



**Shipco Transport Holding A/S**  
Snorresgade 18-20  
2300 Copenhagen S  
Central Business Registration No.  
18936488

**Annual report 2018**

The Annual General Meeting adopted the annual report on 16.05.2019

**Chairman of the General Meeting**

\_\_\_\_\_  
Name: John Hemming

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## Entity details

### Entity

Shipco Transport Holding A/S  
Snorresgade 18-20  
2300 Copenhagen S

Central Business Registration No: 18936488

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Website: [www.shipco.com](http://www.shipco.com)

### Board of Directors

Arne Simonsen, Chairman

Klaus Henry Jepsen

Morten Jæpelt

Sune Simonsen

Christian Møgelvang

### Executive Board

Morten Jæpelt, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Shipco Transport Holding A/S for the financial year 01.01.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018 and of the results of their operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 16.05.2019



### Executive Board

Morten Jæpelt  
Chief Executive Officer

### Board of Directors



Arne Simonsen  
Chairman



Klaus Henry Jepsen



Morten Jæpelt



Sune Simonsen



Christian Møgelvang

## Independent auditor's report

### To the owners of Shipco Transport Holding A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Shipco Transport Holding A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

## Independent auditor's report

reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.


Copenhagen, 16.05.2019

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556



Anders Kreiner  
State Authorised Public Accountant  
Identification number (MNE) mne26765



Christian Sanderhage  
State Authorised Public Accountant  
Identification number (MNE) mne23347

## Management commentary

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	3.455.306	3.212.940	3.044.259	3.114.375	2.848.501
Gross profit/loss	682.508	602.429	599.834	583.146	491.654
EBITDA	140.438	111.388	99.344	112.981	76.773
Operating profit/loss	128.468	100.018	88.533	99.972	63.616
Net financials	3.808	(6.260)	3.389	724	(416)
Profit/loss for the year	92.333	63.124	66.162	74.818	47.412
Total assets	802.831	724.072	685.021	623.182	524.048
Investments in property, plant and equipment	41.355	16.735	8.679	13.104	8.699
Equity	266.314	228.394	229.709	213.354	132.668
Employees in average	2.546	2.624	2.402	2.190	2.060
<b>Ratios</b>					
Gross margin (%)	19,8	18,8	19,7	18,7	17,3
Net margin (%)	2,7	2,0	2,2	2,4	1,7
Return on equity (%)	37,3	27,6	29,9	43,2	40,3
Equity ratio (%)	33,2	30,7	33,7	34,2	25,3

The number of employees represents the total number of employees in the consolidated enterprises of the Group at 31 December, including proportionally consolidated enterprises.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios</b>
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity}}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The primary activities of the Shipco Transport Group are worldwide shipping services.

### Development in activities and finances

EBITDA for the year is DKK 140,438 thousand while profit for the year amounts to DKK 132,276 thousand before tax.

Equity totals DKK 266,314 thousand at 31.12.2018.

The Board of Directors finds the financial results satisfactory, especially when considering the investments made throughout the year. The result is in line with the expectations.

### Outlook

Results for 2019 are expected to be in excess of the results achieved in 2018.

### Particular risks

#### Price risks

The Group is to a limited extent dependent on the development in global shipping prices and in the USD exchange rate.

#### Currency exposure

Due to foreign activities, results, cash flows and equity are affected by the exchange rate movements in a number of foreign currencies. Exchange rate adjustments of investments in subsidiaries are recognised directly in equity. It is not company policy to hedge the above risks by means of financial instruments as purchase and sale of shipping services to a wide extent take place in the same foreign currency.

#### Interest rate exposure

Reasonable changes in the interest rate level will have no material impact on the Group. Consequently, no agreements are made on hedging of interest rate exposure.

### Group relations

Please refer to note 16 in the consolidated financial statements for a specification of the group relations.

### Statutory report on corporate social responsibility

Please refer to the management commentary of the Ultimate Parent.

### Statutory report on the underrepresented gender

It is the policy of Shipco Transport Holding A/S to secure the best professional competence possible at all levels in the Company. The members of Management are solely appointed based on their qualifications and not based on their gender. By doing so, equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

At the time of presentation of the annual report, the Board of Directors at Shipco Transport Holding A/S has no female members while the Ultimate Parent, A. Simonsen Holding ApS, has one female board member out of three board members corresponding to 33.3%.

## Management commentary

No female candidates were identified in 2018. Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target figure was adjusted to identify at least one female candidate for the Board of Directors at Shipco Transport Holding A/S before 2023. This is still considered an achievable and ambitious target figure.

No target figure has been determined for other management levels given that the Company does not have more than 50 employees.

Shipco Transport Holding A/S supports gender equality – both as regards career opportunities and salary conditions. Our equal opportunities policy is put into practice in the Company's employee manual, and we always encourage our female colleagues to apply for leadership positions. Based on the limited time frame, it has not yet been possible to record any effect of the above.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Consolidated income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Revenue	1	3.455.306	3.212.940
Cost of sales		(2.498.574)	(2.351.259)
Other external expenses	2	(274.224)	(259.252)
<b>Gross profit/loss</b>		<b>682.508</b>	<b>602.429</b>
Staff costs	3	(542.070)	(491.041)
Depreciation, amortisation and impairment losses	4	(11.970)	(11.370)
<b>Operating profit/loss</b>		<b>128.468</b>	<b>100.018</b>
Other financial income	5	12.109	5.296
Other financial expenses	6	(8.301)	(11.556)
<b>Profit/loss before tax</b>		<b>132.276</b>	<b>93.758</b>
Tax on profit/loss for the year	7	(39.943)	(30.634)
<b>Profit/loss for the year</b>	8	<b>92.333</b>	<b>63.124</b>

## Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Land and buildings		29.130	0
Other fixtures and fittings, tools and equipment		24.923	24.511
Leasehold improvements		5.070	7.108
<b>Property, plant and equipment</b>	9	<u><b>59.123</b></u>	<u><b>31.619</b></u>
Other receivables		4.059	4.079
<b>Fixed asset investments</b>	10	<u><b>4.059</b></u>	<u><b>4.079</b></u>
<b>Fixed assets</b>		<u><b>63.182</b></u>	<u><b>35.698</b></u>
Trade receivables		378.515	356.917
Receivables from group enterprises		61.269	47.162
Deferred tax	11	8.280	7.952
Other receivables		91.666	56.471
<b>Receivables</b>		<u><b>539.730</b></u>	<u><b>468.502</b></u>
<b>Cash</b>		<u><b>199.919</b></u>	<u><b>219.872</b></u>
<b>Current assets</b>		<u><b>739.649</b></u>	<u><b>688.374</b></u>
<b>Assets</b>		<u><b>802.831</b></u>	<u><b>724.072</b></u>

## Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Contributed capital		1.100	1.100
Retained earnings		180.214	172.294
Proposed dividend		85.000	55.000
<b>Equity</b>		<b>266.314</b>	<b>228.394</b>
Deferred tax	11	0	516
<b>Provisions</b>		<b>0</b>	<b>516</b>
Mortgage debts		18.251	0
Other payables		5.094	4.617
<b>Non-current liabilities other than provisions</b>	12	<b>23.345</b>	<b>4.617</b>
Current portion of long-term liabilities other than provisions	12	1.204	270
Trade payables		422.755	415.229
Payables to group enterprises		8.933	23.505
Income tax payable		9.987	10.029
Other payables		70.293	41.512
<b>Current liabilities other than provisions</b>		<b>513.172</b>	<b>490.545</b>
<b>Liabilities other than provisions</b>		<b>536.517</b>	<b>495.162</b>
<b>Equity and liabilities</b>		<b>802.831</b>	<b>724.072</b>
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Transactions with related parties	15		
Group relations	16		

## Consolidated statement of changes in equity for 2018

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Proposed dividend DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1.100	172.294	55.000	228.394
Ordinary dividend paid	0	0	(55.000)	(55.000)
Exchange rate adjustments	0	(446)	0	(446)
Other equity postings	0	1.033	0	1.033
Profit/loss for the year	0	7.333	85.000	92.333
<b>Equity end of year</b>	<b>1.100</b>	<b>180.214</b>	<b>85.000</b>	<b>266.314</b>

## Notes to consolidated financial statements

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>1. Revenue</b>		
Shipping services	3.455.306	3.212.940
	<b>3.455.306</b>	<b>3.212.940</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	3.686	2.866
Other assurance engagements	202	220
Tax services	686	770
Other services	666	272
	<b>5.240</b>	<b>4.128</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	473.043	427.436
Pension costs	18.098	18.020
Other social security costs	50.929	45.585
	<b>542.070</b>	<b>491.041</b>
Average number of employees	<b>2.546</b>	<b>2.624</b>
The Board of Directors and the Executive Board are not remunerated by the Group.		
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	11.970	11.370
	<b>11.970</b>	<b>11.370</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	515	123
Other financial income	11.594	5.173
	<b>12.109</b>	<b>5.296</b>

## Notes to consolidated financial statements

	<b>2018</b>	<b>2017</b>	
	<b>DKK'000</b>	<b>DKK'000</b>	
<b>6. Other financial expenses</b>			
Other financial expenses	8.301	11.556	
	<b>8.301</b>	<b>11.556</b>	
	<b>2018</b>	<b>2017</b>	
	<b>DKK'000</b>	<b>DKK'000</b>	
<b>7. Tax on profit/loss for the year</b>			
Tax on current year taxable income	38.821	32.663	
Change in deferred tax for the year	(844)	(1.058)	
Adjustment concerning previous years	1.966	(971)	
	<b>39.943</b>	<b>30.634</b>	
	<b>2018</b>	<b>2017</b>	
	<b>DKK'000</b>	<b>DKK'000</b>	
<b>8. Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year	85.000	55.000	
Retained earnings	7.333	8.124	
	<b>92.333</b>	<b>63.124</b>	
	<b>2018</b>	<b>2017</b>	
	<b>DKK'000</b>	<b>DKK'000</b>	
	<b>Land and buildings</b>	<b>Other fixtures and fittings, tools and equipment</b>	<b>Leasehold improvements</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>9. Property, plant and equipment</b>			
Cost beginning of year	0	84.495	17.663
Exchange rate adjustments	0	1.438	724
Additions	29.447	10.566	1.342
Disposals	0	(7.475)	(1.474)
<b>Cost end of year</b>	<b>29.447</b>	<b>89.024</b>	<b>18.255</b>
Depreciation and impairment losses beginning of the year	0	(59.984)	(10.555)
Exchange rate adjustments	0	(1.229)	(426)
Depreciation for the year	(317)	(8.774)	(2.879)
Reversal regarding disposals	0	5.886	675
<b>Depreciation and impairment losses end of the year</b>	<b>(317)</b>	<b>(64.101)</b>	<b>(13.185)</b>
<b>Carrying amount end of year</b>	<b>29.130</b>	<b>24.923</b>	<b>5.070</b>



## Notes to consolidated financial statements

	<b>Other receivables DKK'000</b>
<b>10. Fixed asset investments</b>	
Cost beginning of year	4.079
Additions	3
Disposals	(23)
<b>Cost end of year</b>	<b>4.059</b>
<b>Carrying amount end of year</b>	<b>4.059</b>

	<b>2018 DKK'000</b>
<b>11. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	7.436
Recognised in the income statement	844
<b>End of year</b>	<b>8.280</b>

Deferred tax consists of balances on fixed assets, trade receivables etc and tax loss carryforwards.

	<b>Instalments within 12 months 2018 DKK'000</b>	<b>Instalments within 12 months 2017 DKK'000</b>	<b>Instalments beyond 12 months 2018 DKK'000</b>
<b>12. Liabilities other than provisions</b>			
Mortgage debts	0	0	18.251
Other payables	1.204	270	5.094
	<b>1.204</b>	<b>270</b>	<b>23.345</b>

Mortgage debt is secured by way of a mortgage deed on land and buildings at a book value of DKK 29,130 thousand.

	<b>2018 DKK'000</b>	<b>2017 DKK'000</b>
<b>13. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>60.223</b>	<b>73.818</b>

	<b>2018 DKK'000</b>	<b>2017 DKK'000</b>
<b>14. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	5.173	4.037
<b>Contingent liabilities in total</b>	<b>5.173</b>	<b>4.037</b>

## Notes to consolidated financial statements

The Company participates in a Danish joint taxation arrangement in which A. Simonsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2013 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### 15. Transactions with related parties

Transactions with related parties are made on an arm's length basis.

### 16. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

A. Simonsen Holding ApS, Snorresgade 18-20, 2300 Copenhagen S

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S

The Group includes the following companies:

	<b>Share- holding %</b>
SSNYC Inc., USA	100
Shipco Transport Inc., USA	100
Worldwide Alliance Inc., USA	100
International Cargo Terminals Inc., USA	100
International Cargo Terminals Korea Co., Ltd., Korea	55
Shipco Transport (Chile) S.A., Chile	100
Shipco Transport (HK) Ltd., Hong Kong	100
PT Shipco Transport Indonesia, Indonesia	100
Shipco Transport (Japan) Ltd., Japan	100
Shipco Transport (Pte.) Ltd., Singapore	100
Shipco Transport (Thailand) Ltd., Thailand	100
Shipco Transport Sdn. Bhd., Malaysia	100
Shipco Transport (Philippines) Inc., the Philippines	51

## Notes to consolidated financial statements

	<b>Share- holding %</b>
Shipco Transport Sp.z.o.o., Poland	100
SSC Consolidation N.V., Belgium	50
SSC Consolidation B.V., the Netherlands	50
SSC Consolidation LLC, United Arab Emirates	50
Shipco Transport AB, Sweden	100
OY Shipco Transport AB, Finland	100
Shipco Transport AS, Norway	100
Shipco Transport B.V., the Netherlands	100
Shipco Transport Eesti AS, Estonia	100
Shipco Transport GmbH, Germany	100
Shipco Transport Ltd., United Kingdom	100
Shipco Transport N.V., Belgium	100
Shipco Transport Denmark A/S, Denmark	100
Shipco Transport Ltd., Ukraine	100
Shipco Transport (Shanghai) Ltd., China	100
Shipco Transport SIA, Latvia	100
Shipco Transport UAB, Lithuania	100
Shipco Transport Vietnam Limited, Vietnam	51
Shipco Transport Ltd., Turkey	100
Shipco Transport d.o.o., Slovenia	100
Shipco Transport LLC, Russia	100
Shipco Transport Bulgaria EOOD, Bulgaria	100
Shipco Transport Pakistan (pvt) Ltd., Pakistan	50
Bangkok Resource Center Ltd., Thailand	100
Shipco DMCC, United Arab Emirates	100
Shipco Transport Ltd., Ireland	100
Shipco Transport Ltd., New Zealand	51
Shipco Transport S.R.L., Romania	100
Shipco Transport Lanka (Pvt) Ltd., Sri Lanka	100
Shipco Transport Co. Ltd., Korea	51
Shipco Transport (Taiwan) Co. Ltd., Taiwan	100
Shipco Transport (Canada) Inc., Canada	100
Shipco-IT Private Limited, India	100

## Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Other operating income		67.081	62.015
Other external expenses		(64.153)	(59.485)
<b>Gross profit/loss</b>		<b>2.928</b>	<b>2.530</b>
Staff costs	1	(4.402)	(2.869)
Depreciation, amortisation and impairment losses	2	(17)	(66)
<b>Operating profit/loss</b>		<b>(1.491)</b>	<b>(405)</b>
Income from investments in group enterprises		94.074	66.444
Other financial income	3	1.733	136
Other financial expenses	4	(32)	(2.537)
<b>Profit/loss before tax</b>		<b>94.284</b>	<b>63.638</b>
Tax on profit/loss for the year	5	(1.951)	(514)
<b>Profit/loss for the year</b>	6	<b>92.333</b>	<b>63.124</b>

## Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Other fixtures and fittings, tools and equipment		168	112
<b>Property, plant and equipment</b>	7	<b>168</b>	<b>112</b>
Investments in group enterprises		197.642	201.778
<b>Fixed asset investments</b>	8	<b>197.642</b>	<b>201.778</b>
<b>Fixed assets</b>		<b>197.810</b>	<b>201.890</b>
Receivables from group enterprises		67.673	29.900
Deferred tax	9	1.241	1.616
Other receivables		2.470	2.512
<b>Receivables</b>		<b>71.384</b>	<b>34.028</b>
<b>Cash</b>		<b>16.008</b>	<b>10.464</b>
<b>Current assets</b>		<b>87.392</b>	<b>44.492</b>
<b>Assets</b>		<b>285.202</b>	<b>246.382</b>

## Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>	<u>2017 DKK'000</u>
Contributed capital	10	1.100	1.100
Reserve for net revaluation according to the equity method		144.875	158.064
Retained earnings		35.339	14.230
Proposed dividend		85.000	55.000
<b>Equity</b>		<b>266.314</b>	<b>228.394</b>
Provisions for investments in group enterprises	11	635	1.901
<b>Provisions</b>		<b>635</b>	<b>1.901</b>
Trade payables		0	199
Payables to group enterprises		11.978	13.102
Other payables		6.275	2.786
<b>Current liabilities other than provisions</b>		<b>18.253</b>	<b>16.087</b>
<b>Liabilities other than provisions</b>		<b>18.253</b>	<b>16.087</b>
<b>Equity and liabilities</b>		<b>285.202</b>	<b>246.382</b>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

## Parent statement of changes in equity for 2018

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	1.100	158.064	14.230	55.000
Ordinary dividend paid	0	0	0	(55.000)
Exchange rate adjustments	0	(446)	0	0
Other equity postings	0	3.643	(2.610)	0
Dividends from group enterprises	0	(110.460)	110.460	0
Profit/loss for the year	0	94.074	(86.741)	85.000
<b>Equity end of year</b>	<b>1.100</b>	<b>144.875</b>	<b>35.339</b>	<b>85.000</b>
				<b>Total DKK'000</b>
Equity beginning of year				228.394
Ordinary dividend paid				(55.000)
Exchange rate adjustments				(446)
Other equity postings				1.033
Dividends from group enterprises				0
Profit/loss for the year				92.333
<b>Equity end of year</b>				<b>266.314</b>

## Notes to parent financial statements

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	4.154	2.693
Pension costs	234	176
Other social security costs	14	0
	<b>4.402</b>	<b>2.869</b>
Average number of employees	<b>5</b>	<b>3</b>
The Board of Directors and the Executive Board are not remunerated by the Company.		
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	46	66
Profit/loss from sale of intangible assets and property, plant and equipment	(29)	0
	<b>17</b>	<b>66</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>3. Other financial income</b>		
Financial income arising from group enterprises	15	0
Other financial income	1.718	136
	<b>1.733</b>	<b>136</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	20	19
Other financial expenses	12	2.518
	<b>32</b>	<b>2.537</b>
	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	1.576	2.235
Change in deferred tax for the year	375	(1.721)
	<b>1.951</b>	<b>514</b>



## Notes to parent financial statements

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>6. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	85.000	55.000
Transferred to reserve for net revaluation according to the equity method	94.074	66.444
Retained earnings	(86.741)	(58.320)
	<b>92.333</b>	<b>63.124</b>
		<b>Other fixtures and fittings, tools and equipment DKK'000</b>
<b>7. Property, plant and equipment</b>		
Cost beginning of year		332
Additions		168
Disposals		(279)
<b>Cost end of year</b>		<b>221</b>
Depreciation and impairment losses beginning of the year		(220)
Depreciation for the year		(46)
Reversal regarding disposals		213
<b>Depreciation and impairment losses end of the year</b>		<b>(53)</b>
<b>Carrying amount end of year</b>		<b>168</b>

## Notes to parent financial statements

	<b>Investment s in group enterprises DKK'000</b>
<b>8. Fixed asset investments</b>	
Cost beginning of year	43.714
Additions	9.053
<b>Cost end of year</b>	<b>52.767</b>
Revaluations beginning of year	158.064
Exchange rate adjustments	(446)
Share of profit/loss for the year	94.074
Dividend	(110.460)
Other adjustments	3.643
<b>Revaluations end of year</b>	<b>144.875</b>
<b>Carrying amount end of year</b>	<b>197.642</b>

Accumulated investments with negative equity depreciated over receivables at year-end amount to DKK 7,748 thousand.

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

	<b>2018 DKK'000</b>
<b>9. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	1.616
Recognised in the income statement	(375)
<b>End of year</b>	<b>1.241</b>

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>
<b>10. Contributed capital</b>			
Share capital	1.100	1	1.100
	<b>1.100</b>		<b>1.100</b>

### 11. Provisions for investments in group enterprises

Provision for investments in group enterprises relates to group enterprises with negative equity.

## Notes to parent financial statements

	<b>2018</b> <b>DKK'000</b>	<b>2017</b> <b>DKK'000</b>
<b>12. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>308</b>	<b>135</b>

### 13. Contingent liabilities

The Parent has issued letters of support to a number of subsidiaries.

The Company participates in a Danish joint taxation arrangement in which A. Simonsen Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2013 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

### 14. Related parties with controlling interest

Related parties with a controlling interest in Shipco Transport Holding A/S:

- Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S, shareholder
- A. Simonsen Holding ApS, Snorresgade 18-20, 2300 Copenhagen S, Ultimate Parent

### 15. Transactions with related parties

Transactions with related parties are made on an arm's length basis.

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Consolidated financial statements

The consolidated financial statements include Shipco Transport Holding A/S (Parent) and subsidiaries in which Shipco Transport Holding A/S either directly or indirectly holds more than 50% of the voting rights or in any other way have controlling influence. Jointly controlled entities are consolidated on a pro rata basis.

All entities, which are partly owned at present, are considered jointly controlled entities and have therefore been recognised on a pro rata basis.

### Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

## Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

### **Business combinations**

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

### **Profits or losses from divestment of equity investments**

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

### **Foreign currency translation**

Foreign currency transactions are translated applying the exchange rates at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated applying the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the balance sheet date and the one in effect at the time when the receivable or payable arose are recognised in the income statement as financial income or financial expenses.

If the foreign subsidiaries meet the criteria of independent entities, their income statements and balance sheets are translated applying the exchange rates at the balance sheet date. Exchange differences that arise from translation of foreign subsidiaries' equity at the beginning of the year, applying the exchange rates at the balance sheet date, are recognised directly in equity.

## Accounting policies

### Income statement

#### Revenue

Revenue is recognised in the income statement if delivery to the Group's cooperators has taken place before year-end and if the income can be computed reliably and receipt is expected. Revenue is recognised net of VAT, duties and sales discounts.

#### Other operating income

Other operating income comprises income of secondary nature as viewed in relation to the Group's primary activities.

#### Cost of sales

Costs relating to revenue are accrued according to the method of revenue recognition. Other costs relating to the financial year in terms of time are charged to the income statement.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

#### Staff costs

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

#### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

#### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

#### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Accounting policies

The Company is jointly taxed with its Ultimate Parent, A. Simonsen Holding ApS, and all of the Ultimate Parent's other Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

### Balance sheet

#### Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price and costs directly attributable to the acquisition until the time when it is ready to be put into operation.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

Estimated useful lives and residual values are reassessed annually.

On initial recognition, lease contracts regarding property, plant and equipment in which the Company holds all material risks and advantages related to the ownership (finance leasing) are measured in the balance sheet at fair value or present value, if lower, of future lease payments. At the computation of present value, the internal interest rate of the lease contract or an approximate value is used as discount factor. Assets held under finance leases are then treated as the Company's other property, plant and equipment.

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Investments in group enterprises

#### Income statement

The Company's share of the subsidiaries' profits or losses after elimination of unrealised intra-group profits and losses and plus or minus amortisation of positive, or negative, goodwill is recognised in the income statement.

#### Balance sheet

Investments in subsidiaries are recognised in the balance sheet at the pro rata share of the enterprises' equity in accordance with the Parent's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus the residual value of positive, or negative, goodwill calculated according to the purchase method.

Subsidiaries with negative equity are measured at zero value, and any receivable from these enterprises is written down by the Parent's share of such negative equity. If the negative equity exceeds the amounts

## Accounting policies

receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost less amortisation of goodwill.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value. Provisions for bad and doubtful debts are made at net realisable value.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

### Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

### Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

### Other financial liabilities

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

### Income tax receivable or payable

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



## Accounting policies

### Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Group has not prepared any cash flow statement as such statement is prepared by the higher-level group.

### Segment information

The Group's activities only comprise sea freight, shipping and logistics on the world market. Consequently, it is not relevant to provide disclosures on business segments and geographical markets.