

United Arab Agencies A/S
Snorresgade 18-20
2300 Copenhagen S
Central Business Registration No
24210480

Annual report 2016

The Annual General Meeting adopted the annual report on 28.06.2017

Chairman of the General Meeting

Name: Morten Jæpelt

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	14

Entity details

Entity

United Arab Agencies A/S
Snorresgade 18-20
2300 Copenhagen S

Central Business Registration No: 24210480

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Sune Simonsen, Chairman
Morten Jæpelt
Arne Simonsen

Executive Board

Morten Jæpelt, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of United Arab Agencies A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 28.06.2017

Executive Board

Morten Jæpelt
Chief Executive Officer

Board of Directors

Sune Simonsen
Chairman

Morten Jæpelt

Arne Simonsen

Independent auditor's report

To the shareholder of United Arab Agencies A/S

Qualified opinion

We have audited the financial statements of United Arab Agencies A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the Basis for qualified opinion section, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

We point out that there is uncertainty about the Company's payables to associates. The intra-group account with associates has not been reconciled at 31.12.2016. We refer to the disclosures in note 7.

Consequently, we modify our opinion in respect of the comparative figures and the balance sheet figures at 31.12.2016 as well as the possible effect on the income statement.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 financial statements section of this auditor's report. We are independent of the Entity 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 qualified opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing 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 financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with

Independent auditor's report

the 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Anders Kreiner
State-Authorised Public Accountant

Management commentary

Primary activities

The Company cancelled the agency agreement with United Arab Shipping Company in 2015 for which reason the Company has been without activity in the financial year 2016.

Development in activities and finances

Loss for the year amounts to DKK 160 thousand. Equity amounts to DKK 4,950 thousand at 31.12.2016.

The Board of Directors considers the performance for the year acceptable.

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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK'000</u>	<u>2015 DKK'000</u>
Gross loss		(207)	3.617
Staff costs	1	<u>0</u>	<u>(1.286)</u>
Operating profit/loss		(207)	2.331
Other financial income	2	25	29
Impairment of financial assets		0	63
Other financial expenses	3	<u>(23)</u>	<u>(43)</u>
Profit/loss before tax		(205)	2.380
Tax on profit/loss for the year	4	<u>45</u>	<u>(542)</u>
Profit/loss for the year		(160)	1.838
Proposed distribution of profit/loss			
Retained earnings		<u>(160)</u>	<u>1.838</u>
		(160)	1.838

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Investments in group enterprises		144	144
Other receivables		90	91
Fixed asset investments	5	<u>234</u>	<u>235</u>
Fixed assets		<u>234</u>	<u>235</u>
Trade receivables		0	2.509
Receivables from group enterprises		2.298	2.274
Receivables from associates		0	1.213
Deferred tax		50	5
Other receivables		0	93
Receivables		<u>2.348</u>	<u>6.094</u>
Cash		<u>3.473</u>	<u>5.615</u>
Current assets		<u>5.821</u>	<u>11.709</u>
Assets		<u>6.055</u>	<u>11.944</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Contributed capital	6	500	500
Retained earnings		4.450	4.610
Equity		<u>4.950</u>	<u>5.110</u>
Trade payables		56	5.760
Payables to group enterprises		0	770
Payables to associates	7	1.049	0
Other payables		0	304
Current liabilities other than provisions		<u>1.105</u>	<u>6.834</u>
Liabilities other than provisions		<u>1.105</u>	<u>6.834</u>
Equity and liabilities		<u>6.055</u>	<u>11.944</u>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Related parties with controlling interest	10		
Group relations	11		

Statement of changes in equity for 2016

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	4.610	5.110
Profit/loss for the year	0	(160)	(160)
Equity end of year	500	4.450	4.950

Notes

	2016	2015
	DKK'000	DKK'000
1. Staff costs		
Wages and salaries	0	1.216
Pension costs	0	63
Other social security costs	0	7
	0	1.286
Average number of employees	0	
	2016	2015
	DKK'000	DKK'000
2. Other financial income		
Financial income arising from group enterprises	23	28
Other financial income	2	1
	25	29
	2016	2015
	DKK'000	DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	0	24
Other financial expenses	23	19
	23	43
	2016	2015
	DKK'000	DKK'000
4. Tax on profit/loss for the year		
Tax on current year taxable income	0	542
Change in deferred tax for the year	(45)	0
	(45)	542

Notes

	Investments in group enterprises DKK'000	Other receivables DKK'000
5. Fixed asset investments		
Cost beginning of year	222	91
Disposals	<u>0</u>	<u>(1)</u>
Cost end of year	<u>222</u>	<u>90</u>
Impairment losses beginning of year	<u>(78)</u>	<u>0</u>
Impairment losses end of year	<u>(78)</u>	<u>0</u>
Carrying amount end of year	<u>144</u>	<u>90</u>

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK'000	Profit/loss DKK'000
Investments in group enterprises comprise:					
United Arab Agencies AS	Norway	AS	100,0	(1.809)	(441)
United Arab Agencies AB	Sweden	AB	100,0	936	(480)
Oy United Arab Agencies AB	Finland	AB	100,0	384	(23)

	Number	Par value DKK'000	Nominal value DKK'000
6. Contributed capital			
Share capital	<u>500</u>	1	<u>500</u>
	<u>500</u>		<u>500</u>

7. Payables to associates

It has not been possible to obtain absolute confirmation of the payables to associates recognised in the financial statements. Accordingly, the payables to associates are subject to uncertainty.

Notes

	2016	2015
	<u>DKK'000</u>	<u>DKK'000</u>
8. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>0</u>	<u>52</u>
	2016	2015
	<u>DKK'000</u>	<u>DKK'000</u>
9. Contingent liabilities		
Other contingent liabilities	<u>3.878</u>	<u>3.757</u>
Contingent liabilities in total	<u>3.878</u>	<u>3.757</u>

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

10. Related parties with controlling interest

Related parties with a controlling interest in United Arab Agencies A/S:

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

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
A.S. Scan Holding A/S, Snorresgade 18-20, 2300 Copenhagen S

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Scan Group A/S, Snorresgade 18-20, 2300 Copenhagen S

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

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

Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

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.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of

Accounting policies

income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

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

Staff costs

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

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.

Impairment of financial assets

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

Accounting policies

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.

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

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost and 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.

Deferred tax

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

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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