
Unimed Feeder Services A/S

Tangen 6, DK-8200 Aarhus N

Annual Report for 2018

CVR No 36 96 13 92

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/5 2019

Mie Letager Kjeldsen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Unimed Feeder Services A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 14 May 2019

Executive Board

Jesper Bøgh Uldbjerg
CEO

Board of Directors

Jesper Kristensen
Chairman

Christian Gunnar Retbøll

Jesper Bøgh Uldbjerg

Independent Auditor's Report

To the Shareholders of Unimed Feeder Services A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Unimed Feeder Services A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

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.

Aarhus, 14 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Nielsson
State Authorised Public Accountant
mne15151

Lars Greve Jensen
State Authorised Public Accountant
mne32199

Company Information

The Company

Unimed Feeder Services A/S
Tangen 6
DK-8200 Aarhus N

CVR No: 36 96 13 92
Financial period: 1 January - 31 December
Municipality of reg. office: Aarhus

Board of Directors

Jesper Kristensen, Chairman
Christian Gunnar Retbøll
Jesper Bøgh Ulbjerg

Executive Board

Jesper Bøgh Ulbjerg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Financial Highlights

Seen over a three-year period, the development of the Company is described by the following financial highlights:

	2018 TDKK	2017 TDKK	10.07.15 - 31.12.16 TDKK
Key figures			
Profit/loss			
Operating profit/loss	50.165	85.439	61.807
Profit/loss before financial income and expenses	52.672	88.538	61.807
Net financials	-395	8.440	-2.574
Profit/loss before tax	52.277	96.978	59.234
Net profit/loss for the year	50.589	96.176	58.570
Balance sheet			
Equity	48.125	66.249	152.586
Current assets	136.258	139.596	223.419
Short-term debt	88.451	73.620	71.735
Balance sheet total	136.576	139.869	224.321
Investment in property, plant and equipment	183	98	902
Number of employees	41	43	43
Ratios			
Return on assets	38,6%	63,3%	27,6%
Solvency ratio	35,2%	47,4%	68,0%
Return on equity	88,5%	87,9%	76,8%
Liquidity ratio	154,4%	189,6%	311,4%

Management's Review

Financial Statements of Unimed Feeder Services A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

The main activity of Unimed Feeder Services A/S is international freight transport services such as Container Feeder Services. The Company's asset light and agile business model has not changed during 2018.

2018 was a year influenced by the macroeconomic uncertainties with high focus on trade restrictions and corresponding general slowdown in growth. As a consequence, volatility in output volumes has increased. With the strong economic rationale behind outsourcing to handle these dynamics the Company has strengthened its position in the feeder market.

Further to the above, the Company has in 2018 continued to build closer cooperations with deep sea lines basis the flexibility and strengths of outsourced feedering. There seems to be an increased focus on taking a more holistic / total cost of operations view on how to secure appropriate connectivity to/from outports. It is therefore of great importance to maintain a strong focus on delivering such solutions to the customers. A number of important ports and terminals were – throughout the year - affected by congestion and other disturbances, complicating the overall production environment.

The operating profit of Unimed Feeder Services is below the expectations described in last year's review. The results are impacted by non-performance related factors, stemming from delays in bunker adjustment mechanisms and one-off, non-recurring items. The 2018 result is considered satisfactory.

Working capital and cash management continues to be in focus in the Company and a high cash conversion from operational results to liquidity remains a result of this.

For 2019, the overall market is expected to remain flat. Therefore a continued focus in feeder on advocating the advantages of outsourcing will remain important. Profits for 2019 are expected to be at the level of 2018.

The Company's currency exposure is continuously being assessed; sales and most significant cost items are concentrated in markets and products linked to USD. Customers and procurement agreements are, in all materiality, seen to set off possible foreign exchange risks.

Income Statement 1 January - 31 December

	Note	2018 TDKK	2017 TDKK
Gross profit/loss		77.327	113.454
Administrative expenses	1	-27.162	-28.015
Operating profit/loss		50.165	85.439
Other operating income		2.507	3.099
Profit/loss before financial income and expenses		52.672	88.538
Financial income	2	1.123	8.692
Financial expenses	3	-1.518	-252
Profit/loss before tax		52.277	96.978
Tax on profit/loss for the year	4	-1.688	-802
Net profit/loss for the year		50.589	96.176

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid	41.208	87.965
Proposed dividend for the year	25.000	40.000
Retained earnings	-15.619	-31.789
	50.589	96.176

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Other fixtures and fittings, tools and equipment		318	273
Property, plant and equipment	5	318	273
Investments in subsidiaries	6	0	0
Fixed assets		318	273
Inventories		16.064	15.236
Trade receivables		81.313	57.303
Receivables from group enterprises		19.713	41.742
Other receivables		149	112
Corporation tax		1	0
Prepayments	7	3.810	3.752
Receivables		104.986	102.909
Cash at bank and in hand		15.208	21.451
Currents assets		136.258	139.596
Assets		136.576	139.869

Balance Sheet 31 December

Liabilities and equity

	Note	2018 TDKK	2017 TDKK
Share capital		5.000	5.000
Retained earnings		18.125	21.249
Proposed dividend for the year		25.000	40.000
Equity	8	48.125	66.249
Trade payables		66.213	41.564
Payables to group enterprises		0	3.875
Corporation tax		1.012	500
Other payables		18.508	23.508
Deferred income		2.718	4.173
Short-term debt		88.451	73.620
Debt		88.451	73.620
Liabilities and equity		136.576	139.869
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	10		
Related parties transactions	11		
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Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5.000	21.249	40.000	66.249
Ordinary dividend paid	0	0	-40.000	-40.000
Extraordinary dividend paid	0	-41.208	0	-41.208
Other equity movements	0	12.495	0	12.495
Net profit/loss for the year	0	25.589	25.000	50.589
Equity at 31 December	5.000	18.125	25.000	48.125

Notes to the Financial Statements

	2018 <u>TDKK</u>	2017 <u>TDKK</u>
1 Administrative expenses		
Wages and Salaries	17.241	15.981
Pensions	681	720
Other social security expenses	1.162	2.059
	<u>19.084</u>	<u>18.760</u>
Including remuneration to the Executive and the Board of Directors	<u>1.140.000</u>	<u>1.140.000</u>
Average number of employees	<u>41</u>	<u>43</u>
2 Financial income		
Interest received from group enterprises	694	1.858
Other financial income	429	6.834
	<u>1.123</u>	<u>8.692</u>
3 Financial expenses		
Other financial expenses	1.518	252
	<u>1.518</u>	<u>252</u>
4 Tax on profit/loss for the year		
Current tax for the year	1.016	802
Adjustment of tax concerning previous years	672	0
	<u>1.688</u>	<u>802</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	3.844
Exchange adjustment	7
Additions for the year	183
Disposals for the year	-2.582
Cost at 31 December	<u>1.452</u>
Impairment losses and depreciation at 1 January	3.571
Exchange adjustment	6
Depreciation for the year	139
Impairment and depreciation of sold assets for the year	-2.582
Impairment losses and depreciation at 31 December	<u>1.134</u>
Carrying amount at 31 December	<u>318</u>

6 Investments in subsidiaries

	2018	2017
	TDKK	TDKK
Cost at 1 January	0	566
Disposals for the year	0	-566
Carrying amount at 31 December	<u>0</u>	<u>0</u>

7 Prepayments

Prepayments consist of expenses in relation to charter of ships and other transport expenses.

8 Equity

The share capital consists of 500,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

Notes to the Financial Statements

	<u>2018</u> TDKK	<u>2017</u> TDKK
9 Distribution of profit		
Extraordinary dividend paid	41.208	87.965
Proposed dividend for the year	25.000	40.000
Retained earnings	-15.619	-31.789
	<u>50.589</u>	<u>96.176</u>

10 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

At the balance sheet date the Company's rent obligations amount to DKK 1.7m.

The Company's leasing obligation at the balance sheet date amounts to 1.2m.

Other contingent liabilities

The company currently enters into contracts for charter of vessels for periods of up to 5 years. The charter obligation amounts to DKK 157.6m at 31 December 2018.

11 Related parties transactions

The Company have not disclosed transaction with fully owned subsidiaries in accordance with section 98 (c)(3).

The Company have no transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Unimed Feeder Services A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK thousands.

Consolidated financial statements

The Company is included in the Group Annual Report of the Parent Company, Unicorn ApS (Aarhus, Denmark) and for the ultimate parent company Dubai World Corporation (Dubai, United Arab Emirates). Financial-reports/annual-report can be found online at, www.dpworld.com/investors/financials-and-Presentations/financial-reports/annual-reports. The following enterprises exercise control as parent companies pursuant to section 98c(5) of the Danish Financial Statements Act: Unicorn ApS (Aarhus, Denmark), Holdingselskabet af 10. Januar 2013 A/S (Aarhus, Denmark), Holdingselskabet af 10. Januar 2013 II A/S (Aarhus, Denmark), DP World Investments B.V. (Rotterdam, Netherlands), DP World Ports Cooperatieve (Rotterdam, Netherlands), DP World FZE, Thunder FZE (Dubai, United Arab Emirates), DP World PLC, Port & Free Zone World FZE (Dubai, United Arab Emirates) and Dubai World Corporation(ultimate parent company), (Dubai, United Arab Emirates).

Cash flow statement

No cash flow statement has been prepared for the Company with reference to section 86 (4) of the Danish Financial Statements Act, as the Company cash flows are included in the Consolidated Cash Flow Statement for Unicorn ApS, Aarhus.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the

Notes to the Financial Statements

12 Accounting Policies (continued)

balance sheet date.

Revenues are recognised in the income statement as earned. The decision whether revenues are considered earned, is based on the following criteria:

- A binding sales agreement has been made;
- the sales price has been determined;
- Delivery of the service has been made before year end, and
- Payment has been received or may with reasonable certainty be expected to be received.

Based here on revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Translation policies

Transactions in foreign currencies have during the year been translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Exchange adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation of the income statements of foreign enterprises at average exchange rates are recognised directly in equity.

Income Statement

Revenue

The Company's revenue comprises revenue from transport activities for the period as well as the revenue invoiced by the Company's agents where revenue is on the Company's account.

Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises variable costs by the way of costs related to vessels and containers as well as other transport costs.

Notes to the Financial Statements

12 Accounting Policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and cost of sales.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, as well as extra payments and repayment under the on-account taxation scheme.

Company tax and deferred tax

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company's current tax for the year comprises tax calculated under the rules of the Danish Tonnage Taxation Act as regards the part of the activity governed by the Danish Tonnage Taxation Act, and tax calculated under the ordinary tax rules as regards other activities.

The Company is registered under the tonnage taxation scheme. Based on the planned use of chartered vessels, the tonnage taxation scheme does not imply any liability; therefore, deferred tax is not recognised in the balance sheet on assets and liabilities relating to the activity subject to tonnage taxation.

Notes to the Financial Statements

12 Accounting Policies (continued)

The Company is jointly taxed with its Danish Parent Company. The tax effect of the joint taxation with the Parent Company is allocated in proportion to the taxable income (full allocation with credit for tax losses).

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the need for writing down is assessed for the smallest group of assets for which a recoverable amount can be determined.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Bunker inventories

Bunker inventories comprise inventories for use on chartered vessels. The inventories are measured at average prices.

Notes to the Financial Statements

12 Accounting Policies (continued)

Receivables

Receivables are measured in the balance sheet at the lower of nominal value and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made.

Prepayments

Prepayments comprise prepaid expenses in respect of subsequent financial years.

Equity

Dividend

Dividend is recognized as a commitment at the date of approval at the annual general meeting. Dividend, which is expected to be declared for the year, is shown as a separate item under equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value. Onerous contracts that were concluded in prior years in which the service is delivered within i year are classified under short-term debt.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

12 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$
Liquidity ratio	$\frac{\text{Current assets} \times 100}{\text{Short-term debt}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$