

Tschudi Logistics A/S

Hasselbakken 10, 8361 Hasselager, Denmark

CVR no. 30 72 47 71



Annual report 2015

Approved at the annual general meeting of shareholders on 17 June 2016

Chairman

EY

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Tschudi Logistics A/S for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's Review.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 17 June 2016
Executive Board:



Carsten Fruergaard
Andersen

Board of Directors:

Jon Edvard Sundnes
Chairman

Thomas Vestergaard



Carsten Fruergaard
Andersen

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditors' report

To the shareholder of Tschudi Logistics A/S

Independent auditors' report on the financial statements

We have audited the financial statements of Tschudi Logistics A/S for the financial year 1 January - 31 December 2015, which comprise an 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.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 17 June 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Jens Thordahl Nøhr
State Authorised Public Accountant



Management's review

Company details

Name	Tschudi Logistics A/S
Address, Postal code, City	Hasselbakken 10, 8361 Hasselager, Denmark
CVR No.	30 72 47 71
Established	19 July 2007
Registered office	Aarhus Kommune
Financial year	1 January - 31 December
Board of Directors	Jon Edvard Sundnes, Chairman Thomas Vestergaard Carsten Fruergaard Andersen
Executive Board	Carsten Fruergaard Andersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Bank Danmark A/S

Management's review

Operating review

The Company's business review

Tschudi Logistics A/S was founded in October 2007. The Company is a wholly owned subsidiary of Tschudi Logistics Holding AS, Oslo, Norway.

2015 was a year with a lot of changes in the set-up and structure of the Tschudi Group. By owners' decision, the main activity of the Tschudi Logistics Group was disposed in the autumn of 2015, meaning that all Short Sea Liner activities were handed over to the buyers in October 2015.

The sale of the liner activities meant that all of the activities at the offices in Klaipeda and Szczecin were taken over by the buyers.

As from June 2014, the office in the port of Aarhus closed down, and the Company is now run from the home office of the Managing Director. From October 2015, Carsten Andersen was faced by a new challenge: the appointment as Development Director in Tschudi Logistics Holding AS, Oslo. At the same time, he joined the Management Board of Marinexpress AS in Oslo.

Since 2010, the expenses relating to the Managing Director's travel activity, which is mainly related to running the Tschudi Logistics offices in Lithuania, Latvia, Russia and Poland, are covered by these offices. The same goes for the Managing Director's salary.

The Company's activities are down to a minimum when it comes to the day-to-day operations, as few clients still book with us, but the Managing Director's main activity is to represent the owners as mentioned above.

In general, the situation characterised by Russian restrictions and numerous devaluations of Kazakh Tenge during 2015 had a severe negative impact on the business in the Tschudi Logistics Group.

Financial review

The income statement for 2015 shows a loss of DKK 12,697 against a loss of DKK 572,662 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 1,863,756.

Going concern

Based on a support letter received from the parent company, the financial statements have been prepared under the going concern assumption.

Post balance sheet events

No significant events have occurred subsequent to the financial year-end.



Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015	2014
	Gross profit	1,120,661	853,601
3	Staff costs	-1,061,176	-1,389,542
	Operating profit/loss	59,485	-535,941
	Financial income	4	4
4	Financial expenses	-72,186	-36,725
	Profit/loss before tax	-12,697	-572,662
	Tax for the year	0	0
	Profit/loss for the year	-12,697	-572,662
	Proposed profit appropriation/distribution of loss	-12,697	-572,662
	Retained earnings/accumulated loss	-12,697	-572,662

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	ASSETS		
	Non-current assets		
5	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	0	0
		0	0
	Total non-current assets	0	0
	Current assets		
	Receivables		
	Trade receivables	0	96,841
	Receivables from group entities	266,069	222,612
	Other receivables	84,361	81,032
		350,430	400,485
	Cash	118,284	102,572
	Total current assets	468,714	503,057
	TOTAL ASSETS	468,714	503,057
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	8,500,000	8,500,000
	Retained earnings	-10,363,756	-10,351,059
	Total equity	-1,863,756	-1,851,059
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Payables to group entities	1,964,632	0
		1,964,632	0
	Current liabilities other than provisions		
	Trade payables	14,540	17,481
	Payables to group entities	142,535	2,122,594
	Other payables	210,763	214,041
		367,838	2,354,116
	Total liabilities other than provisions	2,332,470	2,354,116
	TOTAL EQUITY AND LIABILITIES	468,714	503,057

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 7 Contractual obligations and contingencies, etc.
- 8 Related parties



Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	8,500,000	-10,351,059	-1,851,059
Profit/loss for the year	0	-12,697	-12,697
Equity at 31 December 2015	8,500,000	-10,363,756	-1,863,756

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Tschudi Logistics A/S for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

The accounting policies applied by the Company are consistent with those of last year.

Income statement

Revenue

Income is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably. VAT, indirect taxes and discounts are excluded from the revenue.

Income from the supply of services is recognised as revenue with reference to the stage of completion.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue' to and including 'Other external expenses' are aggregated into one item designated 'Gross profit'.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, lease payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

Current and deferred taxes related to items recognised directly in equity are taken directly to equity.

The company is jointly taxed with Rederiet Otto Danielsen A/S (Administration company). The Danish income tax charge is allocated between profit-making and loss-making enterprises in proportion to their taxable income (full allocation method).

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery. Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less provisions for impairment losses.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

2 Material uncertainties regarding going concern

The Company's parent company, Tschudi Logistics Holding AS, has issued a letter of comfort to the Company, in which the parent company confirms that they will withdraw any claims they have against the Company in favour of other creditors until 31 December 2016. Additionally, the parent company will grant the Company adequate financial support so that the Company can continue as a going concern 12 months after the balance sheet date.

DKK	2015	2014
3 Staff costs		
Wages/salaries	1,058,999	1,358,382
Other social security costs	0	3,681
Other staff costs	2,177	27,479
	<u>1,061,176</u>	<u>1,389,542</u>
Average number of full-time employees	<u>1</u>	<u>2</u>
4 Financial expenses		
Interest expenses, group entities	67,620	34,893
Exchange adjustments	4,566	0
Other financial expenses	0	1,832
	<u>72,186</u>	<u>36,725</u>

5 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2015	67,085
Additions in the year	0
Disposals in the year	0
Cost at 31 December 2015	<u>67,085</u>
Impairment losses and depreciation at 1 January 2015	67,085
Amortisation/depreciation in the year	0
Impairment losses and depreciation at 31 December 2015	<u>67,085</u>
Carrying amount at 31 December 2015	<u>0</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2015	2014
6 Share capital		
The share capital consists of the following:		
8,500 A- shares of DKK 1,000.00 each	8,500,000	8,500,000
	<u>8,500,000</u>	<u>8,500,000</u>

Analysis of changes in the share capital over the past 5 years:

DKK	2015	2014	2013	2012	2011
Opening balance	8,500,000	8,500,000	8,500,000	500,000	500,000
Capital increase	0	0	0	8,000,000	0
	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>8,500,000</u>	<u>500,000</u>

7 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	2015	2014
Rent and lease liabilities	97,356	182,260

8 Related parties

Tschudi Logistics A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Tschudi Logistics Holding AS	Strandveien 50 1325 Lysaker, Norway	Parent (100% ownership)

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent's consolidated financial statements
Tschudi Logistics Holding AS	Strandveien 50 1325 Lysaker, Norway	www.tschudilogistics.com