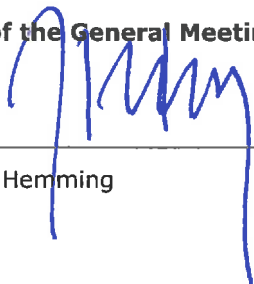


**A.S. Scan Holding A/S**  
Snorresgade 18-20  
2300 Copenhagen S  
Central Business Registration No.  
33036175

**Annual report 2017**

The Annual General Meeting adopted the annual report on 18.05.2018

**Chairman of the General Meeting**



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Name: John Hemming

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## Entity details

### Entity

A.S. Scan Holding A/S  
Snorresgade 18-20  
2300 Copenhagen S

Central Business Registration No (CVR): 33036175  
Registered in: Copenhagen  
Financial year: 01.01.2017 - 31.12.2017

Phone: +4532668100  
Fax: +4532574900  
Website: [www.scan-group.com](http://www.scan-group.com)

### Board of Directors

Arne Simonsen, Chairman  
Sine Kruse Simonsen  
Birthe Prior Simonsen  
Søren Simonsen  
Sune Simonsen  
Sean Simonsen  
Sabrina Simonsen

### 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 A.S. Scan Holding 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 and the consolidated cash flows 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



Sine Kruse Simonsen



Birthe Prior Simonsen




Søren Simonsen



Sune Simonsen



Sean Simonsen



Sabrina Simonsen

## Independent auditor's report

### To the owner of A.S. Scan Holding A/S

#### Opinion

We have audited the consolidated financial statements and the parent financial statements of A.S. Scan Holding 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, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2017, and of the results of their operations and the consolidated cash flows 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the

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

## Independent auditor's report

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

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

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

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

## Independent auditor's report

### Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

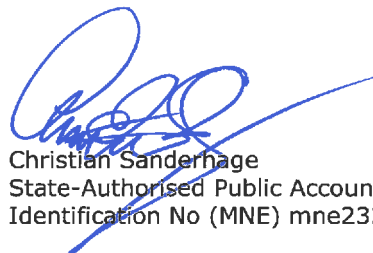
Copenhagen, 18.05.2018

### 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

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
<b>Financial highlights</b>					
<b>Key figures</b>					
Revenue	4.104.510	3.919.519	4.405.495	5.786.136	6.570.753
Gross profit/loss	735.451	723.764	723.511	860.647	692.801
EBITDA	115.087	85.509	116.772	235.844	116.507
Operating profit/loss	90.561	60.956	90.481	209.479	90.622
Net financials	(7.936)	(10.834)	21.219	6.519	(9.786)
Profit/loss for the year	54.044	30.709	81.063	192.680	59.013
Total assets	1.563.139	1.492.214	1.450.162	1.396.304	1.340.618
Investments in property, plant and equipment	55.629	77.845	48.366	42.856	61.658
Equity	876.197	858.416	833.196	751.379	558.970
Average numbers of employees	2.859	2.809	2.647	2.465	2.392
<b>Ratios</b>					
Gross margin (%)	17,9	18,5	16,4	14,9	10,5
Net margin (%)	1,3	0,8	1,8	3,3	0,9
Return on equity (%)	6,2	3,6	10,2	29,4	11,0
Equity ratio (%)	56,1	57,5	57,4	53,8	41,7

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

Ratios	Calculation formula	Calculation formula reflects
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 activity is to invest in shares and other securities.

### Development in activities and finances

Profit for the year amounts to DKK 82,625 thousand before tax.

Equity totals DKK 876,197 thousand at 31.12.2017.

Considering today's market conditions, the Board of Directors finds the performance acceptable.

In 2017, the Company's subsidiaries invested heavily in land and buildings as well as new entities.

### Outlook

The Group expects positive results in 2018 that are in line with 2017.

### 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 interest rate exposure.

### Group relations

Please refer to note 17 in the consolidated financial statements for a specification of the group relations.

### Statutory report on corporate social responsibility

A.S. Scan Holding A/S complies with all statutory requirements for social considerations, environmental issues, climate changes, human rights and fight against corruption. Due to the size of the organisation, the Company has no separate policies on corporate social responsibility, for which reason this management commentary does not give a separate account of our involvement in corporate social responsibility.

### Statutory report on the underrepresented gender

It is the policy of A.S. Scan Holding 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

The share of women at the Board of Directors of A.S. Scan Holding A/S constitutes 42.9%, corresponding to three out of seven board members. 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 keep the minimum share of women at the Board of Directors at 42.9% in 2019. This is considered an achievable and ambitious target figure.

### **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	4.104.510	3.919.519
Other operating income		9.231	0
Cost of sales		(3.055.145)	(2.882.202)
Other external expenses	2	(323.145)	(313.553)
<b>Gross profit/loss</b>		<b>735.451</b>	<b>723.764</b>
Staff costs	3	(620.364)	(639.315)
Depreciation, amortisation and impairment losses	4	(24.526)	(24.553)
Negative goodwill	5	0	1.060
<b>Operating profit/loss</b>		<b>90.561</b>	<b>60.956</b>
Income from investments in associates		829	4.679
Other financial income	6	19.932	14.046
Other financial expenses	7	(28.697)	(29.559)
<b>Profit/loss before tax</b>		<b>82.625</b>	<b>50.122</b>
Tax on profit/loss for the year	8	(28.581)	(19.413)
<b>Profit/loss for the year</b>	9	<b>54.044</b>	<b>30.709</b>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Goodwill		175	313
<b>Intangible assets</b>	10	<u>175</u>	<u>313</u>
Land and buildings		372.108	360.361
Other fixtures and fittings, tools and equipment		55.573	54.210
Leasehold improvements		5.915	4.850
<b>Property, plant and equipment</b>	11	<u>433.596</u>	<u>419.421</u>
Investments in associates		19.455	17.100
Other investments		500	1.000
Other receivables		8.876	8.159
<b>Fixed asset investments</b>	12	<u>28.831</u>	<u>26.259</u>
<b>Fixed assets</b>		<u>462.602</u>	<u>445.993</u>
Trade receivables		562.114	524.577
Deferred tax	13	33.210	28.861
Other receivables		75.953	59.475
<b>Receivables</b>		<u>671.277</u>	<u>612.913</u>
Other investments		56.551	48.712
<b>Other investments</b>		<u>56.551</u>	<u>48.712</u>
<b>Cash</b>		<u>372.709</u>	<u>384.596</u>
<b>Current assets</b>		<u>1.100.537</u>	<u>1.046.221</u>
<b>Assets</b>		<u>1.563.139</u>	<u>1.492.214</u>

## Consolidated balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Contributed capital		3.000	3.000
Reserve for net revaluation according to the equity method		8.102	8.914
Retained earnings		758.095	831.502
Proposed dividend		107.000	15.000
<b>Equity</b>		<b>876.197</b>	<b>858.416</b>
Deferred tax	13	1.218	663
<b>Provisions</b>		<b>1.218</b>	<b>663</b>
Other payables		20.247	19.900
<b>Non-current liabilities other than provisions</b>		<b>20.247</b>	<b>19.900</b>
Current portion of long-term liabilities other than provisions		1.839	1.834
Trade payables		583.170	511.819
Income tax payable		11.204	14.073
Other payables		69.264	85.509
<b>Current liabilities other than provisions</b>		<b>665.477</b>	<b>613.235</b>
<b>Liabilities other than provisions</b>		<b>685.724</b>	<b>633.135</b>
<b>Equity and liabilities</b>		<b>1.563.139</b>	<b>1.492.214</b>
Unrecognised rental and lease commitments	15		
Transactions with related parties	16		
Group relations	17		

## Consolidated statement of changes in equity for 2017

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	3.000	8.914	831.502	15.000
Effect of divestments of entities etc	0	(1.703)	1.703	0
Ordinary dividend paid	0	0	0	(15.000)
Exchange rate adjustments	0	0	(14.928)	0
Value adjustments	0	0	(8.122)	0
Other entries on equity	0	62	(62)	0
Tax of entries on equity	0	0	1.787	0
Profit/loss for the year	0	829	(53.785)	107.000
<b>Equity end of year</b>	<b>3.000</b>	<b>8.102</b>	<b>758.095</b>	<b>107.000</b>
				<b>Total DKK'000</b>
Equity beginning of year				858.416
Effect of divestments of entities etc				0
Ordinary dividend paid				(15.000)
Exchange rate adjustments				(14.928)
Value adjustments				(8.122)
Other entries on equity				0
Tax of entries on equity				1.787
Profit/loss for the year				54.044
<b>Equity end of year</b>				<b>876.197</b>

## Consolidated cash flow statement for 2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Operating profit/loss		90.561	60.956
Amortisation, depreciation and impairment losses		24.526	24.553
Working capital changes	14	(4.698)	(48.885)
Other operating income		(9.231)	0
<b>Cash flow from ordinary operating activities</b>		<b>101.158</b>	<b>36.624</b>
Financial income received		19.932	14.046
Financial income paid		(28.697)	(29.559)
Income taxes refunded/(paid)		(33.310)	(31.660)
<b>Cash flows from operating activities</b>		<b>59.083</b>	<b>(10.549)</b>
Acquisition etc of property, plant and equipment		(55.629)	(77.845)
Sale of property, plant and equipment		4.933	2.550
Acquisition of fixed asset investments		(2.784)	(3.336)
Sale of fixed asset investments		1.119	13.207
Acquisition of enterprises		(3.167)	(7.000)
Disposal of enterprises		9.231	0
<b>Cash flows from investing activities</b>		<b>(46.297)</b>	<b>(72.424)</b>
Repayments of loans etc		(1.834)	(1.839)
Dividend paid		(15.000)	(6.000)
<b>Cash flows from financing activities</b>		<b>(16.834)</b>	<b>(7.839)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(4.048)</b>	<b>(90.812)</b>
Cash and cash equivalents beginning of year		433.308	524.120
<b>Cash and cash equivalents end of year</b>		<b>429.260</b>	<b>433.308</b>
Cash and cash equivalents at year-end are composed of:			
Cash		372.709	384.596
Securities		56.551	48.712
<b>Cash and cash equivalents end of year</b>		<b>429.260</b>	<b>433.308</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	4.084.790	3.901.116
Rental income, golf course and hotel operation	19.720	18.403
	<b>4.104.510</b>	<b>3.919.519</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	5.464	5.889
Other assurance engagements	250	166
Tax services	1.099	805
Other services	860	1.002
	<b>7.673</b>	<b>7.862</b>

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>3. Staff costs</b>		
Wages and salaries	544.547	561.030
Pension costs	25.652	25.109
Other social security costs	50.165	53.176
	<b>620.364</b>	<b>639.315</b>

Average number of employees	<b>2.859</b>	<b>2.809</b>
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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>		
Amortisation of intangible assets	138	138
Depreciation of property, plant and equipment	23.647	24.415
Profit/loss from sale of intangible assets and property, plant and equipment	741	0
	<b>24.526</b>	<b>24.553</b>

### 5. Negative goodwill

Negative goodwill relates to acquisition of investments in group enterprises during the financial year, in which cost was lower than net asset value at the time of acquisition.





## Notes to consolidated financial statements

	<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>11. Property, plant and equipment</b>			
Cost beginning of year	436.433	159.934	20.514
Exchange rate adjustments	(9.186)	(8.350)	(2.017)
Additions	32.793	17.488	5.348
Disposals	(7.822)	(10.266)	(2.123)
<b>Cost end of year</b>	<b>452.218</b>	<b>158.806</b>	<b>21.722</b>
Depreciation and impairment losses beginning of year	(76.072)	(105.724)	(15.664)
Exchange rate adjustments	478	5.978	1.296
Depreciation for the year	(6.111)	(14.431)	(3.105)
Reversal regarding disposals	1.595	10.944	1.666
<b>Depreciation and impairment losses end of year</b>	<b>(80.110)</b>	<b>(103.233)</b>	<b>(15.807)</b>
<b>Carrying amount end of year</b>	<b>372.108</b>	<b>55.573</b>	<b>5.915</b>
	<b>Investments in associates DKK'000</b>	<b>Other investments DKK'000</b>	<b>Other receivables DKK'000</b>
<b>12. Fixed asset investments</b>			
Cost beginning of year	8.186	1.000	8.159
Exchange rate adjustments	0	0	(948)
Additions	3.167	0	2.784
Disposals	0	0	(1.119)
<b>Cost end of year</b>	<b>11.353</b>	<b>1.000</b>	<b>8.876</b>
Revaluations beginning of year	8.914	0	0
Amortisation of goodwill	(1.464)	0	0
Share of profit/loss for the year	2.293	0	0
Other adjustments	62	0	0
Reversal regarding disposals	(1.703)	0	0
<b>Revaluations end of year</b>	<b>8.102</b>	<b>0</b>	<b>0</b>
Impairment losses for the year	0	(500)	0
<b>Impairment losses end of year</b>	<b>0</b>	<b>(500)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>19.455</b>	<b>500</b>	<b>8.876</b>

Goodwill on consolidation amounts to DKK 6,123 thousand at year-end.

## Notes to consolidated financial statements

	<b>2017</b> <b>DKK'000</b>
<b>13. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	28.198
Recognised in the income statement	5.581
Recognised directly in equity	(1.787)
<b>End of year</b>	<b>31.992</b>

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>14. Change in working capital</b>		
Increase/decrease in receivables	(69.830)	(66.482)
Increase/decrease in trade payables etc	65.132	17.597
	<b>(4.698)</b>	<b>(48.885)</b>

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>15. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>109.569</b>	<b>102.267</b>

### 16. Transactions with related parties

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

### 17. Group relations

The Group includes the following companies:

	<b>Share- holding %</b>
Scan Group A/S, Denmark	100
Scan-Shipping AB, Sweden	100
Scanway Shipping AS, Norway	100
OY Scan-Shipping AB, Finland	100
Scan-Shipping G.m.b.H., Germany	100
Scan-Group Agencies Sp.z.o.o, Poland	100
Scan-Shipping (Pte.) Ltd., Singapore	100
Scan-Shipping Hong Kong Ltd., Hong Kong	100
Scan-Shipping LLC, United Arab Emirates	100
Scan Group DMCC, United Arab Emirates	100
Scanway Shipping LLC, Russia	100
Shipco-Shipping Jylland A/S, Denmark	100

## Notes to consolidated financial statements

	<b>Share- holding %</b>
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
Scan-Shipping SIA, Latvia	100
PT Scan-Shipping, Indonesia	100
Scan-Shipping (Shanghai) Ltd., China	100
Scan-Shipping Colombo (Pte.) Ltd., Sri Lanka	100
Expa-Services (Pte.) Ltd., Singapore	100
Seaway Shipping AS, Norway	100
Scanway Shipping Real Estate AB, Sweden	100
Scan Shipping d.o.o, Slovenia	100
Scan-Shipping (Thailand) Ltd., Thailand	100
Scan-Shipping (Turkey) Ltd., Turkey	100
Scan-Shipping Norway AS, Norway	100
Scan-Shipping srl., Romania	100
Scanway Shipping Property AB, Sweden	100
Scan-Shipping A/S, Denmark	100
Scan Real Estate AS, Norway	100
Shipco Transport Holding A/S, Denmark	100
SSNYC Inc., USA	100
Shipco Transport Inc., USA	100
Worldwide Alliance Inc., USA	100
International Cargo Terminals Inc., USA	100
International Cargo Terminals Pte. Ltd., Singapore	100
International Cargo Terminals Ltd., New Zealand	100
Shipco Transport (Chile) S.A., Chile	100
Shipco Transport (HK) Ltd., Hong Kong	100
PT Shipco Transport Indonesia, Indonesia	100
Shipco Transport (Japan) Ltd., Japan	100
Shipco Transport Pte. Ltd., Singapore	100
Shipco Transport (Thailand) Ltd., Thailand	100
Bangkok Resource Center Ltd., Thailand	100
Shipco Transport Sdn. Bhd., Malaysia	100
Shipco Transport (Philippines) Inc., Philippines	51
Shipco DMCC, United Arab Emirates	100
Shipco Transport Sp.z.o.o., Poland	100
SSC Consolidation NV, Belgium	50
SSC Consolidation BV, the Netherlands	50
SSC Consolidation LLC, United Arab Emirates	50
Shipco Transport AB, Sweden	100
OY Shipco Transport AB, Finland	100

## Notes to consolidated financial statements

	Share- holding %
Shipco Transport AS, Norway	100
Shipco Transport BV, the Netherlands	100
Shipco Transport Eesti AS, Estonia	100
Shipco Transport GmbH, Germany	100
Shipco Transport Ltd., United Kingdom	100
Shipco Transport Ltd., Ireland	100
Shipco Transport NV, Belgium	100
Shipco Transport Denmark A/S, Denmark	100
Shipco Transport Ltd., Ukraine	100
Shipco Transport (Shanghai) Ltd, China	100
Shipco Transport SIA, Latvia	100
Shipco Transport UAB, Lithuania	100
Shipco Transport Vietnam Limited, Vietnam	51
Shipco Transport Istanbul, Turkey	100
Shipco Transport Taiwan Co Ltd., Taiwan	100
Shipco Transport, Sri Lanka	100
Shipco Transport Bulgaria EOOD, Bulgaria	100
Shipco Transport Co. Ltd., Korea	51
Shipco Transport srl, Romania	100
Shipco Transport Ltd., New Zealand	51
Shipco Transport d.o.o, Slovenia	100
Shipco Transport LLC, Russia	100
Shipco Transport (pvt) Ltd., Pakistan	50
Shipco Transport (Canada) Inc., Canada	100
Strait Air Transport A/S, Denmark	100
Strait Air Transport AB, Sweden	100
Strait Air Transport AS, Norway	100
Strait Air Transport Eesti AS, Estonia	100
OY Strait Air Transport AB, Finland	100
Simon's Golf A/S, Denmark	100
Nybovej 6 ApS, Denmark	100
Forward – Shipping A/S, Denmark	100
Scan Real Estate A/S, Denmark	100
Scan Real Estate France A/S, Denmark	100
Scan Real Estate Ltd., United Kingdom	100
SARL La Mess, France	100
International Cargo Terminals Holding A/S, Denmark	100
Fredensborg Vagt & Security ApS, Denmark	100
Scan Real Estate Properties A/S, Denmark	100
Scan Factory A/S, Denmark	100
Scan-Sailing Inc., USA	100
80 Washington Street, USA	100
Copenhagen Maritime Services ApS, Denmark	100

## Notes to consolidated financial statements

	<b>Share- holding %</b>
Scan-IT Holding A/S, Denmark	100
Scan-IT Pte. Ltd, Singapore	100
Shipco IT Private Limited, India	100
Scan-IT (Thailand) Pvt., Thailand	100
Scan-IT Solution (India) Private Limited, India	100

Some subsidiaries are not included in the group chart according to section 72(4) of the Danish Financial Statements Act.

## Parent income statement for 2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Other external expenses		(182)	(170)
<b>Operating profit/loss</b>		<b>(182)</b>	<b>(170)</b>
Income from investments in group enterprises		54.328	30.941
Other financial expenses	1	(182)	(118)
<b>Profit/loss before tax</b>		<b>53.964</b>	<b>30.653</b>
Tax on profit/loss for the year	2	80	56
<b>Profit/loss for the year</b>	3	<b>54.044</b>	<b>30.709</b>

## Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Investments in group enterprises		907.134	874.069
<b>Fixed asset investments</b>	4	<u>907.134</u>	<u>874.069</u>
<b>Fixed assets</b>		<u>907.134</u>	<u>874.069</u>
Deferred tax	5	137	90
Other receivables		3	4
Income tax receivable		242	62
<b>Receivables</b>		<u>382</u>	<u>156</u>
<b>Cash</b>		<u>99</u>	<u>146</u>
<b>Current assets</b>		<u>481</u>	<u>302</u>
<b>Assets</b>		<u>907.615</u>	<u>874.371</u>



## Parent balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital	6	3.000	3.000
Reserve for net revaluation according to the equity method		599.504	566.439
Retained earnings		166.693	273.977
Proposed dividend		107.000	15.000
<b>Equity</b>		<b>876.197</b>	<b>858.416</b>
Trade payables		38	36
Payables to group enterprises		31.380	15.919
<b>Current liabilities other than provisions</b>		<b>31.418</b>	<b>15.955</b>
<b>Liabilities other than provisions</b>		<b>31.418</b>	<b>15.955</b>
<b>Equity and liabilities</b>		<b>907.615</b>	<b>874.371</b>
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

## Parent statement of changes in equity for 2017

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Equity beginning of year	3.000	566.439	273.977	15.000
Ordinary dividend paid	0	0	0	(15.000)
Exchange rate adjustments	0	(14.928)	0	0
Value adjustments	0	(8.122)	0	0
Other entries on equity	0	1.787	0	0
Profit/loss for the year	0	54.328	(107.284)	107.000
<b>Equity end of year</b>	<b>3.000</b>	<b>599.504</b>	<b>166.693</b>	<b>107.000</b>
				<b>Total DKK'000</b>
Equity beginning of year				858.416
Ordinary dividend paid				(15.000)
Exchange rate adjustments				(14.928)
Value adjustments				(8.122)
Other entries on equity				1.787
Profit/loss for the year				54.044
<b>Equity end of year</b>				<b>876.197</b>

## Notes to parent financial statements

	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>1. Other financial expenses</b>		
Financial expenses from group enterprises	182	118
	<b>182</b>	<b>118</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>2. Tax on profit/loss for the year</b>		
Current tax	(127)	0
Change in deferred tax	47	(112)
Adjustment concerning previous years	0	56
	<b>(80)</b>	<b>(56)</b>
	<b>2017</b> <b>DKK'000</b>	<b>2016</b> <b>DKK'000</b>
<b>3. Proposed distribution of profit/loss</b>		
Ordinary dividend for the financial year	107.000	15.000
Transferred to reserve for net revaluation according to the equity method	54.328	30.941
Retained earnings	(107.284)	(15.232)
	<b>54.044</b>	<b>30.709</b>
		<b>Investments in group enterprises DKK'000</b>
<b>4. Fixed asset investments</b>		
Cost beginning of year		307.630
<b>Cost end of year</b>		<b>307.630</b>
Revaluations beginning of year		566.439
Exchange rate adjustments		(21.263)
Share of profit/loss for the year		54.328
<b>Revaluations end of year</b>		<b>599.504</b>
<b>Carrying amount end of year</b>		<b>907.134</b>

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

## Notes to parent financial statements

	<b>2017</b> <b>DKK'000</b>
<b>5. Deferred tax</b>	
<b>Changes during the year</b>	
Beginning of year	90
Recognised in the income statement	47
<b>End of year</b>	<b>137</b>

	<b>Number</b>	<b>Par value</b> <b>DKK'000</b>	<b>Nominal</b> <b>value</b> <b>DKK'000</b>
<b>6. Contributed capital</b>			
A shares	300	1	300
B shares	2.700	1	2.700
	<b>3.000</b>		<b>3.000</b>

### 7. Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable as of the financial year 2013 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.

### 8. Related parties with controlling interest

Related parties with a controlling interest in A.S. Scan Holding A/S:

- Arne Simonsen, Skodsborg Strandvej 7, 2942 Skodsborg, shareholder

### 9. 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.

### 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 A.S. Scan Holding A/S (Parent) and subsidiaries in which A.S. Scan Holding 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.

All entities, which are partly owned at present, are considered jointly controlled entities and have therefore been recognised 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.

## Accounting policies

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.

### **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.

## Accounting policies

### 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 and receipt is expected. Revenue is recognised net of VAT, duties and sales discounts.

#### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

#### 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.

#### Negative goodwill

Negative goodwill, which arises from negative differences between cost of entities acquired and the fair value-measured net assets acquired from the acquisition, is recognised as income in profit or loss at the time of acquisition of each entity.

#### Income from investments in associates

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

#### 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.

## 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 Company is jointly taxed with all of its 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).

### Balance sheet

#### Goodwill

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

The carrying amount of goodwill is assessed currently and written down to recoverable amount if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill is related.

#### 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	3-10 years
Leasehold improvements	3-10 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



## Accounting policies

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 if the Parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

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.

### Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at zero value, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

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

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is normally five to seven years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

## Accounting policies

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

### Receivables

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

### Other investments

Other investments recognised as fixed asset investments comprise listed securities which are measured at fair value (market price) at the balance sheet date. Unlisted securities etc are measured at estimated market value.

### 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 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.

### Other investments

Other investments recognised as current assets comprise listed securities and investments which are measured at fair value (market price) at the balance sheet date. Unlisted securities etc are measured at estimated market value.

### Cash

Cash comprises cash in hand and bank deposits.

### Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

### Operating leases

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

### Other financial liabilities

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

### Income tax receivable or payable

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

### Cash flow statement

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

## Accounting policies

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

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

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

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

### Segment information

Besides activities regarding rental, golf course and hotel operation, the Group's activities only comprise sea freight, shipping and logistics on the world market. Consequently, it is not relevant to provide further disclosures on business segments, just as it is not relevant to provide disclosures on geographical markets.