

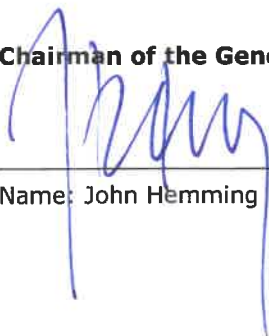
**A. Simonsen Holding
ApS**

Snorresgade 18
2300 Copenhagen S
Central Business Registration
No 40129774

Annual report 2018

The Annual General Meeting adopted the annual report on 16.05.2019

Chairman of the General Meeting



Name: John Hemming

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Entity details

Entity

A. Simonsen Holding ApS
Snorresgade 18
2300 Copenhagen S

Central Business Registration No: 40129774
Registered in: Copenhagen
Financial year: 01.01.2018 - 31.12.2018

Phone: +4532668100
Fax: +4532574900
Website: www.scan-group.com

Board of Directors

Arne Simonsen, Chairman
Morten Jæpelt
Birthe Prior Simonsen

Executive Board

Morten Jæpelt, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of A. Simonsen Holding ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.


We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.05.2019

Executive Board


Morten Jæpelt
Chief Executive Officer

Board of Directors


Arne Simonsen
Chairman


Morten Jæpelt


Birthe Prior Simonsen

Independent auditor's report

To the owner of A. Simonsen Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of A. Simonsen Holding ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2018, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

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

Independent auditor's report

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

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

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

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

Independent auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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


Copenhagen, 16.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556



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



Christian Sanderhage
State Authorised Public Accountant
Identification number (MNE) mne23347

Management commentary

	2018 DKK'000
Financial highlights	
Key figures	
Revenue	4.382.220
Gross profit/loss	797.272
EBITDA	118.910
Operating profit/loss	90.868
Net financials	3.325
Profit/loss for the year	58.850
Total assets	1.608.378
Investments in property, plant and equipment	79.485
Equity incl minority interests	830.071
Employees in average	2.888
Equity excl. minority interests	513.265
Ratios	
Gross margin (%)	18,2
Net margin (%)	1,3
Return on equity (%)	7,1
Equity ratio (%)	54,9

The number of employees represents the average number of employees in the controlled enterprises.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's activity is to invest in shares and other securities.

Development in activities and finances

Profit for the year amounts to DKK 58,850 thousand, of which DKK 42,140 thousand is attributable to minority interests.

Equity totals DKK 830,071 thousand at 31.12.2018, of which DKK 316,806 thousand is attributable to minority interests.

The Board of Directors finds the financial results satisfactory.

In 2018, the Group continued to invest in land and buildings as well as new subsidiaries.

Outlook

The Group expects positive results in 2019 that are in line with 2018.

Particular risks

Price risks

The Group is to a wide extent dependent on the development in global shipping prices and in the USD exchange rate.

Currency exposure

Due to foreign activities, results, cash flows and equity are affected by the exchange rate movements in a number of foreign currencies. Exchange rate adjustments of investments in subsidiaries are recognised directly in equity. It is not company policy to hedge the above risks by means of financial instruments as purchase and sale of shipping services to a wide extent take place in the same foreign currency.

Interest rate exposure

Reasonable changes in the interest rate level will have no material impact on the Group. Consequently, no agreements are made on hedging of interest rate exposure.

Group relations

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

Statutory report on corporate social responsibility

The Scan Group core activities are related to freight forwarding services where Scan Group handles the logistical side of freight forwarding whereas the transport is performed by third-party carriers, airlines or trucking companies.

The Scan Group Code of Conduct is intended to reinforce the values of Scan Group to remain tied to service, commitment, reliability and honesty. It links these values to exceptional standards of professional conduct that are expected of all leaders, employees, business partners and suppliers. The Code specifies our standpoint of human rights, workplace responsibilities, environment and climate, as well as ethics and anti-corruption.

Management commentary

As a global company, Scan Group is aware that there can be risks when operating in areas where approaches to human rights and anti-corruption may differ from Denmark. Breaches concerning human rights could impact our ability to retain and attract employees and impact our reputation. Breaches regarding corruption and bribery could also impact our reputation. That is why we have a primary focus on these risks, including setting the tone at the top to align the values throughout the Group. As a freight forwarder, our environmental impact is limited for which reason we consider it a lower risk. Consequently, we do not have a separate policy, but we follow existing rules and laws in this area. We are also not aware of any breaches regarding environment and climate in Scan Group in 2018. We believe the primary risk concerning employees is if employees are not motivated and may be exposed to health and safety risks. We consider the risk to be low, as our employees are not significantly exposed to health and safety risks.

Human rights

We recognise the importance of maintaining and promoting basic human rights throughout our global operations. We do not tolerate human trafficking or any type of forced labour and affirmatively prohibit such practices. We do not tolerate the use of underage labour, which is typically defined by local law or in default of local law by the standards set by the International Labour Organisation (ILO).

Goals and implementation

All employees receive a guideline on respecting human rights. It is our goal that we will not experience issues related to non-compliance with human rights. We are not aware of any breaches concerning human rights in Scan Group in 2018.

Ethics and anti-corruption

Scan Group has a zero tolerance towards corruption and bribery, including means such as improper payments, bribes and kickbacks, and facilitation payments. Scan Group is committed to complying with the United States Foreign Corrupt Practice Act (FCPA), the UK Bribery Act of 2010, C-TPAT expectations, export controls and comparable laws where Scan Group engages in business. We require the same commitment from our employees, business partners and suppliers.

Goals and implementation

All employees receive guidelines on anti-corruption and bribery. It is our goal that we will not experience issues related to ethics and anti-corruption. We are not aware of any breaches concerning corruption and bribery in Scan Group in 2018.

Workplace responsibilities

We are committed to maintaining a safe and healthy work environment by complying with applicable health and safety rules and practices. Furthermore, we encourage employees to raise work-related issues, questions or concerns. We value the talents, abilities and diversity of all employees and require all employment decisions (e.g. recruiting, hiring, training, promoting, and compensation) related to employees and applicants to be based on merit, qualifications, and job performance.

Management commentary

Goals and implementation

To implement our workplace responsibilities, we focus on offering relevant training, internal courses and employee development interviews. We conclude that our activities have contributed to maintaining a good working environment in Scan Group in 2018.

Statutory report on the underrepresented gender

It is the policy of A. Simonsen Holding ApS to secure the best professional competence possible at all levels in the Company. The members of Management are solely appointed based on their qualifications and not based on their gender. By doing so, equal opportunities for both genders are secured provided that the candidates applying for the management positions possess the professional skills required.

The share of women at the Board of Directors of A. Simonsen Holding ApS constitutes 33.3%, corresponding to one out of three board members. Based on a specific assessment of the Company's situation, including the competences to be present at the Board of Directors, the target is to keep the minimum share of women at the Board of Directors at 33.3% in 2019. This is considered an achievable and ambitious target figure.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Revenue	1	4.382.220
Other operating income		11.224
Cost of sales		(3.227.194)
Other external expenses	2	(368.978)
Gross profit/loss		797.272
Staff costs	3	(678.362)
Depreciation, amortisation and impairment losses	4	(28.042)
Operating profit/loss		90.868
Income from investments in associates		2.442
Other financial income	5	16.833
Other financial expenses	6	(15.950)
Profit/loss before tax		94.193
Tax on profit/loss for the year	7	(35.343)
Profit/loss for the year	8	58.850

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Goodwill		0
Intangible assets	9	<u>0</u>
Land and buildings		370.348
Other fixtures and fittings, tools and equipment		59.859
Leasehold improvements		2.690
Property, plant and equipment	10	<u>432.897</u>
Investments in associates		21.694
Other investments		500
Other receivables		5.090
Fixed asset investments	11	<u>27.284</u>
Fixed assets		<u>460.181</u>
Trade receivables		613.230
Deferred tax	12	39.798
Other receivables		89.202
Prepayments	13	28.948
Receivables		<u>771.178</u>
Other investments		50.854
Other investments		<u>50.854</u>
Cash		<u>326.165</u>
Current assets		<u>1.148.197</u>
Assets		<u>1.608.378</u>

Consolidated balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Contributed capital		250
Retained earnings		424.015
Proposed dividend		89.000
Equity attributable to the Parent's owners		513.265
Share of equity attributable to minority interests		316.806
Equity		830.071
Deferred tax	12	961
Provisions		961
Mortgage debts		18.318
Other payables		18.654
Non-current liabilities other than provisions	14	36.972
Current portion of long-term liabilities other than provisions	14	3.038
Trade payables		621.338
Income tax payable		12.481
Other payables		103.517
Current liabilities other than provisions		740.374
Liabilities other than provisions		777.346
Equity and liabilities		1.608.378
Unrecognised rental and lease commitments	16	
Contingent liabilities	17	

Consolidated statement of changes in equity for 2018

	Contributed capital DKK'000	Share premium DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000
Effect of mergers and business combinations	250	495.799	0	0
Exchange rate adjustments	0	0	(364)	0
Other equity postings	0	(2.026)	3.078	0
Tax of equity postings	0	0	(182)	0
Transfer to reserves	0	(493.773)	493.773	0
Profit/loss for the year	0	0	(72.290)	89.000
Equity end of year	250	0	424.015	89.000
			Share of equity attributable to minority interests DKK'000	Total DKK'000
Effect of mergers and business combinations			0	496.049
Exchange rate adjustments			(1.092)	(1.456)
Other equity postings			276.304	277.356
Tax of equity postings			(546)	(728)
Transfer to reserves			0	0
Profit/loss for the year			42.140	58.850
Equity end of year			316.806	830.071

Consolidated cash flow statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Operating profit/loss		90.868
Amortisation, depreciation and impairment losses		28.042
Working capital changes	15	(18.601)
Other operating income		(11.224)
Cash flow from ordinary operating activities		89.085
Financial income received		19.275
Financial income paid		(15.950)
Income taxes refunded/(paid)		(41.638)
Cash flows from operating activities		50.772
Acquisition etc of property, plant and equipment		(79.484)
Sale of property, plant and equipment		56.822
Acquisition of fixed asset investments		(3.910)
Sale of fixed asset investments		1.863
Disposal of enterprises		11.224
Cash flows from investing activities		(13.485)
Loans raised		18.318
Instalments on loans etc		(398)
Cash flows from financing activities		17.920
Increase/decrease in cash and cash equivalents		55.207
Cash and cash equivalents beginning of year		322.260
Cash and cash equivalents end of year		377.467
Cash and cash equivalents at year-end are composed of:		
Cash		326.165
Securities		50.854
Cash and cash equivalents end of year		377.019

Notes to consolidated financial statements

	2018 DKK'000
1. Revenue	
Shipping services	4.356.484
Rental income, golf course and hotel operation	25.736
	4.382.220
	2018 DKK'000
2. Fees to the auditor appointed by the Annual General Meeting	
Statutory audit services	6.640
Other assurance engagements	242
Tax services	1.117
Other services	2.720
	10.719
	2018 DKK'000
3. Staff costs	
Wages and salaries	598.154
Pension costs	25.059
Other social security costs	55.149
	678.362
	2.888
	Remunera- tion of manage- ment 2018 DKK'000
Total amount for management categories	9.393
	9.393
	2018 DKK'000
4. Depreciation, amortisation and impairment losses	
Amortisation of intangible assets	175
Depreciation of property, plant and equipment	27.643
Profit/loss from sale of intangible assets and property, plant and equipment	224
	28.042

Notes to consolidated financial statements

	2018
	DKK'000
5. Other financial income	
Other financial income	16.833
	16.833
	2018
	DKK'000
6. Other financial expenses	
Other financial expenses	15.950
	15.950
	2018
	DKK'000
7. Tax on profit/loss for the year	
Tax on current year taxable income	42.559
Change in deferred tax for the year	(8.970)
Adjustment concerning previous years	1.754
	35.343
	2018
	DKK'000
8. Proposed distribution of profit/loss	
Ordinary dividend for the financial year	89.000
Retained earnings	(72.290)
Minority interests' share of profit/loss	42.140
	58.850
	Goodwill
	DKK'000
9. Intangible assets	
Addition through business combinations etc	6.413
Cost end of year	6.413
Transfers	(6.238)
Amortisation for the year	(175)
Amortisation and impairment losses end of year	(6.413)
Carrying amount end of year	0

Transfers include amortisation and impairment losses through business combinations etc.

Notes to consolidated financial statements

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
10. Property, plant and equipment			
Addition through business combinations etc	452.218	158.806	21.722
Exchange rate adjustments	3.407	1.551	947
Additions	55.370	21.831	2.284
Disposals	(53.729)	(9.996)	(1.657)
Cost end of year	457.266	172.192	23.296
Exchange rate adjustments	31	(1.326)	(553)
Transfers	(80.110)	(103.233)	(15.807)
Depreciation for the year	(6.993)	(15.630)	(5.020)
Reversal regarding disposals	154	7.856	774
Depreciation and impairment losses end of the year	(86.918)	(112.333)	(20.606)
Carrying amount end of year	370.348	59.859	2.690

Transfers include depreciation and impairment losses through business combinations etc.

	Investments in associates DKK'000	Other investments DKK'000	Other receivables DKK'000
11. Fixed asset investments			
Addition through business combinations etc	11.353	1.000	8.876
Additions	0	0	629
Disposals	0	0	(4.636)
Cost end of year	11.353	1.000	4.869
Exchange rate adjustments	192	0	0
Amortisation of goodwill	(1.468)	0	0
Share of profit/loss for the year	3.910	0	0
Dividend	(395)	0	0
Other adjustments	8.102	0	221
Revaluations end of year	10.341	0	221
Other adjustments	0	(500)	0
Impairment losses end of year	0	(500)	0
Carrying amount end of year	21.694	500	5.090

Goodwill on consolidation amounts to DKK 4,654 thousand at year-end. Other Adjustments includes revaluations through business combinations etc.

Notes to consolidated financial statements

	2018 DKK'000
12. Deferred tax	
Changes during the year	
Beginning of year	32.953
Recognised in the income statement	8.970
Recognised directly in equity	(2.125)
End of year	39.798

Deferred tax consists of balances on fixed assets, trade receivables etc and tax loss carryforwards. Recognised directly in equity includes reclassification of receivables from group enterprises.

13. Prepayments

Prepayments comprise various prepaid expenses. Prepayments are measured at cost.

	Instalments within 12 months 2018 DKK'000	Instalments beyond 12 months 2018 DKK'000
14. Liabilities other than provisions		
Mortgage debts	1.204	18.318
Other payables	1.834	18.654
	3.038	36.972

Mortgage debt is secured by way of a mortgage deed on land and buildings at a book value of DKK 29,130 thousand.

	2018 DKK'000
15. Change in working capital	
Increase/decrease in receivables	(175.900)
Increase/decrease in trade payables etc	157.299
	(18.601)

	2018 DKK'000
16. Unrecognised rental and lease commitments	
Hereof liabilities under rental or lease agreements until maturity in total	116.437

Notes to consolidated financial statements

	2018 DKK'000
17. Contingent liabilities	
Recourse and non-recourse guarantee commitments	3.258
Contingent liabilities in total	3.258

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2018 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.01.2018 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies.

17. Group relations

The Group includes the following companies:

	Share- holding %
A.S. Scan Holding A/S, Denmark (A shares)	25
Scan Group A/S, Denmark	100
Scan-Shipping AB, Sweden	100
Scanway Shipping AS, Norway	100
OY Scan-Shipping AB, Finland	100
Scan-Shipping G.m.b.H., Germany	100
Scan-Group Agencies Sp.z.o.o, Poland	100
Scan-Shipping (Pte.) Ltd., Singapore	100
Scan-Shipping Hong Kong Ltd., Hong Kong	100
Scan-Shipping LLC, United Arab Emirates	100
Scan Group DMCC, United Arab Emirates	100
Scanway Shipping LLC, Russia	100
Shipco-Shipping Jylland A/S, Denmark	100
Scan-Shipping Inc., USA	100
Scan-Shipping LLC, Ukraine	100
Scan-Shipping OU, Estonia	100
Shipco-Shipping AB, Sweden	100
Scan-Shipping SIA, Latvia	100
PT Scan-Shipping, Indonesia	100
Scan-Shipping (Shanghai) Ltd., China	100
Scan-Shipping Colombo (Pte.) Ltd., Sri Lanka	100
Expa-Services (Pte.) Ltd., Singapore	100
Seaway Shipping AS, Norway	100
Scanway Shipping Real Estate AB, Sweden	100
Scan Shipping d.o.o, Slovenia	100
Scan-Shipping (Thailand) Ltd., Thailand	100

Notes to consolidated financial statements

	Share- holding %
Scan-Shipping (Turkey) Ltd., Turkey	100
Scan-Shipping Norway AS, Norway	100
Scan-Shipping srl., Romania	100
Scanway Shipping Property AB, Sweden	100
Scan-Shipping A/S, Denmark	100
Scan Real Estate AS, Norway	100
Shipco Transport Holding A/S, Denmark	100
SSNYC Inc., USA	100
Shipco Transport Inc., USA	100
Worldwide Alliance Inc., USA	100
International Cargo Terminals Inc., USA	100
International Cargo Terminals Korea Co., Ltd., Korea	55
Shipco Transport (Chile) S.A., Chile	100
Shipco Transport (HK) Ltd., Hong Kong	100
PT Shipco Transport Indonesia, Indonesia	100
Shipco Transport (Japan) Ltd., Japan	100
Shipco Transport Pte. Ltd., Singapore	100
Shipco Transport (Thailand) Ltd., Thailand	100
Bangkok Resource Center Ltd., Thailand	100
Shipco Transport Sdn. Bhd., Malaysia	100
Shipco Transport (Philippines) Inc., Philippines	51
Shipco DMCC, United Arab Emirates	100
Shipco Transport Sp.z.o.o., Poland	100
SSC Consolidation NV, Belgium	50
SSC Consolidation BV, the Netherlands	50
SSC Consolidation LLC, United Arab Emirates	50
Shipco Transport AB, Sweden	100
OY Shipco Transport AB, Finland	100
Shipco Transport AS, Norway	100
Shipco Transport BV, the Netherlands	100
Shipco Transport Eesti AS, Estonia	100
Shipco Transport GmbH, Germany	100
Shipco Transport Ltd., United Kingdom	100
Shipco Transport Ltd., Ireland	100
Shipco Transport NV, Belgium	100
Shipco Transport Denmark A/S, Denmark	100
Shipco Transport Ltd., Ukraine	100
Shipco Transport (Shanghai) Ltd, China	100
Shipco Transport SIA, Latvia	100
Shipco Transport UAB, Lithuania	100
Shipco Transport Vietnam Limited, Vietnam	51

Notes to consolidated financial statements

	Share- holding %
Shipco Transport Ltd., Turkey	100
Shipco Transport Taiwan Co Ltd., Taiwan	100
Shipco Transport, Sri Lanka	100
Shipco Transport Bulgaria EOOD, Bulgaria	100
Shipco Transport Co. Ltd., Korea	51
Shipco Transport S.R.L., Romania	10
Shipco Transport Ltd., New Zealand	51
Shipco Transport d.o.o, Slovenia	100
Shipco Transport LLC, Russia	100
Shipco Transport (pvt) Ltd., Pakistan	50
Shipco Transport (Canada) Inc., Canada	100
Strait Air Transport A/S, Denmark	100
Strait Air Transport AB, Sweden	100
Strait Air Transport AS, Norway	100
Strait Air Transport Eesti AS, Estonia	100
OY Strait Air Transport AB, Finland	100
Simon's Golf A/S, Denmark	100
Nybovej 6 ApS, Denmark	100
Forward – Shipping A/S, Denmark	100
Scan Real Estate A/S, Denmark	100
Scan Real Estate France A/S, Denmark	100
Scan Real Estate Ltd., United Kingdom	100
SARL La Mess, France	100
International Cargo Terminals Holding A/S, Denmark	100
Fredensborg Vagt & Security ApS, Denmark	100
Scan Real Estate Properties A/S, Denmark	100
Scan Factory A/S, Denmark	100
Scan-Sailing Inc., USA	100
80 Washington Street, USA	100
Copenhagen Maritime Services ApS, Denmark	100
Scan-IT Holding A/S, Denmark	100
Scan-IT Pte. Ltd, Singapore	100
Shipco IT Private Limited, India	100
Scan-IT (Thailand) Pvt., Thailand	100
Scan-IT Solution (India) Private Limited, India	100

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

Notes to consolidated financial statements

Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Income from investments in group enterprises		16.710
Profit/loss for the year	1	16.710

Parent income statement for 2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Investments in group enterprises		513.265
Fixed asset investments	2	<u>513.265</u>
Fixed assets		<u>513.265</u>
Assets		<u>513.265</u>

Parent balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK'000</u>
Contributed capital		250
Reserve for net revaluation according to the equity method		17.216
Retained earnings		406.799
Proposed dividend		89.000
Equity		<u>513.265</u>
Equity and liabilities		<u>513.265</u>
Contingent liabilities	3	
Related parties with controlling interest	4	
Transactions with related parties	5	

Parent statement of changes in equity for 2018

	Contributed capital DKK'000	Share premium DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000
Effect of mergers and business combinations	250	495.799	0	0
Exchange rate adjustments	0	0	(364)	0
Other equity postings	0	0	1.052	0
Tax of equity postings	0	0	(182)	0
Transfer to reserves	0	(495.799)	0	495.799
Profit/loss for the year	0	0	16.710	(89.000)
Equity end of year	250	0	17.216	406.799
			Proposed dividend DKK'000	Total DKK'000
Effect of mergers and business combinations			0	496.049
Exchange rate adjustments			0	(364)
Other equity postings			0	1.052
Tax of equity postings			0	(182)
Transfer to reserves			0	0
Profit/loss for the year			89.000	16.710
Equity end of year			89.000	513.265

Notes to parent financial statements

	2018 DKK'000
1. Proposed distribution of profit/loss	
Ordinary dividend for the financial year	89.000
Transferred to reserve for net revaluation according to the equity method	16.710
Retained earnings	(89.000)
	16.710
	Investments in group enterprises DKK'000
2. Fixed asset investments	
Addition through business combinations etc	496.049
Cost end of year	496.049
Exchange rate adjustments	(413)
Adjustments on equity	919
Share of profit/loss for the year	16.710
Revaluations end of year	17.216
Carrying amount end of year	513.265

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

3. Contingent liabilities

The Company serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore jointly and severally liable as of the financial year 2018 with the other jointly taxed companies for income taxes etc for the jointly taxed companies, and as of 01.01.2018 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed companies.

4. Related parties with controlling interest

Related parties with a controlling interest in A. Simonsen Holding ApS:

- Arne Simonsen, Skodsborg Strandvej 19, 2942 Skodsborg, shareholder

5. Transactions with related parties

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

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

This is the Company's first financial year for which reason it is also the first year of applying the accounting policies to these financial statements.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

The consolidated financial statements include A. Simonsen Holding ApS (Parent) and subsidiaries in which A. Simonsen Holding ApS either directly or indirectly holds more than 50% of the voting rights or in any other way have controlling influence. Jointly controlled entities are consolidated on a pro rata basis.

All entities, which are partly owned at present, are considered jointly controlled entities and have therefore been recognised on a pro rata basis.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Profits or losses from divestment of equity investments

Profits or losses from divestment or winding-up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding-up, inclusive of non-amortised goodwill and estimated divestment or winding-up expenses.

Foreign currency translation

Foreign currency transactions are translated applying the exchange rates at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date are recognised in the income statement as financial income or financial expenses.

Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated applying the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the balance sheet date and the one in effect at the time when the receivable or payable arose are recognised in the income statement as financial income or financial expenses.

If the foreign subsidiaries meet the criteria of independent entities, their income statements and balance sheets are translated applying the exchange rates at the balance sheet date. Exchange differences that arise from translation of foreign subsidiaries' equity at the beginning of the year, applying the exchange rates at the balance sheet date, are recognised directly in equity. Long-term intra-group loans similar to equity are also recognised directly in equity.

Accounting policies

Income statement

Revenue

Revenue is recognised in the income statement if delivery to the Group's cooperators has taken place before year-end and if the income can be computed reliably and receipt is expected. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets, property, plant and equipment, and investments in associates, etc.

Cost of sales

Costs relating to revenue are accrued according to the method of revenue recognition. Other costs relating to the financial year in terms of time are charged to the income statement.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in associates

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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange 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 or exchange 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.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

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

Balance sheet

Goodwill

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

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

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The basis of depreciation is cost less estimated residual value after the end of useful life.

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

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15-50 years
Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	3-10 years

Estimated useful lives and residual values are reassessed annually.

On initial recognition, lease contracts regarding property, plant and equipment in which the Company holds all material risks and advantages related to the ownership (finance leasing) are measured in the balance sheet at fair value or present value, if lower, of future lease payments. At the computation of present value, the internal interest rate of the lease contract or an approximate value is used as discount factor. Assets held under finance leases are then treated as the Company's other property, plant and equipment.

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

Accounting policies

Investments in group enterprises

Income statement

The Company's share of the subsidiaries' profits or losses after elimination of unrealised intra-group profits and losses and plus or minus amortisation of positive, or negative, goodwill is recognised in the income statement.

Balance sheet

Investments in subsidiaries are recognised in the balance sheet at the pro rata share of the enterprises' equity in accordance with the Parent's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus the residual value of positive, or negative, goodwill calculated according to the purchase method.

Subsidiaries with negative equity are measured at zero value, and any receivable from these enterprises is written down by the Parent's share of such negative equity. If the negative equity exceeds the amounts receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Net revaluation of investments in subsidiaries is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost less amortisation of goodwill.

Investments in associates

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

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

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

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

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

Receivables

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

Accounting policies

Other investments

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

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

Minority interests

Minority interests consist of non-controlling interests' share of equity in subsidiaries not 100% owned by the Parent.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Operating leases

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

Accounting policies

Other financial liabilities

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

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.

Cash flow statement

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

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

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

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

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

Segment information

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