
Unimed Feeder Services A/S

Tangen 6, DK-8200 Aarhus N

Annual Report for 2017

CVR No 36 96 13 92

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
24/5 2018

Mie Letager Kjeldsen
Chairman



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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 2017.

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 2017 of the Company and of the results of the Company operations for 2017.

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

Aarhus, 16 May 2018

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 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 2017, 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.

Independent Auditor's Report

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 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.

Independent Auditor's Report

- 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 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, 16 May 2018

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 two-year period, the development of the Company is described by the following financial highlights:

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

Management's Review

The main activity of Unimed Feeder Services A/S is international freight transport services such as Container Feeder Services. The Company is driven by the asset light and agile business model.

2017 was a year with strong growth in container transports and combined with the customers taking a larger share of this growth this meant solid volume growth in 2017. The macroeconomic situation in the Mediterranean area and specifically in Egypt stabilised during the year and as a consequence part of the volume has come back, affecting the activities positively.

The operating profit of Unimed Feeder Services A/S is above the expectations at the start of the year driven by the above-mentioned factors. The results are impacted by time delay in bunker costs and one-off non-recurring items. The 2017 result is considered satisfactory.

For 2018, the overall market volumes are expected to continue to grow. A continuation of the outsourcing trend of feedering is expected to increase the overall volume in 2018. Profits for 2018 are expected to be at the level of 2017.

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.

For description of Corporate Social Responsibility (Danish Financial Statements Act §§ 99a), please see the Annual Report for Unicorn ApS, Aarhus.

Policy – equal opportunities

Equal opportunities and focus on diversity are an integrated part of the Group's policy for Employee well-being and working conditions.

Opportunities for development and career must be available for everybody possessing skills and showing intention and shall in no way be restricted by the person's gender, nationality, age, sexual orientation and religion or other like factors.

The Company has for the time being no female board members. The board is cognizant of this under-representation and wants to contribute to increasing the number of female board members, mind bearing that within the logistics sector there is traditionally a low ratio of women on board level and also on top and middle management levels.

Management's Review

The members of the board are appointed by the Group's shareholders at the general assembly. As and when the board nominates new candidates, the board will include gender as a parameter. When appointing candidates to the Group's board, it is, however, important that the members represent professional competencies which are relevant for the Group's activities within feeder and short sea. Finding the member with the right qualifications will always take priority over gender. In 2017 all members of the board were reselected and therefore no increase in female members of the board was achieved. The Company's ambition is to have one female member of the board before 2023.

In the Company's management team, there are currently no women. Due to the limited recruiting possibilities for leading women within logistics, the current level is seen as satisfactory. Meanwhile, it is the Group's aim to increase the ratio of women in the management team. In 2017 we have continued to

- Seek to have candidates of both gender when recruiting for new management positions
- Consider women when making career and succession planning

Both to be done without compromising on the qualifications need to hold the position in question. No change in the gender composition of the management group has been registered since 2016

Income Statement 1 January - 31 December

	Note	2017 TDKK	10.07.15 - 31.12.16 TDKK
Gross profit/loss		113.454	92.839
Administrative expenses	1	-28.015	-31.032
Operating profit/loss		85.439	61.807
Other operating income		3.099	0
Profit/loss before financial income and expenses		88.538	61.807
Financial income	2	8.692	1.287
Financial expenses	3	-252	-3.860
Profit/loss before tax		96.978	59.234
Tax on profit/loss for the year	4	-802	-664
Net profit/loss for the year		96.176	58.570

Balance Sheet 31 December

Assets

	Note	2017 TDKK	2016 TDKK
Other fixtures and fittings, tools and equipment		273	336
Property, plant and equipment	5	273	336
Investments in subsidiaries	6	0	566
Fixed asset investments		0	566
Fixed assets		273	902
Bunker inventories		15.236	11.984
Trade receivables		57.303	86.521
Receivables from group enterprises		41.742	79.673
Other receivables		112	193
Prepayments	7	3.752	1.814
Receivables		102.909	168.201
Cash at bank and in hand		21.451	43.234
Currents assets		139.596	223.419
Assets		139.869	224.321

Balance Sheet 31 December

Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		5.000	5.000
Retained earnings		21.249	67.586
Proposed dividend for the year		40.000	80.000
Equity	8	66.249	152.586
Trade payables		41.564	30.969
Payables to group enterprises		3.875	3.720
Corporation tax		500	535
Other payables		23.508	36.511
Deferred income		4.173	0
Short-term debt		73.620	71.735
Debt		73.620	71.735
Liabilities and equity		139.869	224.321
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	10		
Subsequent events	11		
Accounting Policies	12		

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	67.586	80.000	152.586
Ordinary dividend paid	0	0	-80.000	-80.000
Extraordinary dividend paid	0	-87.965	0	-87.965
Exchange adjustments relating to foreign entities	0	-14.548	0	-14.548
Net profit/loss for the year	0	56.176	40.000	96.176
Equity at 31 December	5.000	21.249	40.000	66.249

Notes to the Financial Statements

	2017 TDKK	10.07.15 - 31.12.16 TDKK
1 Administrative expenses		
Wages and Salaries	15.981	19.821
Pensions	720	895
Other social security expenses	2.059	2.832
	<u>18.760</u>	<u>23.548</u>
Average number of employees	<u>43</u>	<u>43</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial income		
Interest received from group enterprises	1.858	946
Other financial income	6.834	341
	<u>8.692</u>	<u>1.287</u>
3 Financial expenses		
Interest paid to group enterprises	0	27
Other financial expenses	252	3.833
	<u>252</u>	<u>3.860</u>
4 Tax on profit/loss for the year		
Current tax for the year	802	664
	<u>802</u>	<u>664</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	3.835
Exchange adjustment	5
Additions for the year	98
Disposals for the year	-94
Cost at 31 December	<u>3.844</u>
Impairment losses and depreciation at 1 January	3.498
Exchange adjustment	5
Depreciation for the year	162
Reversal of impairment and depreciation of sold assets	-94
Impairment losses and depreciation at 31 December	<u>3.571</u>
Carrying amount at 31 December	<u>273</u>

6 Investments in subsidiaries

	2017	2016
	TDKK	TDKK
Cost at 1 January	566	0
Additions for the year	0	87.120
Disposals for the year	-566	-86.554
Carrying amount at 31 December	<u>0</u>	<u>566</u>

7 Prepayments

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

Notes to the Financial Statements

8 Equity

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

The share capital has developed as follows:

	2017	2016
	TDKK	TDKK
Share capital at 1 January	5.000	500
Capital increase	0	4.500
Capital decrease	0	0
Share capital at 31 December	5.000	5.000

9 Distribution of profit

	2017	10.07.15 - 31.12.16
	TDKK	TDKK
Extraordinary dividend paid	87.965	0
Proposed dividend for the year	40.000	80.000
Retained earnings	-31.789	-21.430
	96.176	58.570

10 Contingent assets, liabilities and other financial obligations

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 24.3m at 31 December 2017.

11 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Unimed Feeder Services A/S for 2017 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 2017 are presented in DKK thousands.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Unicorn ApS, the Company has not prepared consolidated financial statements.

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 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 saks 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

The income statements of the Group's foreign subsidiaries and associates are translated at average exchange rates, whereas the balance sheet items are translated at the exchange rates at the balance sheet date.

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.

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).

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.

Administrative expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Notes to the Financial Statements

12 Accounting Policies (continued)

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are measured at DKK o. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions. An independent assessment of any receivables from these enterprises is made.

Profit or loss upon disposal or winding-up of subsidiaries is calculated as the difference between the selling price or the winding-up proceeds and the carrying amount of net assets at the time of sale and expected expenses for sale or winding-up. The profit or loss is recognised in the income statement.

Bunker inventories

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

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.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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.

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	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$