



**Scan-Shipping A/S**  
Snorresgade 18-20  
2300 Copenhagen S  
Central Business Registration No.  
32444199

**Annual report 2017**

The Annual General Meeting adopted the annual report on 18.05.2018

**Chairman of the General Meeting**

A handwritten signature in blue ink, appearing to read "John Hemming", is written over a horizontal line.

Name: John Hemming

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## Entity details

### Entity

Scan-Shipping A/S  
Snorresgade 18  
2300 Copenhagen S

Central Business Registration No (CVR): 32444199

Founded: 02.09.2009

Registered in: Copenhagen

Financial year: 01.01.2017 - 31.12.2017

Phone: +4532668100

Fax: +4532574900

Website: [www.scan-shipping.com](http://www.scan-shipping.com)

E-mail: [info@scan-shipping.com](mailto:info@scan-shipping.com)

### Board of Directors

Arne Simonsen, Chairman

Morten Jæpelt

Sune Simonsen

Ulrik Kamstrup Jespersen

### Executive Board

Sune Simonsen, 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 Scan-Shipping A/S for the financial year 01.01.2017 - 31.12.2017.

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


In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017 and of the results of their operations for the financial year 01.01.2017 - 31.12.2017.

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

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

Copenhagen, 18.05.2018

### Executive Board

  
Sune Simonsen

Chief Executive Officer

### Board of Directors

  
Arne Simonsen

Chairman

  
Ulrik Kamstrup Jespersen  
Morten Jæpelt  
Sune Simonsen

## Independent auditor's report

### To the shareholder of Scan-Shipping A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of Scan-Shipping A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

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

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

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

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

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

## Independent auditor's report

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

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

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

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

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

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

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


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

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

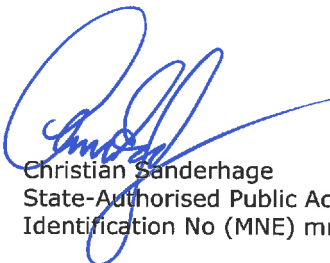
Copenhagen, 18.05.2018

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556



Anders Kreiner  
State-Authorised Public Accountant  
Identification No (MNE) mne26765



Christian Sanderhage  
State-Authorised Public Accountant  
Identification No (MNE) mne23347

## Management commentary

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	<b>2015</b> <b>DKK'000</b>	<b>2014</b> <b>DKK'000</b>	<b>2013</b> <b>DKK'000</b>
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	702.381	581.633	934.014	772.105	788.070
Gross profit/loss	59.601	66.781	78.281	65.099	66.362
EBITDA	(9.249)	(6.172)	231	(9.443)	(1.891)
Operating profit/loss	(11.167)	(8.312)	(1.806)	(11.609)	(3.914)
Net financials	(6.911)	(601)	534	(48)	546
Profit/loss for the year	(17.104)	(10.221)	(3.594)	(13.994)	(5.627)
Total assets	208.737	191.048	213.120	196.309	181.579
Investments in property, plant and equipment	1.794	2.312	3.193	1.148	3.105
Equity	17.220	8.286	18.199	23.469	40.174
Average numbers of employees	244	243	260	285	300
<b>Ratios</b>					
Gross margin (%)	8,5	11,5	8,4	8,4	8,4
Net margin (%)	(2,4)	(1,8)	(0,4)	(1,8)	(0,7)
Return on equity (%)	(134,1)	(77,2)	(17,3)	(44,0)	(12,7)
Equity ratio (%)	8,2	4,0	8,0	12,0	22,1

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

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



## Management commentary

### Primary activities

The Company's primary activities are logistics solutions, global transport and other related services in close cooperation with its subsidiaries and agents.

### Development in activities and finances

EBIT for year is negative DKK 11,167 thousand.

Equity totals DKK 17,220 thousand at 31.12.2017.

The results have been impacted by changes in management at various locations, and it is expected that future results will improve significantly under new local management.

The Board of Directors considers the performance for 2017 unacceptable.

### Outlook

A minor loss is expected in 2018.

### Particular risks

#### Price risks

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

#### Currency exposure

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

#### Interest rate exposure

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

### Group relations

Please refer to note 15 in the consolidated financial statements for a specification of the group relations.

### Statutory report on corporate social responsibility

Please refer to the management commentary of the Ultimate Parent.

### Statutory report on the underrepresented gender

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

## Management commentary

At the time of presentation of the annual report, the Board of Directors at Scan-Shipping A/S has no female members while the Ultimate Parent, A.S. Scan Holding A/S, has three female board members out of seven board members corresponding to 42.9%.

Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target is to identify at least one female candidate for the Board of Directors at Scan-Shipping A/S before 2019. This is considered an achievable and ambitious target figure.

Scan-Shipping A/S supports gender equality – both as regards career opportunities and salary conditions. As a concrete action, the Company has put our equal opportunities policy into practice in the Company's employee manual. Based on the limited time frame, it has not yet been possible to record any effect of the above.

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

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

## Consolidated income statement for 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Revenue	1	702.381	581.633
Other operating income		7.634	10.148
Cost of sales		(593.687)	(470.397)
Other external expenses	2	(56.727)	(54.603)
<b>Gross profit/loss</b>		<b>59.601</b>	<b>66.781</b>
Staff costs	3	(68.850)	(72.953)
Depreciation, amortisation and impairment losses	4	(1.918)	(2.140)
<b>Operating profit/loss</b>		<b>(11.167)</b>	<b>(8.312)</b>
Other financial income	5	423	895
Other financial expenses	6	(7.334)	(1.496)
<b>Profit/loss before tax</b>		<b>(18.078)</b>	<b>(8.913)</b>
Tax on profit/loss for the year	7	974	(1.308)
<b>Profit/loss for the year</b>	8	<b>(17.104)</b>	<b>(10.221)</b>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Land and buildings		445	431
Other fixtures and fittings, tools and equipment		4.980	5.536
Leasehold improvements		2	10
<b>Property, plant and equipment</b>	9	<u>5.427</u>	<u>5.977</u>
Other receivables		388	474
<b>Fixed asset investments</b>	10	<u>388</u>	<u>474</u>
<b>Fixed assets</b>		<u>5.815</u>	<u>6.451</u>
Trade receivables		137.731	129.387
Receivables from group enterprises		14.314	8.964
Deferred tax	11	1.491	0
Other receivables		6.066	3.839
Income tax receivable		531	0
Prepayments		4.884	6.401
<b>Receivables</b>		<u>165.017</u>	<u>148.591</u>
<b>Cash</b>		<u>37.905</u>	<u>36.006</u>
<b>Current assets</b>		<u>202.922</u>	<u>184.597</u>
<b>Assets</b>		<u>208.737</u>	<u>191.048</u>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital		1.000	1.000
Retained earnings		16.220	7.286
<b>Equity</b>		<b>17.220</b>	<b>8.286</b>
Deferred tax	11	0	206
<b>Provisions</b>		<b>0</b>	<b>206</b>
Trade payables		82.313	74.273
Payables to group enterprises		97.975	98.827
Income tax payable		0	1.247
Other payables		11.229	8.209
<b>Current liabilities other than provisions</b>		<b>191.517</b>	<b>182.556</b>
<b>Liabilities other than provisions</b>		<b>191.517</b>	<b>182.556</b>
<b>Equity and liabilities</b>		<b>208.737</b>	<b>191.048</b>
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Transactions with related parties	14		
Group relations	15		

**Consolidated statement of changes in equity for 2017**

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1.000	7.286	8.286
Exchange rate adjustments	0	1.508	1.508
Group contributions etc	0	25.000	25.000
Other entries on equity	0	(871)	(871)
Tax of entries on equity	0	401	401
Profit/loss for the year	0	(17.104)	(17.104)
<b>Equity end of year</b>	<b>1.000</b>	<b>16.220</b>	<b>17.220</b>

## Notes to consolidated financial statements

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>1. Revenue</b>		
Shipping services	702.381	581.633
	<b>702.381</b>	<b>581.633</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	1.034	1.080
Other assurance engagements	30	46
Tax services	88	127
Other services	95	89
	<b>1.247</b>	<b>1.342</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	62.118	66.170
Pension costs	4.092	4.294
Other social security costs	2.640	2.489
	<b>68.850</b>	<b>72.953</b>
Average number of employees	<b>244</b>	<b>243</b>
The Board of Directors and the Executive Board are not remunerated by the Group.		
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	1.918	2.140
	<b>1.918</b>	<b>2.140</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	38	33
Other financial income	385	862
	<b>423</b>	<b>895</b>

## Notes to consolidated financial statements

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	
<b>6. Other financial expenses</b>			
Financial expenses from group enterprises	26	13	
Other financial expenses	7.308	1.483	
	<b>7.334</b>	<b>1.496</b>	
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	
<b>7. Tax on profit/loss for the year</b>			
Current tax	228	1.607	
Change in deferred tax	(1.296)	(298)	
Adjustment concerning previous years	94	(1)	
	<b>(974)</b>	<b>1.308</b>	
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>	
<b>8. Proposed distribution of profit/loss</b>			
Retained earnings	(17.104)	(10.221)	
	<b>(17.104)</b>	<b>(10.221)</b>	
	<b>Land and buildings DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>9. Property, plant and equipment</b>			
Cost beginning of year	601	20.543	770
Exchange rate adjustments	34	(1.067)	(1)
Additions	0	1.793	1
Disposals	0	(2.803)	(9)
<b>Cost end of year</b>	<b>635</b>	<b>18.466</b>	<b>761</b>
Depreciation and impairment losses beginning of year	(170)	(15.007)	(760)
Exchange rate adjustments	(10)	768	1
Depreciation for the year	(10)	(1.908)	0
Reversal regarding disposals	0	2.661	0
<b>Depreciation and impairment losses end of year</b>	<b>(190)</b>	<b>(13.486)</b>	<b>(759)</b>
<b>Carrying amount end of year</b>	<b>445</b>	<b>4.980</b>	<b>2</b>



## Notes to consolidated financial statements

	<b>Other receivables DKK'000</b>
<b>10. Fixed asset investments</b>	
Cost beginning of year	474
Disposals	(86)
<b>Cost end of year</b>	<b>388</b>
<b>Carrying amount end of year</b>	<b>388</b>
	<b>2017 DKK'000</b>
<b>11. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	(206)
Recognised in the income statement	1.296
Recognised directly in equity	401
<b>End of year</b>	<b>1.491</b>
	<b>2017 DKK'000</b>
	<b>2016 DKK'000</b>
<b>12. Unrecognised rental and lease commitments</b>	
Liabilities under rental or lease agreements until maturity in total	<b>8.491</b>
	<b>9.468</b>
	<b>2017 DKK'000</b>
	<b>2016 DKK'000</b>
<b>13. Contingent liabilities</b>	
Recourse and non-recourse guarantee commitments	1.865
	2.104
<b>Contingent liabilities in total</b>	<b>1.865</b>
	<b>2.104</b>

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.

#### 14. Transactions with related parties

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

## Notes to consolidated financial statements

### 15. 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

The Group includes the following companies:

	<b>Share- holding %</b>
Scan-Shipping AB, Sweden	100
Scanway Shipping AS, Norway	100
OY Scan-Shipping AB, Finland	100
Scan-Shipping GmbH, Germany	100
Scan-Group Agencies Sp.z.o.o, Poland	100
Scan-Shipping (Pte.) Ltd., Singapore	100
Scanway Shipping LLC, Russia	100
Shipco-Shipping Jylland A/S, Denmark	100
Scan-Shipping Italia SRL, Italy	100
Scan-Shipping Inc., USA	100
Scan-Shipping LLC, Ukraine	100
Scan-Shipping OU, Estonia	100
Shipco-Shipping AB, Sweden	100
Expa-Services (Pte.) Ltd., Singapore	100
Seaway Shipping AS, Norway	100
Scanway Shipping AB, Sweden	100
Scanway Shipping Real Estate AB, Sweden	100
Scan-Shipping d.o.o, Slovenia	100
Scan-Shipping Hong Kong Ltd., Hong Kong	100
Scan-Shipping (Thailand) Ltd., Thailand	100
Scan-Shipping (Turkey) Ltd., Turkey	100
Scan-Shipping Norway AS, Norway	100
PT Scan-Shipping, Indonesia	100
Scan-Shipping LLC, United Arab Emirates	100
Scan-Shipping (Shanghai) Ltd., China	100
Scan-Shipping Colombo (Pte.) Ltd., Sri Lanka	100
Scan Group DMCC, United Arab Emirates	100
Scan-Shipping srl, Romania	100

## Parent income statement for 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Revenue	1	235.829	284.284
Other operating income		1.595	1.892
Cost of sales		(196.809)	(237.916)
Other external expenses	2	(12.308)	(14.047)
<b>Gross profit/loss</b>		<b>28.307</b>	<b>34.213</b>
Staff costs	3	(28.137)	(29.052)
Depreciation, amortisation and impairment losses	4	(445)	(517)
<b>Operating profit/loss</b>		<b>(275)</b>	<b>4.644</b>
Income from investments in group enterprises		(12.825)	(14.413)
Other financial income	5	799	837
Other financial expenses	6	(5.621)	(279)
<b>Profit/loss before tax</b>		<b>(17.922)</b>	<b>(9.211)</b>
Tax on profit/loss for the year	7	818	(1.010)
<b>Profit/loss for the year</b>	8	<b>(17.104)</b>	<b>(10.221)</b>

## Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Other fixtures and fittings, tools and equipment		1.239	1.120
Leasehold improvements		0	10
<b>Property, plant and equipment</b>	9	<u><b>1.239</b></u>	<u><b>1.130</b></u>
Investments in group enterprises		17.961	24.049
Receivables from group enterprises		18.699	14.543
Other receivables		50	50
<b>Fixed asset investments</b>	10	<u><b>36.710</b></u>	<u><b>38.642</b></u>
<b>Fixed assets</b>		<u><b>37.949</b></u>	<u><b>39.772</b></u>
Trade receivables		42.860	40.157
Receivables from group enterprises		39.440	45.335
Deferred tax	11	1.547	0
Prepayments	12	351	329
<b>Receivables</b>		<u><b>84.198</b></u>	<u><b>85.821</b></u>
<b>Cash</b>		<u><b>4.394</b></u>	<u><b>6.250</b></u>
<b>Current assets</b>		<u><b>88.592</b></u>	<u><b>92.071</b></u>
<b>Assets</b>		<u><b>126.541</b></u>	<u><b>131.843</b></u>

## Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital	13	1.000	1.000
Retained earnings		16.220	7.286
<b>Equity</b>		<b>17.220</b>	<b>8.286</b>
Provisions for investments in group enterprises	14	5.761	12.214
<b>Provisions</b>		<b>5.761</b>	<b>12.214</b>
Trade payables		23.234	28.098
Payables to group enterprises		73.821	76.228
Other payables		6.505	7.017
<b>Current liabilities other than provisions</b>		<b>103.560</b>	<b>111.343</b>
<b>Liabilities other than provisions</b>		<b>103.560</b>	<b>111.343</b>
<b>Equity and liabilities</b>		<b>126.541</b>	<b>131.843</b>
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Related parties with controlling interest	17		
Transactions with related parties	18		

## Parent statement of changes in equity for 2017

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	1.000	7.286	8.286
Exchange rate adjustments	0	1.508	1.508
Group contributions etc	0	25.000	25.000
Other entries on equity	0	(871)	(871)
Tax of entries on equity	0	401	401
Profit/loss for the year	0	(17.104)	(17.104)
<b>Equity end of year</b>	<b>1.000</b>	<b>16.220</b>	<b>17.220</b>

## Notes to parent financial statements

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>1. Revenue</b>		
Shipping services	235.829	284.284
	<b>235.829</b>	<b>284.284</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>2. Fees to the auditor appointed by the Annual General Meeting</b>		
Statutory audit services	145	144
Tax services	10	5
Other services	26	26
	<b>181</b>	<b>175</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	26.224	27.521
Pension costs	1.533	1.499
Other social security costs	380	32
	<b>28.137</b>	<b>29.052</b>
Average number of employees	<b>61</b>	<b>61</b>
The Board of Directors and the Executive Board are not remunerated by the Company.		
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>4. Depreciation, amortisation and impairment losses</b>		
Depreciation of property, plant and equipment	445	517
	<b>445</b>	<b>517</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>5. Other financial income</b>		
Financial income arising from group enterprises	779	828
Other financial income	20	9
	<b>799</b>	<b>837</b>

## Notes to parent financial statements

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>6. Other financial expenses</b>		
Financial expenses from group enterprises	0	130
Other financial expenses	5.621	149
	<b>5.621</b>	<b>279</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>7. Tax on profit/loss for the year</b>		
Current tax	328	1.018
Change in deferred tax	(1.146)	(8)
	<b>(818)</b>	<b>1.010</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>8. Proposed distribution of profit/loss</b>		
Retained earnings	(17.104)	(10.221)
	<b>(17.104)</b>	<b>(10.221)</b>
	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improve- ments DKK'000</b>
<b>9. Property, plant and equipment</b>		
Cost beginning of year	2.719	365
Additions	696	0
Disposals	(516)	0
<b>Cost end of year</b>	<b>2.899</b>	<b>365</b>
Depreciation and impairment losses beginning of year	(1.599)	(355)
Depreciation for the year	(435)	(10)
Reversal regarding disposals	374	0
<b>Depreciation and impairment losses end of year</b>	<b>(1.660)</b>	<b>(365)</b>
<b>Carrying amount end of year</b>	<b>1.239</b>	<b>0</b>



## Notes to parent financial statements

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Other receivables DKK'000
<b>10. Fixed asset investments</b>			
Cost beginning of year	89.276	14.543	50
Additions	12.787	4.156	0
Disposals	(871)	0	0
<b>Cost end of year</b>	<b>101.192</b>	<b>18.699</b>	<b>50</b>
Revaluations beginning of year	(65.227)	0	0
Exchange rate adjustments	3.322	0	0
Share of profit/loss for the year	(12.825)	0	0
Other adjustments	(8.501)	0	0
<b>Revaluations end of year</b>	<b>(83.231)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>17.961</b>	<b>18.699</b>	<b>50</b>

Accumulated investments with negative equity depreciated over receivables at year-end amount to DKK 24,619 thousand.

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

	<b>2017 DKK'000</b>
<b>11. Deferred tax</b>	
<b>Changes during the year</b>	
Recognised in the income statement	1.146
Recognised directly in equity	401
<b>End of year</b>	<b>1.547</b>

### 12. Prepayments

Prepayments consist of prepaid costs.

	Number	Par value DKK'000	Nominal value DKK'000
<b>13. Contributed capital</b>			
Share capital	1.000	1	1.000
	<b>1.000</b>		<b>1.000</b>

## Notes to parent financial statements

### 14. Provisions for investments in group enterprises

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

	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>15. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>4.008</b>	<b>3.503</b>
	<b>2017</b>	<b>2016</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>16. Contingent liabilities</b>		
Recourse and non-recourse guarantee commitments	1.206	1.353
<b>Contingent liabilities in total</b>	<b>1.206</b>	<b>1.353</b>

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

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.

### 17. Related parties with controlling interest

Related parties with controlling interest in Scan-Shipping A/S:

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

### 18. Transactions with related parties

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

## Accounting policies

### Reporting class

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

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year. However, the comparative figures for 2016 have been restated in the consolidated financial statements. The restatement has no effect on net income and equity.

### Recognition and measurement

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

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

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

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

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

### Consolidated financial statements

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

### Basis of consolidation

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

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

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

## Accounting policies

### Business combinations

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

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

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

### Profits or losses from divestment of equity investments

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

### Foreign currency translation

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

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

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

### Income statement

#### Revenue

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

## Accounting policies

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of intangible assets and property, plant and equipment.

### Cost of sales

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

### Other external expenses

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

### Staff costs

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

### Depreciation, amortisation and impairment losses

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

### Other financial income

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

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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 Company 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 companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

## Accounting policies

### Balance sheet

#### Property, plant and equipment

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

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

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

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

Buildings	15-50 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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

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

### Investments in group enterprises

#### Income statement

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

#### Balance sheet

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

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

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

## Accounting policies

### Receivables

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

### Deferred tax

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

### Income tax payable or receivable

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

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### Operating leases

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

### Other financial liabilities

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

### Cash flow statement

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

### Segment information

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