>	<b>48 778</b>	<b>638</b>	<b>50 966</b>

For specification of subsidiaries and associates with activities please refer to the Group Chart on page 5.

Subsidiaries with no activities are IMCL Holdings Ltd. (Cyprus), IMCL Germany GmbH (Germany), Unifeeder General Partner ApS (Denmark), Investeringsselskabet af 01.07.2013 ApS (Denmark), IMCL Latvia (Latvia) and Unifeeder Russia LLC (Russia).

### 9 Prepayments (assets)

Prepayments consist of expenses in relation to charter of ships and other transport expenses.

## Notes to the Annual Report for the Parent Company

### 10 Equity

	Share capital	Reserve for net revaluation under the equity method	Proposed dividend	Retained earnings	Total
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
<b>Equity 1 January</b>	<b>10 000</b>	<b>0</b>	<b>150 000</b>	<b>408 783</b>	<b>568 783</b>
Equity adjustments in group enterprises and associates				-160	- 160
Net profit for the year				83 266	83 266
Dividend paid for 2014			- 150 000		- 150 000
Proposed dividend for the year			150 000	- 150 000	0
<b>Equity 31 December</b>	<b>10 000</b>	<b>0</b>	<b>150 000</b>	<b>341 889</b>	<b>501 889</b>

The share capital consists of 9 shares of a nominal value of DKK 1,000,000 and 10 shares of a nominal value of DKK 100,000. No shares carry any special rights.

There have been no change to the share capital the last 5 years.

### 11 Provisions

Provisions consist of provisions for expected costs to claims, pensions and re-establishment costs.

### 12 Deferred income (liabilities and equity)

Deferred income consists of received payments regarding income in new year.



## Notes to the Annual Report for the Parent Company

### 13 Contingent liabilities and other financial obligations

Of cash in hand and in bank DKK 163.2m are held as security for loan in the Parent Company Unicorn ApS.

At the balance sheet date the Company has rent obligations amounting to DKK 9.7m.

The Company currently enters into contracts for charter of vessels for periods of up to 5 years. The charter obligation amounts to DKK 247.9m at 31 December 2015.

The Company's leasing obligation at the balance sheet date amounts to DKK 5.0m.

In relation to the Company's building on leased land the Company has contracted to give back the land with no building on it at the end of the lease. A provision has been estimated to DKK 5.0m.

Of the cash in hand and in bank DKK 1.6m has been pledged as guarantee for rent obligations.

### 14 Fee to auditors appointed at the general meeting

Please see note 12 of the Consolidated Annual Report.

# Accounting Policies

## Basis of Preparation

The Annual Report of Unifeeder A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015 is presented in DKK thousands.

## Recognition and measurement

The financial statements have been prepared under the historical cost method.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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

Revenues are recognised in the income statement as earned. The decision whether revenues are considered earned, is based on the following criteria:

- A binding sales agreement has been made;
- the sales price has been determined;
- delivery of the service has been made before year end, and
- payment has been received or may with reasonable certainty be expected to be received.

Based here on revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

# Accounting Policies

## Basis of consolidation

The Annual Report comprises the Parent Company, Unifeeder A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. The Company is included in the Group Annual Report of the Parent Company, Unicorn ApS, and the ultimate Group Annual Report of Holdingselskabet af 10. januar 2013 II A/S, Aarhus.

Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

Associated companies are consolidated after either the equity method or pro rata consolidation if the conditions therefore are met, hence the description below regarding joint ventures.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries and pro rata consolidated associates are set off against the Parent Company's share of the net asset value of subsidiaries and associates stated at the time of consolidation.

On acquisition of subsidiaries and associates, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years for subsidiaries and 10 years for associates. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related.

# Accounting Policies

## Joint ventures

A joint venture is a company which is controlled together with one or more companies, where no party is the ultimate controlling party.

Joint ventures are recognized by pro rata consolidation, whereafter the proportionate share of the joint ventures' income statement and balance sheet is recognized in the similar assets of the Company.

## Leases

Leases relating to property, plant and equipment in terms of which all the risks and rewards of ownership are not transferred to the group enterprises (operating leases) are recognised in the income statement as the lease payments accrue.

Leases relating to property, plant and equipment in terms of which the individual group enterprises assume substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the fair value of the leased asset if available. Alternatively, and if lower, the net present value of the future lease payments at the time of acquisition is applied computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as the other property, plant and equipment of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

## Translation policies

Transactions in foreign currencies have during the year been translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

The income statements of the Group's foreign subsidiaries and associates are translated at average exchange rates, whereas the balance sheet items are translated at the exchange rates at the balance sheet date.

## Accounting Policies

Exchange adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation of the income statements of foreign enterprises at average exchange rates are recognised directly in equity.

### Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as “Other receivables” and “Deferred income (liabilities and equity)”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

### Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

### Company tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

## Accounting Policies

The Company's current tax for the year comprises tax calculated under the rules of the Danish Tonnage Taxation Act as regards the part of the activity governed by the Danish Tonnage Taxation Act, and tax calculated under the ordinary tax rules as regards other activities.

The Company has been registered under the tonnage taxation scheme as of 2004/05. Based on the planned use of chartered vessels, the tonnage taxation scheme does not imply any liability; therefore, deferred tax is not recognised in the balance sheet on assets and liabilities relating to the activity subject to tonnage taxation.

For other activities, deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates of the respective countries that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its Danish Parent Company. The tax effect of the joint taxation with the Parent Company is allocated in proportion to the taxable income (full allocation with credit for tax losses).

### Segment reporting

The Group's activity comprises international goods transports within the business units Feeder Service and Shortsea Service. Geographical the Company's activities take place in two areas: Northern Europe and the Mediterranean.

## Income Statement

### Revenue

The Group's revenue comprises revenue from transport activities for the period as well as the revenue invoiced by the Company's agents where revenue is on the Company's account.

### Cost of sales

Cost of sales comprises variable costs by way of costs related to vessels and containers as well as other transport costs.

### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

## **Accounting Policies**

### **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

### **Income from investments in subsidiaries and associates**

The items “Income from investments in subsidiaries” and “Income from investments in associates” in the income statement include the proportionate share of the profit for the year.

### **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, realised and unrealised price adjustments of securities as well as extra payments and repayment under the on-account taxation scheme.

## **Balance Sheet**

### **Intangible assets**

Intangible assets are measured at cost less accumulated amortisation or at a lower recoverable amount.

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management’s experience with the individual business areas. The maximum amortisation period is 20 years, the longest period applying to enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Software is measured at cost less accumulated amortisation or at a lower recoverable amount.

Software licences, including development costs in connection with major implementation projects, are recognised in the balance sheet and amortised on a straight-line basis over the useful life, estimated at 3-5 years.

Software costing less than DKK 50,000 is expensed in the year of acquisition.

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

# Accounting Policies

## Property, plant and equipment (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	25-50 years
Buildings on leased land	20 years
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

Profit and loss on the sale of fixed assets is recognised in the income statement under “Other operating income” and “Other operating expenses”.

## Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the need for writing down is assessed for the smallest group of assets for which a recoverable amount can be determined.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

## Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

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



# Accounting Policies

## **Investments in subsidiaries and associates (continued)**

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are measured at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions. An independent assessment of any receivables from these enterprises is made.

Profit or loss upon disposal or winding-up of subsidiaries is calculated as the difference between the selling price or the winding-up proceeds and the carrying amount of net assets at the time of sale and expected expenses for sale or winding-up. The profit or loss is recognised in the income statement.

## **Bunker inventories**

Bunker inventories comprise inventories for use on chartered vessels. The inventories are measured at average prices.

## **Receivables**

Receivables are measured in the balance sheet at the lower of nominal value and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made.

## **Current asset investments**

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Listed securities are measured at market price. Unlisted securities are measured at estimated selling price.

## **Equity**

### ***Dividend***

Dividend is recognized as a commitment at the date of approval at the annual general meeting. Dividend, which is expected to be declared for the year, is shown as a separate item under equity.

# Accounting Policies

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

## Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value. Onerous contracts that were concluded in prior years in which the service is delivered within 1 year are classified under short-term debt.

## Prepayments and deferred income

Prepayments comprise prepaid expenses in respect of subsequent financial years, including fair value adjustments of derivative financial instruments with positive fair values.

Deferred income comprises payments received in respect of income in subsequent years and fair value adjustments of derivative financial instruments with negative fair values.

## Cash Flow Statement

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

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

## Cash flows from operating activities

Cash flows from operating activities are calculated as the consolidated net profit/loss for the year adjusted for non-cash operating items such as depreciation, amortisation and impairment losses, and provisions as well as changes to working capital, interest received and paid, amounts paid in respect of extraordinary items and corporation tax paid. Working capital comprises current assets less short-term debt excluding receivables to and payables from group enterprises related to financing activities and excluding items included in cash and cash equivalents.

## Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

## **Accounting Policies**

### **Cash flows from financing activities**

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt, cash flow related to changes in payables to and receivables from group enterprises as well as payments of dividend to shareholders.

The cash flow statement cannot be immediately derived from the published financial records.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and securities that can readily be turned into cash.