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CVR-nr. 36 56 05 09

Martin Bencher (Scandinavia) A/S

Vandvejen 7, 8000 Århus C

Annual report

2018

Company reg. no. 21 19 91 09

The annual report was submitted and approved by the general meeting on the 14 June 2019.

Peter Thorsøe Jensen
Chairman of the meeting

Contents

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Martin Bencher (Scandinavia) A/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in our opinion, the consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively at 31 December 2018, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Århus C, 14 June 2019

Managing Director

Peter Thorsøe Jensen

Board of directors

Nils Albert Hammar	Hanna Elisabeth Røsvik	Peter Thorsøe Jensen
Henrik Kleis		

Independent auditor's report

To the shareholder of Martin Bencher (Scandinavia) A/S

Opinion

We have audited the consolidated annual accounts and the annual accounts of Martin Bencher (Scandinavia) A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 31 December 2018 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the consolidated annual accounts and the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor’s responsibilities for the audit of the consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the consolidated annual accounts and the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 company’s internal control.

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management’s preparation of the consolidated annual accounts and the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the group’s and the company’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 annual accounts and the annual accounts 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 company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated annual accounts and the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the consolidated annual accounts and the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the consolidated annual accounts or the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the consolidated annual accounts and the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Skjern, 14 June 2019

Martinsen Ringkøbing-Skjern
State Authorised Public Accountants
Company reg. no. 36 56 05 09

Jacob Hall
State Authorised Public Accountant
mne34159

Company data

The company	Martin Bencher (Scandinavia) A/S Vandvejen 7 8000 Århus C	
	Phone	+45 86 12 26 99
	Fax	+45 86 12 27 99
	Web site	www.martin-bencher.com
	Company reg. no.	21 19 91 09
	Established:	18 November 1998
	Domicile:	Aarhus Municipality
	Financial year:	1 January - 31 December 21st financial year
Board of directors	Nils Albert Hammar Hanna Elisabeth Røsvik Peter Thorsøe Jensen Henrik Kleis	
Managing Director	Peter Thorsøe Jensen	
Auditors	Martinsen Ringkøbing-Skjern Statsautoriseret Revisionspartnerselskab Østergade 130 6900 Skjern	
Bankers	Sydbank, Storetorv 12, 8000 Århus C	
Parent company	Widow McShea Projects ApS	

Company data

Subsidiaries	Martin Bencher (Scandinavia) OY, Helsinki, Finland
	Martin Bencher (Scandinavia) AB, Stockholm, Sweden
	Martin Bencher USA, LLC, New Jersey, USA
	MB Projects PTE LTD, Singapore
	Martin Bencher (Hong Kong) Limited, Hong Kong
	Martin Bencher (Norway) AS, Kristiansand, Norway
	Martin Bencher Logistics (India) Private Limited, India
	Martin Bencher GmbH, Hamburg, Germany
	Martin Bencher France, Marseille, France
	Martin Bencher Do Brasil Logistica Ltda, Sau Paolo, Brazil
	Martin Bencher (Australia) Pty. Ltd., Sydney, Australia
	Martin Bencher Airfreight ApS, Kastrup, Denmark
	Martin Bencher Middle East DMCC, Dubai, UAE
	Martin Bencher de Mexico, Mexico
	Martin Bencher (Thailand) Company Ltd., Thailand
	Martin Bencher (UK) Limited, London, England
	Martin Bencher Canada Ltd., Vancouver, Canada

Consolidated financial highlights

DKK in thousands.	2018	2017	2016	2015	2014
Profit and loss account:					
Net turnover	761.434	594.022	587.974	801.998	659.954
Gross profit	122.074	87.674	94.439	147.883	108.112
Results from operating activities	22.260	-6.541	6.421	48.235	35.157
Net financials	-759	-7.729	392	9.945	4.834
Results for the year	15.716	-13.095	3.093	45.261	23.940
Balance sheet:					
Balance sheet sum	210.490	156.404	167.389	189.563	177.051
Investments in tangible fixed assets represent	122	459	3.157	2.526	829
Equity	62.023	46.297	92.165	101.517	62.146
Cash flow:					
Operating activities	6.016	3.918	-29.240	72.572	15.245
Investment activities	-482	-531	-3.427	-2.629	-506
Financing activities	0	-30.000	-8.660	-11.951	1.347
Cash flow in total	5.534	-26.614	-41.327	57.992	16.085
Employees:					
Average number of full time employees	130	126	136	110	103
Key figures in %:					
Gross margin	16,0	14,8	16,1	18,4	16,4
Profit margin	2,9	-1,1	1,1	6,0	5,3
Solvency ratio	26,3	27,2	51,3	50,4	35,1
Return on equity	39,7	-20,2	1,1	51,9	49,5
Return on assets	11,0	-4,2	7,2	25,7	19,9

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The principal activities of the group

The company's primary activity in the course of the year has consisted of international forwarding business.

Unusual matters

The consolidated annual accounts, assets, liabilities and financial position, consolidated and for the company resprectively at 31 December 2018, the result og the activities for the consolidated entities and for company respectively have not been subject to unusual matters.

Uncertainties as to recognition or measurement

No uncertainties as to recognition or measurement has occured.

Development in activities and financial matters

The net turnover for the year is DKK 761m against DKK 594m last year. The results from ordinary activities after tax are DKK 15,7m against DKK -13,1m last year. The management consider the results satisfactory.

Special risks

Exchange rate risks:
Martin Bencher (Scandinavia) A/S's international activity entails the Company's results, cash flows and equity are affected by the exchange rate movements of a number of currencies.

The group has significant assets in foreign currencies such as accounts receivable. The associated risks are not deemed to be of any particular significance due to the management's clear and strict management in this area.

Research and development activities

Martin Bencher (Scandinavia) A/S carries out a continuous adjustment and development of the group's services.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Management's review

Statement of corporate social responsibility

The group has no formal, written policies relating to general social responsibility. The performance of the group's activities, however, takes place with ongoing consideration to generally accepted principles of good corporate governance, just as the group ensures that constant compliance with the current law is maintained.

Regarding the areas of working environment and impact on the external environment, management keeps a special focus on maintaining responsible business operations so that the group acts as a positive player in the interaction with the surrounding society.

For further information please be advised to the CSR statement at the group website:
http://martin-bencher.com/Corporate-Responsibility

Target figures and policies for the under-represented sex

The group is highly aware of the imporance of promoting equal gender distribution in management.

As a 100 % owner-managed group, we find that 25 % represents a reasonable target for female representation among the members of the Board of Directors elected at the general meeting. This target has been met. In connection with future replacement of members of the Board of Directors, this target will be pursued to the maximum with a view to retention and development by selecting the most suitable candidate based on his/her qualifications, experience and competences as well as other factors.

It is the group's policy to pursue a positive development in the female share by selecting the most suitable candidate for the job based on his/her qualifications, experience and competences, etc. This will be put into practice through continuous focus and through our efforts to make the positions in question more appealing to women under the given conditions for meeting the job requirements.

The annual report for Martin Bencher (Scandinavia) A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Accounting policies used

Assets are recognised in the balance sheet when the group is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the group is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

Accounting policies used

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Martin Bencher (Scandinavia) A/S and those group enterprises of which Martin Bencher (Scandinavia) A/S directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Newly acquired or newly established enterprises are recognised in the consolidated annual accounts as of the date of acquisition. Disposed or terminated enterprises are recognised in the consolidated annual accounts until the date of disposal. In relation to newly acquired, disposed or terminated enterprises, comparative figures are not adjusted.

In connection with the acquisition of new enterprises, the acquisition method is applied, by which the acquirees' identifiable assets and liabilities are measured at fair value at the time of acquisition. Costs for restructuring which are recognised in the acquiree before the acquisition date and which have not been agreed upon as part of the acquisition, are recognised in the pre-acquisition balance sheet and thereby forms part of the measurement of goodwill. Restructuring decided by the acquiree is recognised in the profit and loss account. The tax effect of the revaluations carried out is taken into consideration.

Accounting policies used

Positive balances (goodwill) between cost and fair value of the acquired, identifiable assets and liabilities, including provisions for restructuring, are recognised under intangible fixed assets and in accordance with an individual evaluation allocated on a systematic basis over their useful lives in the profit and loss account. Negative balances (negative goodwill) is recognised as income in the profit and loss account at the date of acquisition when the general requirements for recognition of income are met.

Goodwill and negative goodwill from acquirees may be adjusted until 12 months after the acquisition.

Gains or losses from the disposal or termination of group enterprises or associated enterprises are recognised as the difference between the sales price or the termination sum and the book value of the net assets at the sales date and expected costs of sale or termination.

Minority interests

The items of the group enterprises are recognised by 100 % in the consolidated annual accounts. The minority interests' proportionate share of the profit or loss and the equity of the group enterprises are adjusted annually, and they are recognised as a separate item below the profit and loss account and as a separate item in the balance sheet respectively.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Production costs

The production costs comprise costs, which are incurred in order to achieve the net turnover of the year.

Distribution costs

The distribution costs comprise costs which have been incurred for distribution of goods sold during the year and for sales campaigns carried out during the year. Additionally, costs for sales staff, costs for advertising and exhibitions, and depreciation are recognised in the profit and loss account.

Administration costs

Administration costs comprise costs which have been incurred during the year for management and administration, including costs for the administrative staff, the executive board, offices, stationery and office supplies, and depreciation.

Accounting policies used

Cost of sales

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The parent enterprise and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Accounting policies used

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*2-10 years*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

At the first recognition in the balance sheet, leasing contracts concerning tangible fixed assets by which the group holds all essential risks and advantages attached to the proprietary right (financial leasing) are measured either at fair value or at the present value of the future leasing services, whichever value is lower. When calculating the present value, the internal interest rate of the leasing contract or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, financially leased assets are treated in the same way as other similar tangible assets.

The capitalised residual leasing liability is recognised in the balance sheet as a liability, and the interest part of the leasing contract is recognised in the profit and loss account over the term of the contract.

All other leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The group's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Accounting policies used

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Accounting policies used

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Accounting policies used

According to the rules of joint taxation, Martin Bencher (Scandinavia) A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Other provisions

Provisions comprise expected costs for guarantee liabilities, loss on work in progress, restructuring, etc. Provisions are recognised when the group has a legal or actual liability which is due to a previous event and when it is likely that the settlement of the liability will result in expenditure of the financial resources of the group.

If the settlement of the liability is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

Accounting policies used

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt.

Profit and loss account 1 January - 31 December

All amounts in DKK.

		Group		Parent enterprise	
Note		2018	2017	2018	2017
1	Net turnover	761.433.589	594.022.087	293.725.718	241.778.382
	Production costs	-639.359.840	-506.347.766	-260.122.579	-219.099.561
	Gross results	**122.073.749**	**87.674.321**	**33.603.139**	**22.678.821**
	Distribution costs	-76.363.167	-64.913.325	-23.909.073	-22.174.936
	Administration costs	-23.450.862	-29.301.863	-2.517.898	-4.865.894
	Operating profit	**22.259.720**	**-6.540.867**	**7.176.168**	**-4.362.009**
	Income from equity investments in group enterprises	0	-316.183	5.235.090	-4.690.830
2	Other financial income	1.388.746	2.787.812	1.572.956	200
3	Other financial costs	-2.147.723	-10.200.337	-386.480	-6.238.622
	Financing, net	-758.977	-7.728.708	6.421.566	-10.929.252
	Results before tax	**21.500.743**	**-14.269.575**	**13.597.734**	**-15.291.261**
4	Tax on ordinary results	-5.785.024	1.174.952	-1.879.624	2.299.514
5	**Results for the year**	**15.715.719**	**-13.094.623**	**11.718.110**	**-12.991.747**
	The group's results are as follows:				
	Shareholders in Martin Bencher (Scandinavia) A/S	11.718.110	-12.991.744		
	Minority interests	3.997.609	-102.879		
		15.715.719	**-13.094.623**		

Balance sheet 31 December

All amounts in DKK.

Assets

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Fixed assets				
6	Other plants, operating assets, and fixtures and furniture	4.311.559	4.719.289	310.799	521.212
	Tangible fixed assets in total	4.311.559	4.719.289	310.799	521.212
7	Equity investments in group enterprises	0	0	32.887.055	27.117.952
8	Deposits	1.247.018	887.164	417.775	454.275
	Financial fixed assets in total	1.247.018	887.164	33.304.830	27.572.227
	Fixed assets in total	**5.558.577**	**5.606.453**	**33.615.629**	**28.093.439**
	Current assets				
	Trade debtors	141.295.118	106.914.654	52.469.902	46.853.890
	Amounts owed by group enterprises	0	0	32.384.575	21.768.805
9	Deferred tax assets	198.117	2.321.120	198.117	2.321.752
	Receivable corporate tax	0	0	244.011	0
	Other debtors	4.567.170	5.559.172	434.493	375.672
10	Accrued income and deferred expenses	28.447.280	10.529.112	1.400.039	8.029.253
	Debtors in total	174.507.685	125.324.058	87.131.137	79.349.372
	Available funds	30.423.790	25.473.298	8.581.379	2.933.011
	Current assets in total	**204.931.475**	**150.797.356**	**95.712.516**	**82.282.383**
	Assets in total	**210.490.052**	**156.403.809**	**129.328.145**	**110.375.822**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Equity				
11	Contributed capital	500.000	500.000	500.000	500.000
	Reserves for net revaluation as per the equity method	0	0	8.969.619	3.904.447
	Results brought forward	48.918.565	41.980.770	39.948.946	38.076.323
	Proposed dividend for the financial year	6.000.000	0	6.000.000	0
	Equity before non-controlling interest.	55.418.565	42.480.770	55.418.565	42.480.770
	Minority interests	6.604.541	3.815.958	0	0
	Equity in total	**62.023.106**	**46.296.728**	**55.418.565**	**42.480.770**
	Provisions				
12	Other provisions	0	0	3.306.414	2.982.012
	Provisions in total	**0**	**0**	**3.306.414**	**2.982.012**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
	Liabilities				
	Bank debts	5.350.020	5.933.914	1.836.080	5.227.912
	Trade creditors	55.025.815	55.332.276	12.144.390	13.053.593
	Debt to group enterprises	27.765.593	27.466.971	35.279.194	35.350.667
	Corporate tax	326.887	859.193	0	0
	Other debts	17.968.095	8.429.370	2.322.241	2.420.576
13	Accrued expenses and deferred income	42.030.536	12.085.357	19.021.261	8.860.292
	Short-term liabilities in total	148.466.946	110.107.081	70.603.166	64.913.040
	Liabilities in total	**148.466.946**	**110.107.081**	**70.603.166**	**64.913.040**
	Equity and liabilities in total	**210.490.052**	**156.403.809**	**129.328.145**	**110.375.822**

14 Staff matters

15 Fee, auditor

16 Contingencies

17 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	Minority interests	In total
Equity 1 January 2018	500.000	0	41.980.770	0	3.815.958	46.296.728
Share of results	0	0	5.718.110	6.000.000	3.997.609	15.715.719
Currency translation of foreign entities	0	0	1.219.685	0	0	1.219.685
Other adjustments	0	0	0	0	-1.209.026	-1.209.026
	500.000	**0**	**48.918.565**	**6.000.000**	**6.604.541**	**62.023.106**

Statement of changes in equity of the parent enterprise

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2018	500.000	3.904.447	38.076.323	0	42.480.770
Share of results	0	3.845.487	1.872.623	6.000.000	11.718.110
Currency translation of foreign entities	0	1.219.685	0	0	1.219.685
	500.000	**8.969.619**	**39.948.946**	**6.000.000**	**55.418.565**

Cash flow statement 1 January - 31 December

All amounts in DKK.

Note		Group 2018	2017
	Results for the year	15.715.719	-13.094.623
18	Adjustments	7.084.143	5.300.584
19	Change in working capital	-11.830.565	20.408.878
	Cash flow from operating activities before net financials	10.969.297	12.614.839
	Interest received and similar amounts	1.388.745	2.787.803
	Interest paid and similar amounts	-2.147.723	-10.200.337
	Cash flow from ordinary activities	10.210.319	5.202.305
	Corporate tax paid	-4.194.327	-1.284.737
	Cash flow from operating activities	**6.015.992**	**3.917.568**
	Purchase of tangible fixed assets	-121.753	-459.007
	Purchase of financial fixed assets	-396.353	-72.232
	Sale of financial fixed assets	36.500	0
	Cash flow from investment activities	**-481.606**	**-531.239**
	Dividend paid	0	-30.000.000
	Cash flow from financing activities	**0**	**-30.000.000**
	Changes in available funds	**5.534.386**	**-26.613.671**
	Available funds 1 January 2018	19.539.384	46.153.055
	Available funds 31 December 2018	**25.073.770**	**19.539.384**

	2018	2017
Available funds		
Available funds	30.423.790	25.473.298
Short-term bank debts	-5.350.020	-5.933.914
Available funds 31 December 2018	**25.073.770**	**19.539.384**

Notes

All amounts in DKK.

		Group 2018	Group 2017
1.	**Net turnover**		
	Revenue, Denmark	64.618.670	29.201.315
	Revenue, exports	696.814.919	564.820.772
		761.433.589	**594.022.087**

		Group		Parent enterprise	
		2018	2017	2018	2017
2.	**Other financial income**				
	Other financial income	158.083	0	97.256	0
	Financial income, group enterprises	0	0	0	200
	Currency translation	1.230.663	2.787.812	1.475.700	0
		1.388.746	**2.787.812**	**1.572.956**	**200**
3.	**Other financial costs**				
	Financial costs, group enterprises	138.990	77.608	138.990	77.608
	Other financial costs	2.008.733	10.122.729	247.490	6.161.014
		2.147.723	**10.200.337**	**386.480**	**6.238.622**

Notes

All amounts in DKK.

	Group 2018	Group 2017	Parent enterprise 2018	Parent enterprise 2017
4. Tax on ordinary results				
Tax of the results for the year, parent company	3.661.389	1.125.194	-244.011	0
Adjustment for the year of deferred tax	2.123.635	-2.300.146	2.123.635	-2.299.514
	5.785.024	**-1.174.952**	**1.879.624**	**-2.299.514**

5. Proposed distribution of the results

	Parent enterprise 2018	Parent enterprise 2017
Extraordinary dividend adopted during the financial year	0	30.000.000
Reserves for net revaluation as per the equity method	3.845.487	-7.262.077
Dividend for the financial year	6.000.000	0
Allocated to results brought forward	1.872.623	0
Allocated from results brought forward	0	-35.729.670
Distribution in total	**11.718.110**	**-12.991.747**

Notes

All amounts in DKK.

		Group		Parent enterprise	
		31/12 2018	31/12 2017	31/12 2018	31/12 2017
6.	**Other plants, operating assets, and fixtures and furniture**				
	Cost 1 January 2018	9.236.510	9.880.454	1.178.763	1.252.067
	Translation by use of the exchange rate valid on balance sheet date 31 December 2018	245.693	-767.083	0	0
	Additions during the year	121.753	459.007	0	0
	Disposals during the year	-224.234	-335.868	0	-73.304
	Cost 31 December 2018	**9.379.722**	**9.236.510**	**1.178.763**	**1.178.763**
	Depreciation and writedown 1 January 2018	-4.517.221	-3.783.474	-657.551	-474.144
	Translation by use of the exchange rate valid on balance sheet date 31 December 2018	-66.074	181.522	0	0
	Depreciation for the year	-702.121	-1.116.168	-210.413	-249.787
	Reversal of depreciation, amortisation and writedown, assets disposed of	217.253	200.899	0	66.380
	Depreciation and writedown 31 December 2018	**-5.068.163**	**-4.517.221**	**-867.964**	**-657.551**
	Book value 31 December 2018	**4.311.559**	**4.719.289**	**310.799**	**521.212**

Notes

All amounts in DKK.

		Parent enterprise 31/12 2018	31/12 2017
7.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	4.321.602	4.443.577
	Additions during the year	162.985	0
	Disposals during the year	0	-121.975
	Cost 31 December 2018	**4.484.587**	**4.321.602**
	Revaluations, opening balance 1 January 2018	3.904.447	11.166.524
	Reversal of prior revaluations	0	-289.414
	Translation by use of the exchange rate valid on balance sheet date	1.219.685	-423.057
	Results for the year before goodwill amortisation	5.235.090	-4.374.647
	Dividend	-2.389.603	-2.174.959
	Revaluation 31 December 2018	**7.969.619**	**3.904.447**
	Offsetting against debtors	17.126.435	15.909.891
	Transferred to provisions	3.306.414	2.982.012
	Set off against debtors and provisions for liabilities	**20.432.849**	**18.891.903**
	Book value 31 December 2018	**32.887.055**	**27.117.952**

Group enterprises:

	Domicile	**Share of ownership**
Martin Bencher (Scandinavia) OY	Helsinki, Finland	100 %
Martin Bencher (Scandinavia) AB	Stockholm, Sweden	100 %
Martin Bencher USA, LLC	New Jersey, USA	50 %
MB Projects PTE LTD	Singapore	86 %
Martin Bencher (Hong Kong) Limited	Hong Kong	100 %
Martin Bencher (Norway) AS	Kristiansand, Norway	100 %
Martin Bencher Logistics (India) Private Limited	India	80 %
Martin Bencher GmbH	Hamburg, Germany	100 %
Martin Bencher France	Marseille, France	50 %
Martin Bencher Do Brasil Logistica Ltda	Sau Paolo, Brazil	100 %
Martin Bencher (Australia) Pty. Ltd.	Sydney, Australia	100 %
Martin Bencher Airfreight ApS	Kastrup, Denmark	100 %
Martin Bencher Middle East DMCC	Dubai, UAE	52 %
Martin Bencher de Mexico	Mexico	100 %
Martin Bencher (Thailand) Company Ltd.	Thailand	100 %
Martin Bencher (UK) Limited	London, England	100 %
Martin Bencher Canada Ltd.	Vancouver, Canada	50 %

Notes

All amounts in DKK.

		Group		Parent enterprise	
		31/12 2018	31/12 2017	31/12 2018	31/12 2017
8.	**Deposits**				
	Cost 1 January 2018	887.164	814.932	454.275	417.775
	Additions during the year	396.354	72.232	0	36.500
	Disposals during the year	-36.500	0	-36.500	0
	Cost 31 December 2018	**1.247.018**	**887.164**	**417.775**	**454.275**
	Book value 31 December 2018	**1.247.018**	**887.164**	**417.775**	**454.275**
9.	**Deferred tax assets**				
	Deferred tax assets 1 January 2018	2.321.120	435.830	2.321.752	22.238
	Deferred tax assets	-2.123.003	1.885.290	-2.123.635	2.299.514
		198.117	**2.321.120**	**198.117**	**2.321.752**
	The following items are subject to deferred tax:				
	Tangible fixed assets	40.401	29.737	40.401	30.369
	Losses brought forward from previous years	157.716	2.291.383	157.716	2.291.383
		198.117	**2.321.120**	**198.117**	**2.321.752**
10.	**Accrued income and deferred expenses**				
	Other prepayments/deferred income	28.447.280	10.529.112	1.400.039	8.029.253
		28.447.280	**10.529.112**	**1.400.039**	**8.029.253**

Notes

All amounts in DKK.

		Group 31/12 2018	Group 31/12 2017	Parent enterprise 31/12 2018	Parent enterprise 31/12 2017
11.	**Contributed capital**				
	Contributed capital 1 January 2018	500.000	500.000	500.000	500.000
		500.000	**500.000**	**500.000**	**500.000**

The share capital consists of DKK 500,000 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

		Group 31/12 2018	Group 31/12 2017	Parent enterprise 31/12 2018	Parent enterprise 31/12 2017
12.	**Other provisions**				
	Provisions for group enterprises			3.306.414	2.982.012
				3.306.414	**2.982.012**
13.	**Accrued expenses and deferred income**				
	Prepayments/deferred income	42.030.536	12.085.357	19.021.261	8.860.292
		42.030.536	**12.085.357**	**19.021.261**	**8.860.292**
14.	**Staff matters**				
	Salaries and wages	56.894.478	49.751.927	19.782.255	17.813.260
	Other costs for social security	4.487.693	6.290.744	291.852	260.090
	Other staff costs	2.988.334	1.673.500	468.562	496.611
		64.370.505	**57.716.171**	**20.542.669**	**18.569.961**
	Executive board and board of directors	4.054.841	4.759.655	643.841	865.140
	Average number of employees	130	126	35	35

Notes

All amounts in DKK.

	Group 2018	2017
15. Fee, auditor		
Total fee for	875.000	750.000
Fee concerning compulsory audit	450.000	400.000
Other services	425.000	350.000
	875.000	**750.000**

16. Contingencies

Contingent liabilities

Warranty commitments and other contingent liabilities

The Parent Company has provided external guarantees of DKK 1.615K

The Parent Company has entered into a property lease with an annual rent of DKK 1.132K.
The Group has entered into a property lease with an annual rent of DKK 5.026K.

The Parent Company has entered into operating leasing agreements with an annual payment of DKK 785K. The Group has entered into operating leasing agreements with an annual payment of DKK 1.346K.

Joint taxation

Widow McShea Projects ApS, company reg. no 24 21 80 82 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company..

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Notes

All amounts in DKK.

17. Related parties

Controlling interest

Peter Thorsøe Jensen, Alleen 19, 8660 Skanderborg	Majority shareholder
Widow McShea Project ApS, Vandvejen 7, 8000 Århus C	Parent Company

Other related parties

Niels Albert Hammar, 11 Chemin de Méjean, 13820 Ensues-La Redonne, France	Board member
Hanna Elisabeth Røsvik, Alleen 19, 8660 Skanderborg	Board member
Henrik Kleis, Himmelbjergvej 86B, 8600 Skanderborg	Board member

Consolidated annual accounts

The company is included in the consolidated annual accounts of Widow McShea Projects ApS, Vandvejen 7, 8000 Århus C, company registration no. 24 21 80 82.

	Group 2018	2017
18. Adjustments		
Depreciation and amortisation	709.102	1.251.134
Other financial income	-1.388.746	-2.787.812
Other financial costs	2.147.723	10.200.337
Tax on ordinary results	5.785.024	-1.174.952
Other adjustments	-168.960	-2.188.123
	7.084.143	**5.300.584**

19. Change in working capital		
Change in debtors	-51.306.630	-9.990.574
Change in trade creditors and other liabilities	39.476.065	30.399.452
	-11.830.565	**20.408.878**