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Consolidated Forwarding Corporation ApS

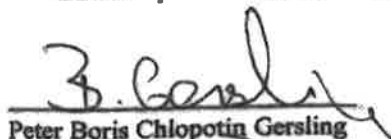
Ellensvej 2, 1. tv., 2920 Charlottenlund

Company reg. no. 37 93 64 48

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 20/05/19



Peter Boris Chlopotin Gersling
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance USD 146,940 is the same as the English amount of USD 146,940, and that 23,5 % is the same as the English 23,5 %.

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Management's report

The managing director has today presented the annual report of Consolidated Forwarding Corporation ApS for the financial year 1 January to 31 December 2018.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2018.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Charlottenlund, 12 April 2019

Managing Director



Peter Boris Chlopotin Gersling

Independent auditor's report

To the shareholders of Consolidated Forwarding Corporation ApS

Opinion

We have audited the annual accounts of Consolidated Forwarding Corporation ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 12 April 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Ulrik Bloch-Sørensen
State Authorised Public Accountant
mne2913

Company data

The company

Consolidated Forwarding Corporation ApS
Ellensvej 2, 1. tv.
2920 Charlottenlund

Company reg. no. 37 93 64 48
Established: 27 July 2016
Domicile: Copenhagen
Financial year: 1 January - 31 December

Managing Director

Peter Boris Chlopotin Gersling

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Financial highlights

USD in thousands.	2018	2017	2016
Profit and loss account:			
Gross profit	2.918	1.008	1
Results from operating activities	2.918	1.008	1
Net financials	66	9	-3
Results for the year	2.328	792	-2
Balance sheet:			
Balance sheet sum	12.862	9.302	157
Equity	2.333	797	5
Cash flow:			
Operating activities	2.915	3.510	6
Financing activities	-792	-151	151
Cash flow in total	2.123	3.359	157
Key figures in %:			
Acid test ratio	122,2	109,4	-
Solvency ratio	18,1	8,6	3,2
Return on equity	148,8	197,5	-80,0

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Acid test ratio $\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$

Equity share $\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$

Return on equity $\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Management's review

The principal activities of the company

The Company is engaged in Ocean transportation and related activities.

Unusual matters

No unusual matters have been recovered.

Uncertainties as to recognition or measurement

No uncertainties in relation to recognition and measurement were observed.

Development in activities and financial matters

The gross profit for the year is USD 2.917.827 against USD 1.008.000 last year, which comprise a period activities of just 7 months. The results from ordinary activities after tax are USD 2.327.577 against USD 792.000 last year. The management consider the results satisfactory.

The expected development

The company expects a profit for the financial year 2019 around T. USD 2.100.

Accounting policies used

The annual report for Consolidated Forwarding Corporation ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in American dollars (USD).

The profit and loss account

Gross profit

The gross profit comprises the net turnover.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the rental of space on external owned vessels.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	2.917.827	1.008
1 Staff costs	0	0
Operating profit	2.917.827	1.008
Other financial income	70.245	25
2 Other financial costs	-4.125	-16
Results before tax	2.983.947	1.017
Tax on ordinary results	-656.370	-225
Results from ordinary activities after tax	2.327.577	792
3 Results for the year	2.327.577	792

Balance sheet 31 December

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

Assets		
<u>Note</u>	<u>2018</u>	<u>2017</u>
Current assets		
Trade debtors	7.216.416	5.783
Other debtors	0	2
Debtors in total	<u>7.216.416</u>	<u>5.785</u>
Available funds	<u>5.645.644</u>	<u>3.517</u>
Current assets in total	<u>12.862.060</u>	<u>9.302</u>
Assets in total	<u>12.862.060</u>	<u>9.302</u>

Balance sheet 31 December

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Equity and liabilities		
Equity		
4 Contributed capital	7.391	7
5 Results brought forward	2.325.258	790
Equity in total	2.332.649	797
Liabilities		
Trade creditors	10.409.667	8.249
Corporate tax	76.764	232
Other debts	42.980	24
Short-term liabilities in total	10.529.411	8.505
Liabilities in total	10.529.411	8.505
Equity and liabilities in total	12.862.060	9.302

6 Mortgage and securities

Cash flow statement 1 January - 31 December

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Results for the year	2.327.577	792
7 Adjustments	590.250	222
8 Change in working capital	<u>747.508</u>	<u>2.487</u>
Cash flow from operating activities before net financials	3.665.335	3.501
Interest received and similar amounts	65.405	25
Interest paid and similar amounts	<u>-4.125</u>	<u>-16</u>
Cash flow from ordinary activities	3.726.615	3.510
Corporate tax paid	<u>-811.357</u>	<u>0</u>
Cash flow from operating activities	<u>2.915.258</u>	<u>3.510</u>
Repayments of long-term debt	0	-151
Dividend paid	<u>-792.322</u>	<u>0</u>
Cash flow from financing activities	<u>-792.322</u>	<u>-151</u>
Changes in available funds	2.122.936	3.359
Available funds 1 January 2018	3.517.875	158
Exchange rate adjustments (available funds)	<u>4.833</u>	<u>0</u>
Available funds 31 December 2018	<u>5.645.644</u>	<u>3.517</u>
Available funds		
Available funds	<u>5.645.644</u>	<u>3.517</u>
Available funds 31 December 2018	<u>5.645.644</u>	<u>3.517</u>

Notes

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

1. Staff costs

The Managing Director not received any remuneration during the financial year.

	<u>2018</u>	<u>2017</u>
2. Other financial costs		
Financial costs, group enterprises	0	5
Other financial costs	<u>4.125</u>	<u>11</u>
	<u>4.125</u>	<u>16</u>
3. Proposed distribution of the results		
Allocated to results brought forward	<u>2.327.577</u>	<u>792</u>
Distribution in total	<u>2.327.577</u>	<u>792</u>
	<u>31/12 2018</u>	<u>31/12 2017</u>
4. Contributed capital		
Contributed capital 1 January 2018	<u>7.391</u>	<u>7</u>
	<u>7.391</u>	<u>7</u>
5. Results brought forward		
Results brought forward 1 January 2018	790.003	-2
Profit or loss for the year brought forward	2.327.577	792
Extraordinary dividend adopted during the financial year	<u>-792.322</u>	<u>0</u>
	<u>2.325.258</u>	<u>790</u>

6. Mortgage and securities

For an engagement with Avalon an USA insurance company has issued a 150 T. USD guarantee required to provide the company with a BOND to the Federal Maritime Commission of U.S.A. as formally required. The company has made a cash deposit of 150 T.USD as security for the guarantee.

Notes

Amounts concerning 2018: USD.

Amounts concerning 2017: USD in thousands.

	<u>2018</u>	<u>2017</u>
7. Adjustments		
Other financial income	-70.245	-25
Other financial costs	4.125	16
Tax on ordinary results including interest	<u>656.370</u>	<u>231</u>
	<u>590.250</u>	<u>222</u>
8. Change in working capital		
Change in debtors	-1.431.564	-5.785
Change in trade creditors and other liabilities	<u>2.179.072</u>	<u>8.272</u>
	<u>747.508</u>	<u>2.487</u>