

UASAC Nordic A/S
Røjelskær 15
2840 Holte
Central Business Registration No
36422939

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Dirk Kaestner

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Entity details

Entity

UASAC Nordic A/S
Røjelskær 15
2840 Holte

Central Business Registration No: 36422939

Founded: 31.10.2014

Registered in: Rudersdal

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Michael Pradel, Chairman
Christian Wolff
Dirk Kaestner

Executive Board

Dirk Kaestner, 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 UASAC Nordic 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 financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its 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.

Holte, 31.05.2018

Executive Board

Dirk Kaestner
Chief Executive Officer

Board of Directors

Michael Pradel
Chairman

Christian Wolff

Dirk Kaestner

Independent auditor's report

To the shareholder of UASAC Nordic A/S

Qualified opinion

We have audited the financial statements of UASAC Nordic 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effect of the matter described in the Basis for qualified opinion section, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

Referring to notes 1 and 6, Management has, in connection with a reconstruction of the Company's bookkeeping records, recognised DKK 1 million as an expense under other external expenses as well as provided for debt to the Parent of DKK 3 million. It has not been possible to obtain sufficient audit evidence from the Company to secure the validity of the amounts.

Consequently, we modify our opinion in respect of the comparative figures and the balance sheet figures at 31.12.2017 as well as the possible effect on the income statement.

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted

Independent auditor's report

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

Independent auditor's report

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

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

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

Violation of the Danish Bookkeeping Act

The Company has failed to make timely and accurate recordings in the books and, also, has not been able to procure the vouchers of all ledger entries made, which is against the Danish Bookkeeping Act, by which Management may incur liability. We refer to Management's mention of this matter in notes 1 and 6.

Copenhagen, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Anders Kreiner
State Authorised Public Accountant
Identification number (MNE) mne26765

Management commentary

Primary activities

The primary activity of the UASAC Nordic Group is to act as line agent for United Arab Shipping Company in Scandinavia. During the year, the agency agreement with United Arab Shipping Company was cancelled.

Development in activities and finances

The loss for the year amounts to DKK 3,415 thousand. The results for the year are negatively affected by a decline in revenue as the primary activity has been closed down.

There is uncertainty about part of the Company's payables to group enterprises and other external expenses. The accounts have not been reconciled at 31.12.2017. We refer to notes 1 and 6.

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

The UASAC Nordic Group was sold in 2017, and the ultimate owner is now Hapag-Lloyd AG.

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.

Management intends to liquidate the Company in 2018.

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Gross profit		2.060	9.384
Staff costs		(5.388)	(5.649)
Depreciation, amortisation and impairment losses		<u>(67)</u>	<u>(68)</u>
Operating profit/loss		(3.395)	3.667
Other financial income		0	34
Other financial expenses		<u>(20)</u>	<u>(60)</u>
Profit/loss before tax		(3.415)	3.641
Tax on profit/loss for the year	2	<u>0</u>	<u>(518)</u>
Profit/loss for the year		(3.415)	3.123
Proposed distribution of profit/loss			
Retained earnings		<u>(3.415)</u>	<u>3.123</u>
		(3.415)	3.123

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		281	100
Property, plant and equipment	3	<u>281</u>	<u>100</u>
Investments in group enterprises		163	163
Fixed asset investments	4	<u>163</u>	<u>163</u>
Fixed assets		<u>444</u>	<u>263</u>
Receivables from group enterprises		165	1.654
Other receivables		1.680	69
Prepayments		4	139
Receivables		<u>1.849</u>	<u>1.862</u>
Cash		<u>1.632</u>	<u>30.695</u>
Current assets		<u>3.481</u>	<u>32.557</u>
Assets		<u>3.925</u>	<u>32.820</u>

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	5	500	500
Retained earnings		(187)	3.228
Equity		<u>313</u>	<u>3.728</u>
Payables to group enterprises	6	3.070	23.355
Income tax payable		0	500
Other payables		542	5.237
Current liabilities other than provisions		<u>3.612</u>	<u>29.092</u>
Liabilities other than provisions		<u>3.612</u>	<u>29.092</u>
Equity and liabilities		<u>3.925</u>	<u>32.820</u>
Unusual circumstances	1		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Related parties with controlling interest	9		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	3.228	3.728
Profit/loss for the year	0	(3.415)	(3.415)
Equity end of year	500	(187)	313

Notes

1. Unusual circumstances

A major reconstruction of unidentified financial items corresponding to DKK 1 million net was carried out in the financial year 2017. These items have been recognised in the income statement, thus included in gross profit.

Other unidentified balance sheet items have been classified as payables to group enterprises of DKK 3 million net.

Management intends to liquidate the Company in 2018, and in this connection, the Parent has confirmed that it will accept a remission of debt and secure an orderly shutdown of the Company and its subsidiaries.

	2017	2016
	DKK'000	DKK'000
2. Tax on profit/loss for the year		
Tax on current year taxable income	0	518
	0	518
		Other
		fixtures and
		fittings,
		tools and
		equipment
		DKK'000
3. Property, plant and equipment		
Cost beginning of year		218
Additions		131
Disposals		(131)
Cost end of year		218
Depreciation and impairment losses beginning of the year		(118)
Depreciation for the year		65
Reversal regarding disposals		116
Depreciation and impairment losses end of the year		63
Carrying amount end of year		281

Notes

	Investment s in group enterprises DKK'000
4. Fixed asset investments	
Cost beginning of year	163
Cost end of year	163
Carrying amount end of year	163

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK'000	Profit/loss DKK'000
Investments in group enterprises comprise:					
UASAC Finland Oy AB	Finland	AB	100,0	2.097	1.376
UASAC Sweden AB	Sweden	AB	100,0	1.550	754

	Number	Par value DKK'000	Nominal value DKK'000
5. Contributed capital			
Share capital	500	1	500
	500		500

6. Payables to group enterprises

A major reconstruction of unidentified financial items corresponding to DKK 1 million net was carried out in the financial year 2017. These items have been recognised in the income statement, thus included in gross profit.

Other unidentified balance sheet items have been classified as payables to group enterprises of DKK 3 million net.

Management intends to liquidate the Company in 2018, and in this connection, the Parent has confirmed that it will accept a remission of debt and secure an orderly shutdown of the Company and its subsidiaries.

Notes

	2017	2016
	<u>DKK'000</u>	<u>DKK'000</u>
7. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>0</u>	<u>980</u>

8. Contingent liabilities

The Company serves as an 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 for income taxes etc for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

9. Related parties with controlling interest

Related parties with a controlling or significant interest in UASAC Nordic A/S:

- United Arab Shipping Co. (S.A.G.), Airport Road, Shuwaikh, Kuwait

Accounting policies

Reporting class

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

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

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

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

Accounting policies

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales relating to revenue is accrued according to the method of revenue recognition. Other cost of sales relating to the financial year in terms of time is 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

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.

Accounting policies

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
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Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

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.

Accounting policies

Income tax receivable or payable

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.