

**Prime Cargo A/S**  
Profilvej 4  
6000 Kolding  
Central Business Registration  
No 20601108

## **Annual report 2016/17**

The Annual General Meeting adopted the annual report on 28.08.2017

### **Chairman of the General Meeting**

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Name: Yoshiaki Miyajima

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## Entity details

### Entity

Prime Cargo A/S

Profilvej 4

6000 Kolding

Central Business Registration No: 20601108

Registered in: Kolding, Denmark

Financial year: 01.07.2016 - 31.03.2017

### Board of Directors

Yoshiaki Miyajima, chairman

Masaji Hosoda

Hajime Ogawa

### Executive Board

Jesper Bejstrup

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Prime Cargo A/S for the financial year 01.07.2016 - 31.03.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2017 and of the results of its operations and cash flows for the financial year 01.07.2016 - 31.03.2017.

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.

Kolding, 28.08.2017

### Executive Board

Jesper Bejstrup

### Board of Directors

Yoshiaki Miyajima  
chairman

Masaji Hosoda

Hajime Ogawa

## Independent auditor's report

### To the shareholders of Prime Cargo A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Prime Cargo A/S for the financial year 01.07.2016 - 31.03.2017, 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, and the consolidated cash flow statement. 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 31.03.2017, and of the results of their operations and the consolidated cash flows for the financial year 01.07.2016 - 31.03.2017 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

## Independent auditor's report

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent 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.

Kolding, 28.08.2017

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Anders Rosendahl Poulsen  
State Authorised Public Accountant

## Management commentary

	2016/17 DKK'000	2015/16 DKK'000	2014/15 DKK'000	2013/14 DKK'000	2012/13 DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	378.808	421.488	455.026	451.252	454.872
Gross profit/loss	39.423	36.491	36.148	32.419	39.604
Operating profit/loss	12.062	4.537	5.765	5.227	7.691
Net financials	(978)	(1.941)	(1.487)	(641)	(1.158)
Profit/loss for the year	9.016	1.322	539	3.167	4.425
Total assets	154.487	141.076	149.689	140.740	139.491
Investments in property, plant and equipment	9.026	15.132	18.417	10.685	8.109
Equity incl minority interests	60.571	53.225	51.435	51.937	32.245
<b>Ratios</b>					
Gross margin (%)	10,4	8,7	7,9	7,2	8,7
Return on equity (%)	15,8	2,5	1,0	7,5	13,2

\*2016/17 comprises the period 01.07.2016 – 31.03.2017.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.



## Management commentary

### Primary activities

The primary activities of the Consolidate comprise shipping and transportation activities, storage hotel and distribution and thereby relates services.

### Development in activities and finances

The profit for the year amounts to DKK 9.016k. At 31.03.2017 the equity amounts to DKK 60.571k.

As per 01.07.2016 the parent company merged with the wholly owned subsidiary Steamline A/S.

### Outlook

While activity is expected to continue to grow, the company expects a lower result for 2017/18 as the change of income criteria effective 1 April 2017 will have a one off negative effect on the profit.

### Particular risks

#### *Business risks*

The major business risks of the Company are attached to the ability to be strongly positioned in the markets in which the Company has activities.

#### *Financial exposure*

As a result of its operations, its investments, its financing the Company is exposed to changes in exchange rates and interest rate level. The Company's use of derivative financial instruments is solely made with a view to cover risks.

### Intellectual capital resources

The employees of the Company have great insight in the market for shipping and transportation services which are the primary activities of the Company. The employees' detailed knowledge of shipping and transportation services are of vital importance to the Company's position on the market and future earnings.

### Environmental performance

The activities of the Company have an environmental impact, i.a. in the form of the transportation activities. The environmental legislation applicable for the Company is complied with and efforts are currently made to minimize the environmental impact.

### Statutory report on corporate social responsibility

#### *Corporate social responsibility*

The Group has no written policies regarding corporate social responsibility.

### Statutory report on the underrepresented gender

#### *Diversity*

The Group has set a target figure for the representation in the Board of Directors. It is the target of Management that the share of the underrepresented gender shall make 0% of the members elected at the annual general meeting to the Executive Board. Today the share is 0%.

On other management levels, the Prime Cargo Group wishes that our employees experience that Prime Cargo has an open and unbiased culture in which the individual employee may use his competencies best possible

## Management commentary

regardless of gender. Therefore, targets have been set to ensure that we achieve the best possible leaders and employees with good personal qualities and the necessary professional competencies. The policy emphasizes to keep the access to development and career options open and equal for all employees.

At present, the gender distribution amounts to approx 22% female and 78% male on other management levels which is in line with target.

### 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 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Revenue		378.807.627	421.488.025
Production costs	2, 3	<u>(339.384.359)</u>	<u>(384.997.041)</u>
<b>Gross profit/loss</b>		<b>39.423.268</b>	<b>36.490.984</b>
Distribution costs		(2.502.572)	(2.694.653)
Administrative costs	1, 3	<u>(24.858.394)</u>	<u>(29.259.149)</u>
<b>Operating profit/loss</b>		<b>12.062.302</b>	<b>4.537.182</b>
Other financial income	4	611.217	1.222.669
Other financial expenses	5	<u>(1.589.642)</u>	<u>(3.163.358)</u>
<b>Profit/loss before tax</b>		<b>11.083.877</b>	<b>2.596.493</b>
Tax on profit/loss for the year	6	<u>(2.068.195)</u>	<u>(1.274.954)</u>
<b>Profit/loss for the year</b>	7	<b><u>9.015.682</u></b>	<b><u>1.321.539</u></b>

## Consolidated balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Acquired intangible assets		306.272	333.199
Goodwill		1.863.532	2.304.893
<b>Intangible assets</b>	8	<b>2.169.804</b>	<b>2.638.092</b>
Plant and machinery		26.432.409	28.040.793
Other fixtures and fittings, tools and equipment		8.386.263	6.351.784
Leasehold improvements		2.064.722	2.712.260
<b>Property, plant and equipment</b>	9	<b>36.883.394</b>	<b>37.104.837</b>
Other investments		896.031	1.232.437
Other receivables		31.088.034	30.110.910
<b>Fixed asset investments</b>	10	<b>31.984.065</b>	<b>31.343.347</b>
<b>Fixed assets</b>		<b>71.037.263</b>	<b>71.086.276</b>
Manufactured goods and goods for resale		596.392	440.057
<b>Inventories</b>		<b>596.392</b>	<b>440.057</b>
Trade receivables		64.995.085	50.480.602
Receivables from group enterprises		108.438	920.376
Deferred tax		1.697.326	2.862.254
Other receivables		0	673.585
Prepayments		2.742.327	2.878.145
<b>Receivables</b>		<b>69.543.176</b>	<b>57.814.962</b>
<b>Cash</b>		<b>13.310.081</b>	<b>11.734.545</b>
<b>Current assets</b>		<b>83.449.649</b>	<b>69.989.564</b>
<b>Assets</b>		<b>154.486.912</b>	<b>141.075.840</b>

## Consolidated balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		1.800.000	1.800.000
Retained earnings		56.270.541	50.103.929
Proposed dividend		2.500.000	1.321.539
<b>Equity</b>		<b>60.570.541</b>	<b>53.225.468</b>
Finance lease liabilities		9.886.076	15.831.591
Deposits		15.000	15.001
<b>Non-current liabilities other than provisions</b>	<b>11</b>	<b>9.901.076</b>	<b>15.846.592</b>
Current portion of long-term liabilities other than provisions	11	7.408.137	5.762.360
Trade payables		48.259.751	37.435.328
Payables to group enterprises		11.548.361	12.731.767
Income tax payable		554.621	1.114.209
Other payables	12	16.244.425	14.960.116
<b>Current liabilities other than provisions</b>		<b>84.015.295</b>	<b>72.003.780</b>
<b>Liabilities other than provisions</b>		<b>93.916.371</b>	<b>87.850.372</b>
<b>Equity and liabilities</b>		<b>154.486.912</b>	<b>141.075.840</b>
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Group relations	16		
Subsidiaries	17		

## Consolidated statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1.800.000	50.103.929	1.321.539	53.225.468
Ordinary dividend paid	0	0	(1.321.539)	(1.321.539)
Exchange rate adjustments	0	(349.070)	0	(349.070)
Profit/loss for the year	0	6.515.682	2.500.000	9.015.682
<b>Equity end of year</b>	<b>1.800.000</b>	<b>56.270.541</b>	<b>2.500.000</b>	<b>60.570.541</b>

## Consolidated cash flow statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Operating profit/loss		12.062.302	4.537.182
Amortisation, depreciation and impairment losses		9.852.039	12.371.828
Working capital changes	13	(3.404.628)	4.880.310
<b>Cash flow from ordinary operating activities</b>		<b>18.509.713</b>	<b>21.789.320</b>
Financial income received		611.217	1.222.669
Financial income paid		(1.589.642)	(3.183.358)
Income taxes refunded/(paid)		(1.462.855)	(4.487.780)
<b>Cash flows from operating activities</b>		<b>16.068.433</b>	<b>15.340.851</b>
Acquisition etc of intangible assets		(17.810)	(367.749)
Acquisition etc of property, plant and equipment		(9.025.688)	(13.421.764)
Sale of property, plant and equipment		0	218.000
Acquisition of fixed asset investments		(977.124)	(1.056.051)
Sale of fixed asset investments		850.300	0
<b>Cash flows from investing activities</b>		<b>(9.170.322)</b>	<b>(14.627.564)</b>
Incurrence of lease obligations		0	7.148.691
Reduction of lease commitments		(4.001.036)	(5.072.802)
Dividend paid		(1.321.539)	(238.000)
<b>Cash flows from financing activities</b>		<b>(5.322.575)</b>	<b>1.837.889</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>1.575.536</b>	<b>2.551.176</b>
Cash and cash equivalents beginning of year		11.734.545	9.183.369
<b>Cash and cash equivalents end of year</b>		<b>13.310.081</b>	<b>11.734.545</b>

## Notes to consolidated financial statements

	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>1. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	135.000	145.000
Tax services	53.783	105.591
Other services	159.870	314.873
	<b>348.653</b>	<b>565.464</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>2. Staff costs</b>		
Wages and salaries	72.825.970	95.561.857
Pension costs	2.644.335	3.377.409
Other social security costs	1.037.491	422.594
	<b>76.507.796</b>	<b>99.361.860</b>
Average number of employees	<b>352</b>	<b>307</b>
With reference to Section 98B of the Danish Financial Statements Act remuneration is not disclosed.		
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>3. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	502.549	900.002
Depreciation on property, plant and equipment	9.306.459	11.617.331
Profit/loss from sale of intangible assets and property, plant and equipment	43.031	(145.505)
	<b>9.852.039</b>	<b>12.371.828</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>4. Other financial income</b>		
Other financial income	611.217	1.222.669
	<b>611.217</b>	<b>1.222.669</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>5. Other financial expenses</b>		
Other financial expenses	1.589.642	3.163.358
	<b>1.589.642</b>	<b>3.163.358</b>



## Notes to consolidated financial statements

	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>6. Tax on profit/loss for the year</b>		
Tax on current year taxable income	902.427	1.566.999
Change in deferred tax for the year	1.164.928	(303.025)
Adjustment concerning previous years	840	10.980
	<b>2.068.195</b>	<b>1.274.954</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>7. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	2.500.000	1.321.539
Retained earnings	6.515.682	0
	<b>9.015.682</b>	<b>1.321.539</b>
	<b>Acquired intangible assets DKK</b>	<b>Goodwill DKK</b>
<b>8. Intangible assets</b>		
Cost beginning of year	367.749	5.019.729
Exchange rate adjustments	18.157	0
Additions	17.810	0
<b>Cost end of year</b>	<b>403.716</b>	<b>5.019.729</b>
Amortisation and impairment losses beginning of year	(34.550)	(2.714.836)
Exchange rate adjustments	(1.706)	0
Amortisation for the year	(61.188)	(441.361)
<b>Amortisation and impairment losses end of year</b>	<b>(97.444)</b>	<b>(3.156.197)</b>
<b>Carrying amount end of year</b>	<b>306.272</b>	<b>1.863.532</b>

## Notes to consolidated financial statements

	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
<b>9. Property, plant and equipment</b>			
Cost beginning of year	89.558.920	29.234.779	15.373.796
Exchange rate adjustments	82.477	15.463	57.997
Additions	4.704.585	4.321.103	0
Disposals	(418.100)	(683.536)	(137.732)
<b>Cost end of year</b>	<b>93.927.882</b>	<b>32.887.809</b>	<b>15.294.061</b>
Depreciation and impairment losses beginning of the year	(61.518.127)	(22.882.995)	(12.661.536)
Exchange rate adjustments	(53.580)	0	0
Depreciation for the year	(6.341.866)	(2.259.058)	(705.535)
Reversal regarding disposals	418.100	640.507	137.732
<b>Depreciation and impairment losses end of the year</b>	<b>(67.495.473)</b>	<b>(24.501.546)</b>	<b>(13.229.339)</b>
<b>Carrying amount end of year</b>	<b>26.432.409</b>	<b>8.386.263</b>	<b>2.064.722</b>
Recognised assets not owned by entity	<b>19.304.569</b>	<b>0</b>	<b>0</b>
		Other investments DKK	Other receivables DKK
<b>10. Fixed asset investments</b>			
Cost beginning of year		1.801.866	30.110.910
Transfers		0	1.111.833
Additions		0	977.124
Disposals		0	(1.111.833)
<b>Cost end of year</b>		<b>1.801.866</b>	<b>31.088.034</b>
Revaluations beginning of year		(569.429)	0
Fair value adjustments		(336.406)	0
<b>Revaluations end of year</b>		<b>(905.835)</b>	<b>0</b>
<b>Carrying amount end of year</b>		<b>896.031</b>	<b>31.088.034</b>

## Notes to consolidated financial statements

	Instalments within 12 months 2016/17 DKK	Instalments within 12 months 2015/16 DKK	Instalments beyond 12 months 2016/17 DKK	Outstanding after 5 years DKK
<b>11. Liabilities other than provisions</b>				
Finance lease liabilities	7.408.137	5.762.360	9.886.076	0
Deposits	0	0	15.000	15.000
	<b>7.408.137</b>	<b>5.762.360</b>	<b>9.901.076</b>	<b>15.000</b>

	2016/17 DKK	2015/16 DKK
<b>12. Other short-term payables</b>		
VAT and duties	766.598	959.547
Wages and salaries, personal income taxes, social security costs, etc payable	13.808.662	12.849.785
Other costs payable	1.669.165	1.150.784
	<b>16.244.425</b>	<b>14.960.116</b>

	2016/17 DKK	2015/16 DKK
<b>13. Change in working capital</b>		
Increase/decrease in inventories	(156.335)	(312.831)
Increase/decrease in receivables	(12.893.142)	13.380.901
Increase/decrease in trade payables etc	9.644.849	(8.187.760)
	<b>(3.404.628)</b>	<b>4.880.310</b>

### 14. Unrecognised rental and lease commitments

The Group has undertaken rental and lease commitments which at the balance sheet date amount to DKK 397.341 in the non-cancellable period. The non-cancellable period of the rental and lease contracts are up to 11 years.

### 15. Contingent liabilities

The Group has issued a guarantee towards third party concerning a lease contract of a subsidiary which will expire on 15 July 2019. The annual lease is DKK 3,9m.

The Group has issued an unlimited guarantee for the bank engagements of Prime Cargo Poland Sp. z.o.o. At 31 March 2017 the bank loan amounts to DKK 0 totally.

The Group has issued an unlimited guarantee for the bank engagements of Prime Cargo USA Inc. At 31 March 2017 the bank loan amounts to DKK 0 totally.

## Notes to consolidated financial statements

### 16. Group relations

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

Mitsui-Soko Europe s.r.o., Zdiby, Czech Republic

The annual report of the above companies can be obtained from Prime Cargo A/S.

### 17. Subsidiaries

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
PC KH ApS	Kolding	ApS	100,0
Prime Cargo Poland Sp. z.o.o.	Poland	z.o.o.	100,0
Prime Cargo USA Inc.	USA	Inc.	100,0

## Parent income statement for 2016/17

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Revenue	1	326.188.558	389.113.097
Production costs	3, 4	(295.418.115)	(355.304.321)
<b>Gross profit/loss</b>		<b>30.770.443</b>	<b>33.808.776</b>
Distribution costs		(2.331.045)	(2.567.591)
Administrative costs	2, 3, 4	(19.903.287)	(27.035.249)
<b>Operating profit/loss</b>		<b>8.536.111</b>	<b>4.205.936</b>
Income from investments in group enterprises		2.672.382	(1.905.819)
Other financial income	5	1.181.283	1.554.637
Other financial expenses	6	(1.321.360)	(1.601.943)
<b>Profit/loss before tax</b>		<b>11.068.416</b>	<b>2.252.811</b>
Tax on profit/loss for the year	7	(2.052.734)	(931.272)
<b>Profit/loss for the year</b>	8	<b>9.015.682</b>	<b>1.321.539</b>

## Parent balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Goodwill		1.863.532	0
<b>Intangible assets</b>	9	<b>1.863.532</b>	<b>0</b>
Plant and machinery		9.819.654	9.036.650
Other fixtures and fittings, tools and equipment		8.105.201	6.038.602
Leasehold improvements		1.068.836	1.511.333
<b>Property, plant and equipment</b>	10	<b>18.993.691</b>	<b>16.586.585</b>
Investments in group enterprises		1.383.475	8.606.298
Receivables from group enterprises		15.881.543	18.217.495
Other investments		896.031	1.232.437
Other receivables		31.074.120	30.110.910
<b>Fixed asset investments</b>	11	<b>49.235.169</b>	<b>58.167.140</b>
<b>Fixed assets</b>		<b>70.092.392</b>	<b>74.753.725</b>
Trade receivables		55.991.651	52.327.979
Receivables from group enterprises		2.814.843	923.868
Deferred tax		1.735.704	2.738.782
Other receivables		492.782	673.585
Prepayments	12	2.484.482	2.742.508
<b>Receivables</b>		<b>63.519.462</b>	<b>59.406.722</b>
<b>Cash</b>		<b>9.870.769</b>	<b>9.522.454</b>
<b>Current assets</b>		<b>73.390.231</b>	<b>68.929.176</b>
<b>Assets</b>		<b>143.482.623</b>	<b>143.682.901</b>

## Parent balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		1.800.000	1.800.000
Reserve for net revaluation according to the equity method		0	1.122.349
Retained earnings		56.270.541	48.981.580
Proposed dividend		2.500.000	1.321.539
<b>Equity</b>		<b>60.570.541</b>	<b>53.225.468</b>
Provisions for investments in group enterprises	13	3.139.637	4.891.040
<b>Provisions</b>		<b>3.139.637</b>	<b>4.891.040</b>
Finance lease liabilities		9.886.076	15.831.591
Payables to group enterprises		0	1.111.834
Other payables		15.000	15.000
<b>Non-current liabilities other than provisions</b>	14	<b>9.901.076</b>	<b>16.958.425</b>
Current portion of long-term liabilities other than provisions	14	7.408.137	5.762.360
Trade payables		38.758.971	34.683.605
Payables to group enterprises		6.727.848	12.642.693
Income tax payable		848.427	1.255.410
Other payables		16.127.986	14.263.900
<b>Current liabilities other than provisions</b>		<b>69.871.369</b>	<b>68.607.968</b>
<b>Liabilities other than provisions</b>		<b>79.772.445</b>	<b>85.566.393</b>
<b>Equity and liabilities</b>		<b>143.482.623</b>	<b>143.682.901</b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		

## Parent statement of changes in equity for 2016/17

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	1.800.000	1.122.349	48.981.580	1.321.539
Ordinary dividend paid	0	0	0	(1.321.539)
Exchange rate adjustments	0	0	(349.070)	0
Transfer to reserves	0	(1.122.349)	1.122.349	0
Profit/loss for the year	0	0	6.515.682	2.500.000
<b>Equity end of year</b>	<b>1.800.000</b>	<b>0</b>	<b>56.270.541</b>	<b>2.500.000</b>
				<b>Total DKK</b>
Equity beginning of year				53.225.468
Ordinary dividend paid				(1.321.539)
Exchange rate adjustments				(349.070)
Transfer to reserves				0
Profit/loss for the year				9.015.682
<b>Equity end of year</b>				<b>60.570.541</b>



## Notes to parent financial statements

### 1. Revenue

With reference to Section 96 (1, 3.) of the Danish Financial Statements Act no distribution of revenue into business segments is disclosed. The Company operates in a fierce competitive market with both domestic and foreign competitors. It is the view of Management that rendering of segment information may harm the Company considerably.

	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	135.000	145.000
Other assurance engagements	140.000	185.000
Tax services	53.783	105.591
Other services	19.870	129.873
	<b>348.653</b>	<b>565.464</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>3. Staff costs</b>		
Wages and salaries	68.294.111	86.607.359
Pension costs	2.644.335	3.284.468
Other social security costs	785.973	923.142
Other staff costs	523.292	369.427
	<b>72.247.711</b>	<b>91.184.396</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
Average number of employees	<b>264</b>	<b>261</b>

Incentive programs have been agreed with Management.

With reference to Section 98B of the Danish Financial Statements Act remuneration is not disclosed.

	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	441.360	0
Depreciation on property, plant and equipment	6.532.088	8.461.518
Profit/loss from sale of intangible assets and property, plant and equipment	43.031	(63.000)
	<b>7.016.479</b>	<b>8.398.518</b>

## Notes to parent financial statements

	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	637.180	799.543
Exchange rate adjustments	0	161.947
Fair value adjustments	0	5.667
Other financial income	544.103	587.480
	<b>1.181.283</b>	<b>1.554.637</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>6. Other financial expenses</b>		
Financial expenses from group enterprises	0	14.534
Exchange rate adjustments	134.763	0
Fair value adjustments	336.416	0
Other financial expenses	850.181	1.587.409
	<b>1.321.360</b>	<b>1.601.943</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>7. Tax on profit/loss for the year</b>		
Tax on current year taxable income	902.427	1.255.410
Change in deferred tax for the year	1.149.467	(335.118)
Adjustment concerning previous years	840	10.980
	<b>2.052.734</b>	<b>931.272</b>
	<b>2016/17 DKK</b>	<b>2015/16 DKK</b>
<b>8. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	2.500.000	1.321.539
Transferred to reserve for net revaluation according to the equity method	0	290.224
Retained earnings	6.515.682	(290.224)
	<b>9.015.682</b>	<b>1.321.539</b>

## Notes to parent financial statements

	<b>Goodwill DKK</b>		
<b>9. Intangible assets</b>			
Cost beginning of year			10.000
Transfers			5.019.728
<b>Cost end of year</b>			<b>5.029.728</b>
Amortisation and impairment losses beginning of year			(10.000)
Transfers			(2.714.836)
Amortisation for the year			(441.360)
<b>Amortisation and impairment losses end of year</b>			<b>(3.166.196)</b>
<b>Carrying amount end of year</b>			<b>1.863.532</b>
	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improve- ments DKK</b>
<b>10. Property, plant and equipment</b>			
Cost beginning of year	59.480.109	28.879.873	13.458.361
Transfers	7.006.452	0	740.806
Additions	4.558.709	4.296.648	0
Disposals	(418.100)	(683.537)	(137.732)
<b>Cost end of year</b>	<b>70.627.170</b>	<b>32.492.984</b>	<b>14.061.435</b>
Depreciation and impairment losses beginning of the year	(50.443.459)	(22.841.271)	(11.947.028)
Transfers	(6.905.883)	0	(714.508)
Depreciation for the year	(3.876.274)	(2.187.019)	(468.795)
Reversal regarding disposals	418.100	640.507	137.732
<b>Depreciation and impairment losses end of the year</b>	<b>(60.807.516)</b>	<b>(24.387.783)</b>	<b>(12.992.599)</b>
<b>Carrying amount end of year</b>	<b>9.819.654</b>	<b>8.105.201</b>	<b>1.068.836</b>
Recognised assets not owned by entity	<b>3.251.988</b>	-	-

## Notes to parent financial statements

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Other investments DKK	Other receivables DKK
<b>11. Fixed asset investments</b>				
Cost beginning of year	7.483.949	18.217.495	1.801.866	30.110.910
Transfers	0	0	0	1.111.833
Additions	8.535.407	0	0	963.210
Disposals	(7.360.000)	(2.335.952)	0	(1.111.833)
<b>Cost end of year</b>	<b>8.659.356</b>	<b>15.881.543</b>	<b>1.801.866</b>	<b>31.074.120</b>
Revaluations beginning of year	1.122.349	0	(569.429)	0
Share of profit/loss for the year	(9.942.499)	0	0	0
Investments with negative equity depreciated over receivables	3.139.637	0	0	0
Fair value adjustments	0	0	(336.406)	0
Other adjustments	(349.070)	0	0	0
Reversal regarding disposals	(1.246.298)	0	0	0
<b>Revaluations end of year</b>	<b>(7.275.881)</b>	<b>0</b>	<b>(905.835)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1.383.475</b>	<b>15.881.543</b>	<b>896.031</b>	<b>31.074.120</b>

### 12. Prepayments

Prepayments comprise prepaid operating expenses.

### 13. Provisions for investments in group enterprises

Provision for investments in group enterprises comprises the negative equity value exceeding amount receivable, and where the Parent has a legal or constructive obligation to cover the liabilities of the group enterprises.

	Instalments within 12 months 2016/17 DKK	Instalments within 12 months 2015/16 DKK	Instalments beyond 12 months 2016/17 DKK	Outstanding after 5 years DKK
<b>14. Liabilities other than provisions</b>				
Finance lease liabilities	7.408.137	5.762.360	9.886.076	0
Other payables	0	0	15.000	15.000
	<b>7.408.137</b>	<b>5.762.360</b>	<b>9.901.076</b>	<b>15.000</b>

## Notes to parent financial statements

### 15. Unrecognised rental and lease commitments

The Company has undertaken rental and lease commitments which at the balance sheet date amount to DKK 387.915k in the non-cancellable period. The non-cancellable period of the rental and lease contracts are up to 11 years.

### 16. Contingent liabilities

The Company has issued a guarantee towards third party concerning a lease contract of a subsidiary which will expire on 15 July 2019. The annual lease is DKK 3.9m.

The Company has issued an unlimited guarantee for the bank engagements of Prime Cargo Poland Sp. z.o.o. At 31 March 2017 the bank loan amounts to DKK 0 totally.

The Company has issued an unlimited guarantee for the bank engagements of Prime Cargo USA Inc. At 31 March 2017 the bank loan amounts to DKK 0 totally.

The Entity participates in a Danish joint taxation arrangement in which the Company serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable from the financial year from 30 May 2015 for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group.

The Entity has participated in a Danish joint taxation arrangement in which PCH, Kolding ApS served as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for the period from 1 July 2012 to 29 May 2015 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

## 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 (big).

The Accounting policies applied for this consolidated financial statements and parent financial statements are consistent with those applied last year.

### Non-comparability

As a result of changes in the financial year the financial statements for 2016/17 comprise 9 months. Comparative figures include 12 months.

### 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 comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

### 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.

## Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition 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. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. 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. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually. Negative balances (negative goodwill) are recognised as income in the income statement.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### Income statement

#### Revenue

Revenue from the sale of transportation services are recognised in the income statement when commenced. Other services are recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Production costs

Production costs comprise cost of sales for the financial year, including wages and salaries as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

## Accounting policies

### Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

### Administrative costs

Administrative expenses comprise costs incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

### 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 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.

### Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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

### Balance sheet

#### Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is usually 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

#### Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

#### Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

## Accounting policies

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Other investments

Other investments under current assets comprise investments which in principle are measured at fair value (market price) at the balance sheet date. As the fair value may not be established and an adjusted sales price may not be calculated, other investments are measured at cost.

Other investments are written down to the lower of recoverable amount and carrying amount.

### Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### 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.

## Accounting policies

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### 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. Proposed dividend for the financial year is disclosed as a separate item in equity.

### Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

### 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.

### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

## Accounting policies

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.