SDK

2017/2018

ANNUAL REPORT

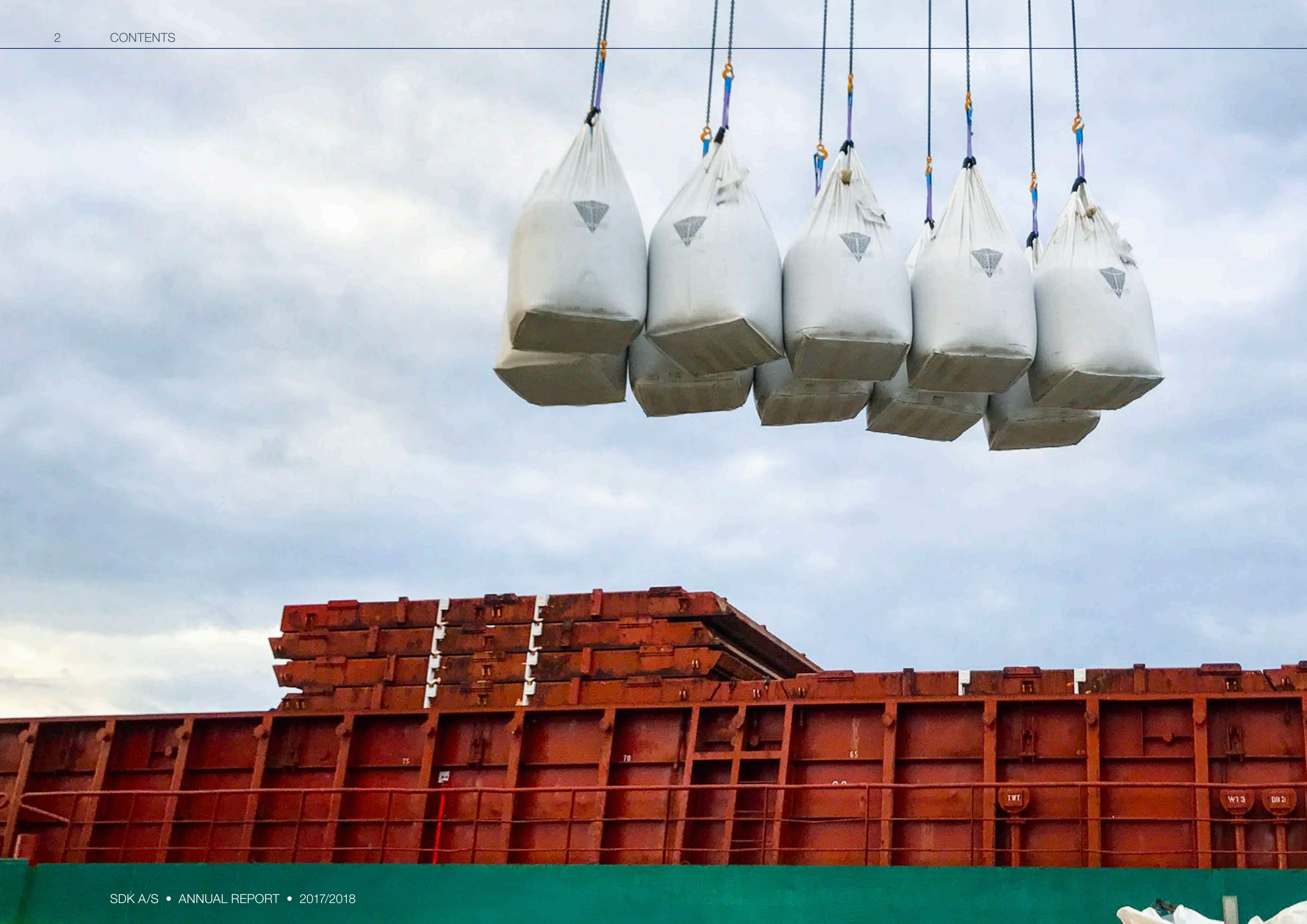
The Annual Report was presented and adopted at the Company's Annual General Meeting on 22 June 2018

Chairman of the meeting: Michael Keldsen

Financial year: 1 May 2017 - 30 April 2018

Oceankajen 12, DK-7000 Fredericia

Company reg. No. 56 25 23 12



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2017/2018 IN FIGURES

7,100

7,100 Agency calls handled.

We offer 24/365 Agency service.

117,000 m²

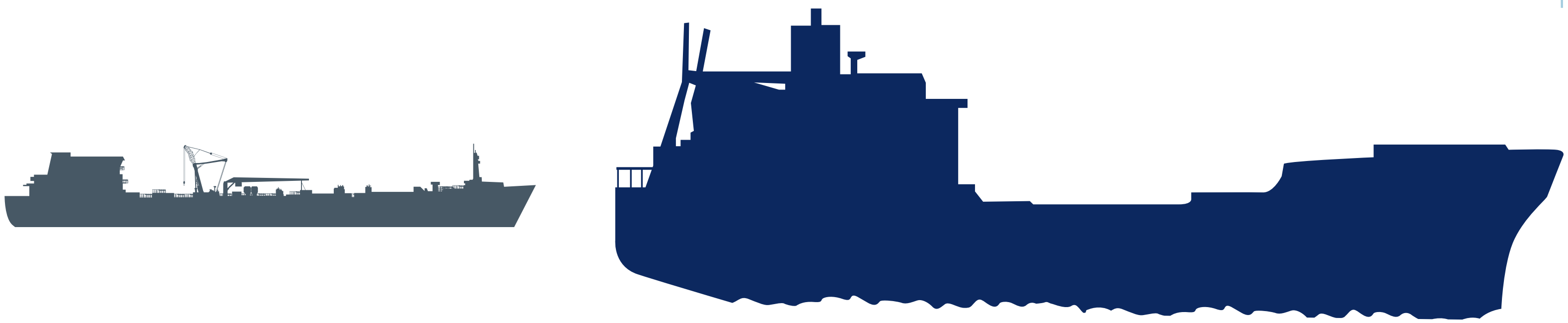
We have 117,000 m² of multi terminal space strategically located across Denmark and Sweden.

23 offices

We are one of Scandinavia´s leading shipping and logistics companies with own offices in the European countries.

344

344 dedicated and competent employees are our most important driving force.



FINANCIAL HIGHLIGHTS

1,005.2 MIO DKK +60% vs. 2016/17
Revenue

24.5 MIO DKK +15% vs. 2016/17
EBIT

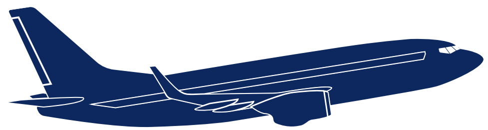
4.5 %
Operation margin

273.9 MIO DKK +39% vs. 2016/17
Gross profit

23.5 MIO DKK +14% vs. 2016/17
EBT

3.1 MIO DKK
Cash flow from operating activities

45.1 MIO DKK +50% vs. 2016/17
EBITDA



2.71
Gearing ratio

COMPANY **INFORMATION**

THE COMPANY

SDK A/S
Oceankajen 12
DK-7000 Fredericia

Telephone: +45 76 20 60 00
www.sdkgroup.com

CVR No: 56 25 23 12
Financial year: 1 May - 30 April
Municipality of reg. office: Fredericia

BOARD OF DIRECTORS

Torben Østergaard-Nielsen, Chairman
Michael Keldsen
Nina Østergaard Borris
Henrik Holm
Lars Krejberg Petersen
Flemming Dalgaard

EXECUTIVE BOARD

Søren Gran Hansen

AUDITORS

PricewaterhouseCoopers
Herredsvej 32
DK-7100 Vejle


EMAS CHIYODA
Subsea

SDK A/S

CVR.: 56 25 23 12

SDK Shipping A/S
CVR.: 43 78 50 28

SDK Cruise A/S
CVR.: 36 48 31 13

Danish Stevedore A/S
CVR.: 27 07 10 15

Shipping Consultancy A/S
CVR.: 36 97 33 90

SDK Shipping AB
Org. no.: 556 501 3876

GROUP **STRUCTURE**

- **SDK Shipping AS**
  Org. no.: 918 516 050
- **SDK Chartering A/S**
  CVR.: 75 15 59 13
  - **Waterway Chartering ApS**
    CVR.: 31 42 68 71
    - 40% **WaterWay Iberia**
      No.: B39785316
- **SDK Logistics A/S**
  CVR.: 26 43 91 16
- **SDK Logistics AB**
  Org. no.: 556 198 7909
- **SDK Solutions Holding ApS**
  CVR.: 39 45 87 72
  - 51% **SDK Logistics AS**
    Org. no.: 994 780 654
  - **TF Freight AB**
    Org. no.: 559 152 6859
  - 60% **SDK Solutions A/S**
    CVR.: 38 44 33 48
  - 60% **TF Freight Holland BV**
    Org. no.: 667 15989

MANAGEMENT'S **STATEMENT**

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of SDK A/S for the financial year 1 May 2017 - 30 April 2018.

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

In our opinion, the Parent Company Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Parent Company and the Group at 30 April 2018 and of the results of the Parent Company and Group operations and consolidated cash flows for 2017/18.

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

Fredericia, 22 june 2018

EXECUTIVE BOARD

Søren Gran Hansen

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman

Henrik Holm

Nina Østergaard Borris

Michael Keldsen

Lars Krejberg Petersen

Flemming Dalgaard

BOARD OF **DIRECTORS**

TORBEN ØSTERGAARD NIELSEN

Chairman
Born in 1954.
Board member since 1995 and Chairman since 2014.
CEO, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

Special competences
Extensive background and global experience within the shipping industry.

Other directorships
Chairman and member of the boards in most USTC Group companies. Member of the boards in FAYARD Holding A/S, Fiberline Composites A/S, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Selected Car Leasing A/S. Chairman of the board in Middelfart Bycenter A/S.

Other
German Honorary Consul since 1988, member of Corps Consulaire since 1988. Member of Nykredit Regionsråd and member of Danske Bank Erhvervsråd.

MICHAEL KELDSEN

Board Member
Born in 1950.
Board member since 1991.
Chairman of the board from 2004-2014.
Of Counsel, Gorrissen Federspiel law firm.

Special competences
In-depth knowledge and experience within corporate and foundation/trust law as well as mergers and acquisitions and shipbuilding contracts.

Other directorships
Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, Uni-Tankers A/S, Iron Pump A/S,Nemco Machinery A/S, Autronica Fire & Security A/S, Stanley Nordic ApS and Better CPH A/S.

Education
LL.M. (Master of Law), Copenhagen.

NINA ØSTERGAARD BORRIS

Board Member
Born in 1983.
Board member since 2014.
Executive Assistant Bunker Holding A/S.

Special competences
Company evaluations, mergers and acquisitions, financial due diligence business restructuring, reorganization, turnarounds.

Other directorships
Member of the board in Uni-Tankers A/S.

Education
Master degree in applied economics and finance (Cand.merc. AEF).

HENRIK HOLM

Board Member
Born in 1959.
Board member since 2012.
CEO GDL Transport AB, headquarter Helsingborg Sweden.

Special competences
37 years of experience in Transportation and Logistics. General Management. Mergers and acquisitions.

Other directorships
Chairman of the board in Kathrineholm Rail Point AB, HTL AB and Jalog AB. Member of the board in TRB AB.

Education
General management, logistics and market and sales.

LARS KREJBERG PETERSEN

Board Member
Born 1963.
Board member since 2012.
CEO Dansk Retursystem A/S.

Special competences
Supply Chain, Logistics and Business Processes.

Other directorships
Member of the boards in Nemco 98 A/S and IAA.

Education
BBA and BBA(M).

FLEMMING DALGAARD

Board Member
Born in 1964.
Board member since 2015.
CEO Gulftainer Group of Companies, UAE.

Special competences
Executive management within the ports, logistics and shipping industry including M&A activities. 30 years of global experience both in mature/developed as well as emerging markets.

Other directorships
Board Member at Gulftainer Sharjah LTD, Momentum Logistics UAE, and GSCC.

Education
Shipping education from A.P. Moller-Maersk as well as Chartered Director (CDIR) from IOD and Chartered Fellow at the UK Institute for Logistics and Transport (FCILT).

SDK A/S **EXECUTIVE BOARD**

HENRIK KLAUSEN

CFO SDK A/S.
Born in 1964.
Employed since August 2014.

Education/Background
Master of Science in Business Economics and Auditing.

SØREN GRAN HANSEN

CEO – SDK A/S.
CEO – TF Freight AB.
Born in 1968.
Employed since September 2013.

Education/Background
Bachelor of economy.
Global experience with listed companies and extensive background within freight and logistics industry, primarily through 24 years with DSV A/S, with different director and board positions.

LARS JESPERSEN

CEO SDK Shipping A/S, SDK Shipping AB, SDK Chartering A/S, and Shipping Consultancy A/S.
Born in 1968.
Employed since November 1998.

Education/Background
Bachelor, Insead.

Other external positions:
Deputy chairman Danish Harbour Associations. Chairman Aabenraa Employers Association. British consul.

HENRIK GYDESEN

CEO SDK Logistics A/S.
Born in 1974.
Employed since January 2014.

Education/Background
Bachelor Transport & Logistics.

Other external position:
Board member DASP Nord.

MORTEN DREYER

CEO SDK Logistics A/S.
Born in 1970.
Employed since January 2015.

Education/Background
Forwarding Agent, Head of Department, Head of Division Transport & Logistics.

DAVID YORK

CEO Danish Stevedore A/S.
Born 1960.
Employed since 2017.

Education/Background
Bachelor of Maritime Transport and Nautical Science.

Other external positions:
Chairman Nordic Waste A/S.
Chairman Danish Stevedore Holding A/S.

INDEPENDENT **AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF SDK A/S

OPINION

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2018, and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2017 - 30 April 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of SDK A/S for the financial year 1 May 2017 - 30 April 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company 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 Group's and the Parent 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 Group or the Parent 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 judgment and maintain professional skepticism 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 Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group and the Parent 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.

- 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.

Trekantområdet, 22 June 2018

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Gert Fisker Tomczyk
State Authorised Public Accountant
mne9777

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

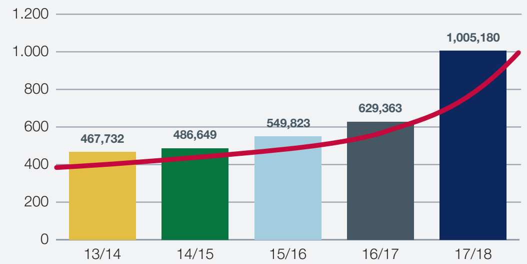
FINANCIAL HIGHLIGHTS OF THE GROUP

SEEN OVER A FIVE-YEAR PERIOD, THE DEVELOPMENT OF THE GROUP IS DESCRIBED BY THE FOLLOWING FINANCIAL HIGHLIGHTS:

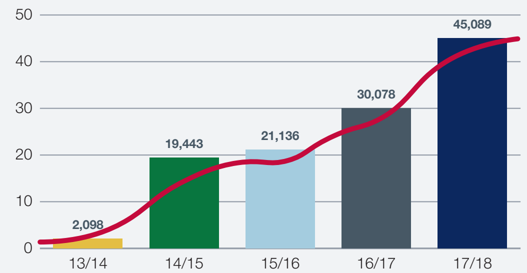
DKK '000	2017/18	2016/17	2015/16	2014/15	2013/14
Profit					
Net revenue	1,005,180	629,363	549,823	486,649	467,732
Gross profit	273,931	196,634	143,866	119,824	111,920
Operating profit (EBITDA)	45,089	30,078	21,136	19,443	2,098
Profit before financial income and expenses (EBIT)	24,449	21,343	13,601	9,858	(14,395)
Net financials	(906)	(605)	(2,553)	(753)	(5,526)
Profit before tax (EBT)	23,543	20,738	11,048	9,105	(19,921)
Net profit for the year	18,540	15,769	8,627	7,327	(18,957)
Balance sheet					
Balance sheet total	451,943	291,449	230,831	217,627	164,368
Equity	93,264	76,594	49,877	44,587	22,011
Net working capital	39,850	(21,295)	2,016	(1,993)	15,316
Net interest bearing debt	122,296	5,349	23,908	34,910	54,319
Cash flows					
Cash flows from:					
- operating activities	3,144	54,384	13,705	48,624	13,978
- investing activities	(65,010)	(43,308)	(2,702)	(44,216)	(3,197)
- financing activities	(7,768)	9,707	6,113	10,916	8,190
Investments in fixed tangible assets	(8,746)	(1,508)	(3,486)	(9,222)	(3,493)
Change in cash and cash equivalents for the year	(69,634)	20,783	17,116	15,324	18,971
Ratios (%)					
Financial:					
- gross margin	27.3 %	31.2 %	26.2 %	25.0 %	24.0 %
- operation margin	4.5 %	4.8 %	3.8 %	4.0 %	0.4 %
- profit margin	2.4 %	3.4 %	2.5 %	2.0 %	-3.0 %
- return on equity (ROE)	21.8 %	24.9 %	18.3 %	22.0 %	-84.0 %
- liquidity ratio	0.76	0.91	0.91	0.76	0.87
- solvency ratio	20.6 %	26.3 %	21.6 %	20.0 %	13.0 %
Staff					
Number of employees	344	255	186	182	143

For definitions, see under accounting policies page 49

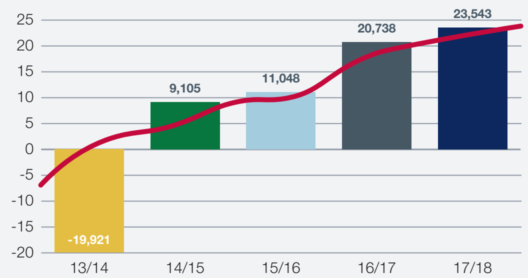
NET REVENUE (DKK'000)



OPERATING PROFIT - EBITDA (DKK'000)



PROFIT BEFORE TAX - EBT (DKK'000)



REVIEW

ACTIVITIES

The main activities of the SDK Group include stevedoring and providing warehousing, agency, customs clearing, commercial chartering, liner services, cruise services and freight forwarding (road, air and sea).

The main object of the Parent Company is as a holding company to hold shares in the subsidiaries and to contribute to the continued development of these.

DEVELOPMENT IN THE YEAR

The SDK Group achieved revenue of DKK 1,005,180k (629,363k previous year) and a profit before tax of DKK 23,543k (20.738k). At the end of the year, equity amounted to DKK 93,264k (76,594k), corresponding to 20.6% (26,3%) of the total assets.

Compared to last year the profit before tax has increased by DKK 2,805k (9,690k) corresponding to a 14% (88%%) increase. The increased profit comes from two sources: organic growth/optimization of existing activities and new business (acquisitions).

The growing profitability is considered a result of a continued strong and focused implementation of the Group's strategy together with a very strong performing and motivated staff of employees.

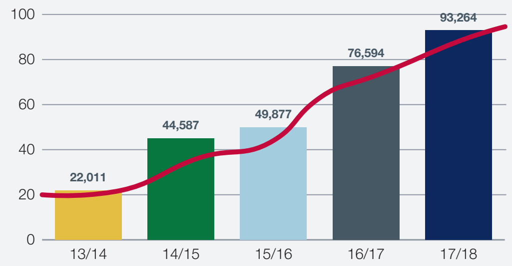
During the year 4 new acquisitions took place and already in the first year of operation they have managed to contribute positively to the profit of the Group.

The Group has focus on risk management and has procedures and culture for observing risks and mitigating risks.

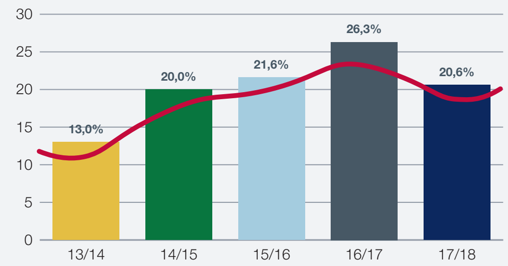
The Group's financial strength continued to improve over the last year. Equity grew with 16.670k (26.717k) and the solvency ratio ended at 20,6% (26,3%) end of the year.

The results for the year are considered very satisfactory by Management and better than expected in the Annual Report for 2016/2017 - due to higher level of activity.

EQUITY (DKK'000)



SOLVENCY RATIO



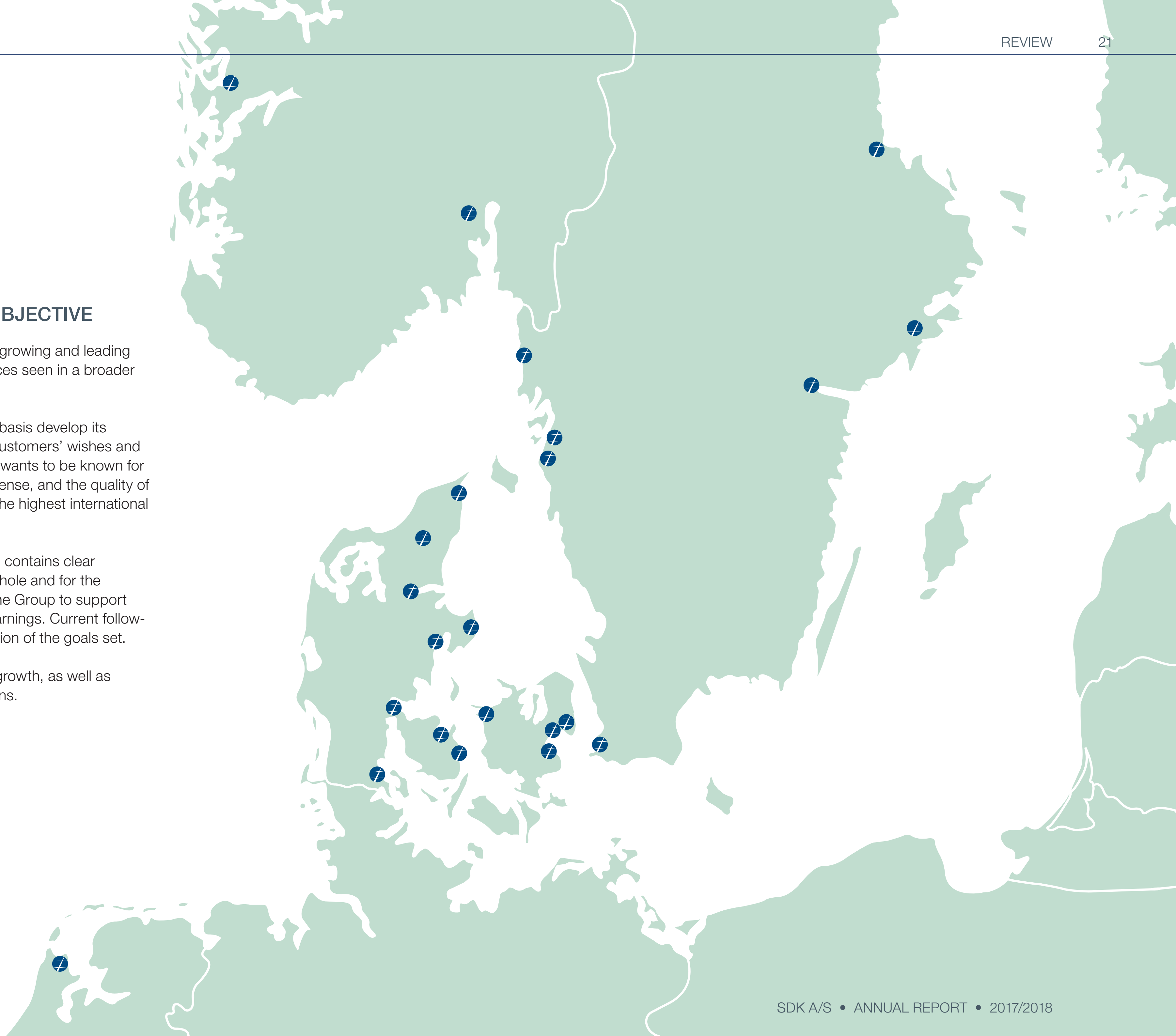
STRATEGY AND OBJECTIVE

The SDK vision is to be a growing and leading supplier of shipping services seen in a broader perspective.

SDK will on a continuous basis develop its business in line with the customers' wishes and requirements. The Group wants to be known for its high quality in a wide sense, and the quality of our services must follow the highest international standards.

The Group's strategy plan contains clear objectives for SDK as a whole and for the individual enterprises of the Group to support growth in activities and earnings. Current follow-up is made on the realisation of the goals set.

SDK focuses on organic growth, as well as growth through acquisitions.



Our offices in Europe

FINANCIAL AND OPERATIONAL RISKS

Foreign exchange risks
The Group hedges against commercial foreign exchange exposure on a current basis and moreover assesses the need to hedge against foreign exchange exposure of future cash flows. Hedging mainly takes place by means of forward exchange contracts. Future expected cash flows are hedged for a maximum period of the first succeeding 12 months.

Credit risks
The Group is exposed to credit risk relating to its customers, and all customers and other business partners are credit rated regularly in accordance with the Group's policy for assuming credit risks.

Interest rate risks
The Group's interest-bearing debt is based on a mix between fixed and variable interest rates, and therefore earnings are partly affected by any changes in the level of interest. The Group monitors and assesses on a current basis the financial consequences of interest rate changes and hedges the interest rate risk if considered adequate.

Trading risks
The Group's trading activities are widely spread on the various shipping segments and no single costumer or supplier has a significant part of the Group's sales or purchases.

CORPORATE SOCIAL RESPONSIBILITY

(cf. Section 99 a of the Danish Financial Statements Act)

Reference is made to Parent Company A/S United Shipping & Trading Company CSR report including policy on gender equality.

GENDER COMPOSITION

(cf. Section 99 b of the Danish Financial Statements Act)

Targets for the under-represented gender on the board of directors
SDK A/S Board of Directors is the supreme management body in the company and currently consists of 6 members. Today the percentage of female members of the board elected by the shareholder's committee is 17 %. The target for the underrepresented gender is set as 40 % for 2020.

Composition of the Board is intended to ensure that it has a diverse competency profile to be able to perform its duties as effectively as possible.

There have been no replacements on the Board of Directors this year.

Policy for the under-represented gender at other management levels
The policy of the Group is that the employees, irrespective of gender, must have equal career and management opportunities.

Moreover, the Group considers gender diversity a strength and tries actively to promote this at other management levels, among other things by:

- in connection with the use of external recruitment partners, requiring to be presented with both male and female candidates;
- inviting suitable candidates of both genders for an interview in connection with employment in management positions;
- increased focus on potential female management talents in the organisation and actively encouraging them to apply for management positions

Despite the efforts made, we have not yet seen any change in the gender representation at other management levels.

EXPECTATIONS FOR THE YEAR AHEAD

The Group's level of activity, revenues and earnings are affected by a number of external factors, such as the development on the global shipping and freight market.

In the financial year 2018/19, Management expects years profit to app. 10% over the actual result for 2017/18.

INCOME STATEMENT

1 MAY - 30 APRIL

DKK '000	Note	Group 2017/18	Group 2016/17	Parent Company 2017/18	Parent Company 2016/17
Net revenue	1	**1,005,180**	**629,363**	**0**	**0**
Direct costs		731,249	432,729	0	0
Gross profit		**273,931**	**196,634**	**0**	**0**
Other operating income		2,060	1,036	21,362	10,838
Other external expenses		46,928	43,836	8,344	8,239
Staff costs	2	183,974	123,756	14,295	4,907
Operating profit (EBITDA)		**45,089**	**30,078**	**(1,277)**	**(2,308)**
Depreciation and amortisation of intangible assets, property, plant and equipment	3	20,640	8,735	0	0
Profit before financial income and expenses (EBIT)		**24,449**	**21,343**	**(1,277)**	**(2,308)**
Profit from investments in group enterprises and associates	4	0	0	18,887	17,571
Financial income	5	6,238	4,098	2,423	1,559
Financial expenses	6	7,144	4,703	1,847	1,518
Profit before tax (EBT)		**23,543**	**20,738**	**18,186**	**15,304**
Tax on profit for the year	7	5,003	4,969	(54)	(465)
Profit for the year		**18,540**	**15,769**	**18,240**	**15,769**

BALANCE SHEET

AT 30 APRIL

ASSETS

DKK '000	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Goodwill		118,079	79,021	0	0
Intangible assets	9	**118,079**	**79,021**	**0**	**0**
Land and buildings		59,010	55,587	0	0
Fixtures and fittings, tools and equipment		60,265	8,263	0	0
Property, plant and equipment	10	**119,275**	**63,850**	**0**	**0**
Investments in subsidiaries		0	0	159,398	104,931
Investments in other securities and equity investments		824	5	0	0
Deposits		1,978	1,391	0	0
Fixed asset investments	11	**2,802**	**1,396**	**159,398**	**104,931**
Fixed assets		**240,156**	**144,267**	**159,398**	**104,931**
Inventories		**204**	**612**	**0**	**0**
Trade receivables		176,126	89,509	0	0
Receivables from group enterprises		0	887	72,032	3,735
Other receivables		8,443	9,100	0	21
Prepayments	12	11,200	8,739	333	498
Corporation tax		0	553	142	553
Receivables		**195,769**	**108,788**	**72,507**	**4,807**
Cash and equivalents		**15,814**	**37,782**	**11**	**15,344**
Current assets		**211,787**	**147,182**	**72,518**	**20,151**
Assets		**451,943**	**291,449**	**231,916**	**125,082**

LIABILITIES AND EQUITY

DKK '000	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Share capital		6,000	6,000	6,000	6,000
Retained earnings		87,264	70,594	87,264	70,594
Equity attributable to shareholders of the Parent Company		**93,264**	**76,594**	**93,264**	**76,594**
Minority interests		**1,054**	**0**	**0**	**0**
Equity		**94,318**	**76,594**	**93,264**	**76,594**
Provision for deferred tax	13	7,353	2,958	0	0
Other provisions	14	5,035	9,668	0	0
Provisions		**12,388**	**12,626**	**0**	**0**
Mortgage debt		37,950	39,990	0	0
Leasing debt		29,427	0	0	0
Long-term debt	15	**67,377**	**39,990**	**0**	**0**
Mortgage debt		2,266	2,272	0	0
Credit institutions		58,560	466	56,166	3
Leasing debt		9,907	403	0	0
Trade payables		136,480	111,416	1,305	2,777
Prepayments received	16	4,653	1,997	0	0
Payables to group enterprises		0	457	73,386	38,953
Corporation tax		3,373	3,586	0	0
Other payables		62,621	41,642	7,795	6,755
Short-term debt		**277,860**	**162,239**	**138,652**	**48,488**
Debt		**345,237**	**202,229**	**138,652**	**48,488**
Liabilities and equity		**451,943**	**291,449**	**231,916**	**125,082**
Distribution of profit	8				
Security and contingent liabilities	17				
Related parties	18				
Fee to auditors appointed at the general meeting	19				
Subsequent events	20				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2017/18 GROUP

DKK '000	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 May	6,000	70,594	76,594	0	76,594
Additions aquisition	0	0	0	754	754
Net profit for the year	0	18,240	18,240	300	18,540
Exchange adjustment	0	(1,625)	(1,625)	0	(1,625)
Capital adjustments	0	55	55	0	55
Equity at 30 April	**6,000**	**87,264**	**93,264**	**1,054**	**94,318**

2016/17 GROUP

DKK '000	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
Equity at 1 May	5,000	44,877	49,877	(82)	49,795
Cash capital increase	1,000	11,000	12,000	0	12,000
Change in minority	0	0	0	92	92
Net profit for the year	0	15,769	15,769	(10)	15,759
Exchange adjustment	0	(373)	(373)	0	(373)
Capital adjustments	0	(710)	(710)	0	(710)
Fair value adjustment of derivative financial instruments	0	31	31	0	31
Equity at 30 April	**6,000**	**70,594**	**76,594**	**0**	**76,594**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

2017/18 PARENT COMPANY

DKK '000	Share capital	Retained earnings	Total
Equity at 1 May	6,000	70,594	76,594
Net profit for the year	0	18,240	18,240
Exchange adjustment	0	(1,625)	(1,625)
Capital adjustments	0	55	55
Equity at 30 April	**6,000**	**87,264**	**93,264**

The share capital consists of 6,000 shares of a nominal value of DKK 1,000.
No shares carry any special rights.

2016/17 PARENT COMPANY

DKK '000	Share capital	Retained earnings	Total
Equity at 1 May	5,000	44,877	49,877
Cash capital increase	1,000	11,000	12,000
Net profit for the year	0	15,769	15,769
Exchange adjustment	0	(373)	(373)
Capital adjustments	0	(710)	(710)
Fair value adjustment of derivative financial instruments	0	31	31
Equity at 30 April	**6,000**	**70,594**	**76,594**

The share capital consists of 6,000 shares of a nominal value of DKK 1,000. No shares carry any special rights.
The share capital is in 2016/17 increased by 1,000 shares of nominal DKK 1,000.


MAX GROSS
32.500 KGS.
71.650 LBS.
8.440 LBS.
NET
28.670 KGS.
63.210 LBS.
2.700 CU.FT.
CAUTION
9'6"
HIGH

CONSOLIDATED CASH FLOW STATEMENT

1 MAY - 30 APRIL

	Group	
DKK '000	2017/18	2016/17
Profit for the year before tax	23,543	20,738
Amortisation and depreciation for the year	20,640	8,735
Changes in receivables	(41,787)	12,815
Changes in trade payables, other payables, etc	6,741	5,002
Exchange adjustments and other adjustments	(1,980)	8,562
Cash flows from operating activities before tax	**7,157**	**55,852**
Corporation tax paid	(4,013)	(1,468)
Cash flows from operating activities	**3,144**	**54,384**
Purchase of intangible assets	0	(42,127)
Sale of intangible assets	0	0
Purchase of tangible assets	(8,746)	(1,508)
Sale of tangible assets	3,704	327
Sale of financial assets	0	0
Business acquisition	(59,968)	0
Cash flows from investing activities	**(65,010)**	**(43,308)**
Change in debt to mortgage credit institutes	(7,768)	(2,293)
Cash capital increase	0	12,000
Cash flows from financing activities	**(7,768)**	**9,707**
Change in cash and cash equivalents	**(69,634)**	**20,783**
Cash and cash equivalents at 1 May	37,316	21,051
Additions through acquisition	(10,428)	(4,518)
Cash and cash equivalents at 30 April	**(42,746)**	**37,316**

Cash and cash equivalents comprise cash and equivalents less credit institutions under short term debt.

2.71

Gearing ratio

60.0 MIO DKK

Business acquisition

8.7 MIO DKK

Purchase of tangible assets

NOTES TO **THE ANNUAL REPORT**

1
SEGMENT INFORMATION

The Group's activities are considered one segment.

2
STAFF EXPENSES

DKK '000	**2017/18**	**2016/17**
Group		
Wages and salaries	162,391	107,913
Pensions	9,572	6,595
Other social security expenses	12,011	9,248
	183,974	**123,756**
Number of employees	**344**	**255**
Salaries and remuneration to the Board of Directors and the Executive Board amount to:	3,838	3,238
Parent company		
Wages and salaries	13,729	4,646
Pensions	507	239
Other social security expenses	59	22
	14,295	**4,907**
Number of employees	**12**	**6**
Salaries and remuneration to the Board of Directors and the Executive Board amount to:	3,838	3,238

3
DEPRECIATION AND AMORTISATION

DKK '000	2017/18	2016/17
Group		
Goodwill	6,463	3,360
Buildings	3,036	2,471
Fixtures and fittings, tools and equipment	11,141	2,904
	20,640	**8,735**

4
PROFIT FROM INVESTMENTS IN GROUP ENTERPRISES AND ASSOCIATES

DKK '000	2017/18	2016/17
Parent Company		
Shares of profit for the year	22,456	19,288
Amortisation of goodwill	(3,569)	(1,717)
Profit from investments in group enterprises	**18,887**	**17,571**

5
FINANCIAL INCOME

DKK '000	2017/18	2016/17
Parent Company		
Intercompany interest	**72**	**62**

6
FINANCIAL EXPENCES

DKK '000	2017/18	2016/17
Parent Company		
Intercompany interest	**11**	**50**

7
CORPORATION TAX

	Group		Parent Company	
DKK '000	2017/18	2016/17	2017/18	2016/17
Current tax for the year	3,847	3,520	(142)	(465)
Tax concerning previous years	(1,681)	1,450	0	0
Adjustment of provision for deferred tax	2,837	(1)	88	0
Total tax for the year	**5,003**	**4,969**	**(54)**	**(465)**

8
DISTRIBUTION OF PROFIT

DKK '000	2017/18	2016/17
Parent Company		
Proposed distribution of profit		
Minority interests' share of profit/loss for the year	0	0
Retained earnings	18,240	15,769
	18,240	**15,769**

9
INTANGIBLE ASSETS

DKK '000	Goodwill
Group	
Cost at 1 May	119,367
Additions for the year	46,382
Transfer for the year	(524)
Disposals for the year	0
Cost at 30 April	**165,225**
Amortisation at 1 May	40,346
Transfer for the year	337
Amortisation for the year	6,463
Amortisation at 30 April	**47,146**
Carrying amount at 30 April	**118,079**

10
PROPERTY, PLANT AND EQUIPMENT

DKK '000	Land and buildings	Fixtures and fittings, tools and equipment
Group		
Cost at 1 May	109,620	63,640
Additions aquisition	6,045	94,460
Transfer for the year	0	(2,154)
Additions for the year	515	8,231
Disposals for the year	(390)	(9,789)
Cost at 30 April	**115,790**	**154,388**
Depreciation at 1 May	54,033	55,377
Additions aquisition	101	36,854
Transfer for the year	0	(1,996)
Depreciation for the year	3,036	11,141
Reversed depreciation of disposals for the year	(390)	(7,253)
Depreciation at 30 April	**56,780**	**94,123**
Carrying amount at 30 April	**59,010**	**60,265**
Including assets hold under finance lease	**0**	**42,858**

11
FIXED ASSET INVESTMENTS

DKK '000	Other securities and equity investments	Deposits
Group		
Cost at 1 May	6	1,391
Additions aquisition	621	746
Additions for the year	198	0
Disposals for the year	0	(159)
Cost at 30 April	**825**	**1,978**
Value adjustments at 1 May	(1)	0
Value adjustments at 30 April	**(1)**	**0**
Carrying amount at 30 April	**824**	**1,978**

DKK '000	Investments in subsidiaries
Parent Company	
Cost at 1 May	244,749
Additions for the year	50,650
Disposals for the year	0
Cost at 30 April	**295,399**
Value adjustments at 1 May	(139,818)
Exchange adjustment	(1,625)
Shares of profit for the year	18,887
Other adjustments	55
Dividend	(13,500)
Value adjustments at 30 April	**(136,001)**
Carrying amount at 30 April	**159,398**
Remaining positive differences included in the above carrying amount at 30 April 2018	72,500

THE PARENT COMPANY'S INVESTMENTS IN SUBSIDIARIES COMPRISE:

Name	Place of reg. office	Votes and ownership
SDK Shipping A/S	Denmark	100 %
SDK Cruise A/S	Denmark	100 %
SDK Consultancy A/S	Denmark	100 %
SDK Chartering A/S	Denmark	100 %
SDK Logistics A/S	Denmark	100 %
Danish Stevedore A/S	Denmark	95.45 %
SDK Shipping AB	Sweden	100 %
SDK Shipping AS	Norway	100 %
SDK Logistics AB	Sweden	100 %
SDK Solutions Holding ApS	Denmark	100 %
Waterway Chartering ApS	Denmark	100 %
TF Freight AB	Sweden	100 %
SDK Solutions A/S	Denmark	60 %
SDK Logistics AS	Norge	51 %
TF Freight Holland BV	Holland	60 %

12
PREPAYMENTS

Group/Parent company

Prepayment comprise prepaid expenses relating to rent, insurance premiums, subscriptions and interest

13
DEFERRED TAX

DKK '000	2018	2017
Group		
Deferred tax at 1 May	2,958	3,717
Years aquisition	1,558	(2,209)
Change for the year (Profit & Loss)	2,837	1,450
Deferred tax at 30 April	**7,353**	**2,958**

Deferred tax relates to intangible assets, property, plant and equipment and other debt

14
OTHER PROVISIONS

Group

Other provisions relate to restructuring liabilities concerning severance pay and leases not utilized.

All other provisions falls due within 5 years.

15
LONG-TERM DEBT

Group

Of the long-term debt, DKK 29,873k (2016/17: DKK 32,073k) falls due after more than 5 years.

16
PREPAYMENT RECEIVED

Prepayments consist of received prepayments relating to income in the following year.

17
SECURITY, CONTINGENT LIABILITIES AND LEASE AND CONTRACTUAL OBLIGATIONS

DKK '000	2018	2017
Group		
Security		
At the balance sheet date, the carrying amount of the assets provided as security was	53,217	55,587
Deposited owner's mortgage on buildings on owned and leased land provided as security for balance with mortgage credit and credit institutions	20,661	20,661
Mortgage deed registered to the mortgagor with charge on buildings on owned and leased land has been provided as security for balance with mortgage credit and credit institutions	45,993	45,993
Mortgage deed on movable property with charge on fixtures and fittings, tools and equipment has been provided as security for debt to credit institutions	4,300	4,300
As security for bank debt, company charge has been provided in receivables, machinery, etc.	18,982	20,659
Lease and rent obligations		
Lease and rent obligations	112,135	90,848

17 (CONTINUED)
SECURITY, CONTINGENT LIABILITIES AND LEASE AND CONTRACTUAL OBLIGATIONS

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

Considerable parts of the Company's activities are performed with basis in storage halls situated on leased sites. As is usual practice and according to the leases, the Company is obliged to surrender and yield up the sites in the state and condition in which they were taken over. It has not been possible to reliably calculate the amount which the Company may have to pay upon vacation of the storage halls as this is subject to material uncertainty. The possible restoration costs etc may be considerable. The leased sites are all subject to a long period of non-terminability on the part of the lessor (15-30 years) and are not expected to be vacated.

DKK '000	2018	2017
Parent Company		
Guarantees		
Guarantees provided as security for group companies' debt to mortgage credit institutes	40,216	42,263
Guarantees provided as security for group companies' debt to credit institutes	463	463
Payment guarantee has been provided to Suppliers in Group subsidiaries	11,497	0
Lease and rent obligations		
Lease and rent obligations	375	36

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

18
RELATED PARTIES

Related parties comprise the Board of Directors, the Executive Board and senior executives in group enterprises as well as companies in which these persons have significant interests.

With reference to section 98 c,7 of the Danish Financial Statements Act, related party transactions details are not disclosed.

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, A/S United Shipping & Trading Company, DK-Middelfart.

Controlling interest is exercised through the Company's immediate Parent Company, A/S United Shipping & Trading Company. The Company's ultimate Parent Company which prepares Consolidated Financial Statements is Selfinvest ApS, DK-Middelfart in which Torben Østergaard-Nielsen, CEO, exercises control.

19
FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

DKK '000	2017/18	2016/17
Group		
PricewaterhouseCoopers		
Audit	790	467
Fee for other assurance engagements	4	3
Fee for tax advisory services	39	16
Fee for other services	437	631
Total tax for the year	**1,270**	**1,117**

20
SUBSEQUENT EVENTS

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

ACCOUNTING POLICIES

BASIS OF PREPARATION

The Annual Report of SDK A/S for 2017/18 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2017/18 is presented in DKK thousands.

Recognition and measurement
The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost 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.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, 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 Group, 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

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.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

Basis of consolidation
The Consolidated Financial Statements comprise the Parent Company, SDK A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50 % of the votes or otherwise exercises control. Enterprises in which the Group holds between 20 % and 50 % of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Minority interests
Minority interests constitute a portion of the Group's total equity. The share of profit/loss for the year attributable to minorities and the share attributable to the Parent Company's equity are distributed through distribution of profit/loss. Minority interests are recognised at the carrying amounts of the assets and liabilities acquired at the time of the acquisition of subsidiaries.

Considerations relating to subsequent changes to minority interests where the Group keeps the control over the subsidiary are recognised directly in equity.

Leasing
Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under the finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated during the year 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 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; however, see the paragraph on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are recognised in “Other receivables” and “Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

INCOME STATEMENT

Net revenue
Revenue comprises the sale of goods and services and is recognised based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Direct cost
Direct expenses include expenses for the purchase of goods for resale.

Other external expenses
Other external expenses include expenses for sales, administration as well as the running of office facilities, etc.

Staff expenses
Staff expenses comprise wages and salaries as well as payroll expenses.

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement of the Parent Company includes the proportionate share of net profit for the year less goodwill amortisation.

Financial income and expenses

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

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and adjustment of 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.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight line basis over the expected useful lives of the assets, which are:

Goodwill .... max. 20 years

20 years are used when investment is considered a longer lasting strategic nature.

Property, plant and equipment

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

Land is measured at cost. No depreciation is made on land.

Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

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

Buildings .... 10-60 years

Other fixtures and fittings,
tools and equipment .... 3-12 years

Gains and losses on sale of property, plant and equipment are recognised in the income statement under other operating income and other external expenses, respectively.

Impairment of fixed assets

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 assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Investments in subsidiaries and associates

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

The items "Investments in subsidiaries" and "Investments in associates" 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).

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

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the enterprise is recognised in provisions.

Gains or losses on disposal or liquidation of subsidiaries and associates are calculated as the difference between the sales sum or the liquidation amount and the carrying amount of net assets at the time of sale or liquidation, including unamortised goodwill and expected sales or liquidation expenses. Gains or losses are recognised in the income statement.

Securities and investments
Securities and investments recognised in fixed asset investments are recognised and measured at fair value.

Inventories
The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost 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.

Prepayments
Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, interest and hire on ships.

Dividend
Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions
Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities
Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities
Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Prepayments received
Deferred income consists of payments received in respect of income in subsequent years.

Financial debts
Fixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

No cash flow statement has been prepared for the Parent Company as the Parent Company cash flows are included in the Consolidated Cash Flow Statement.

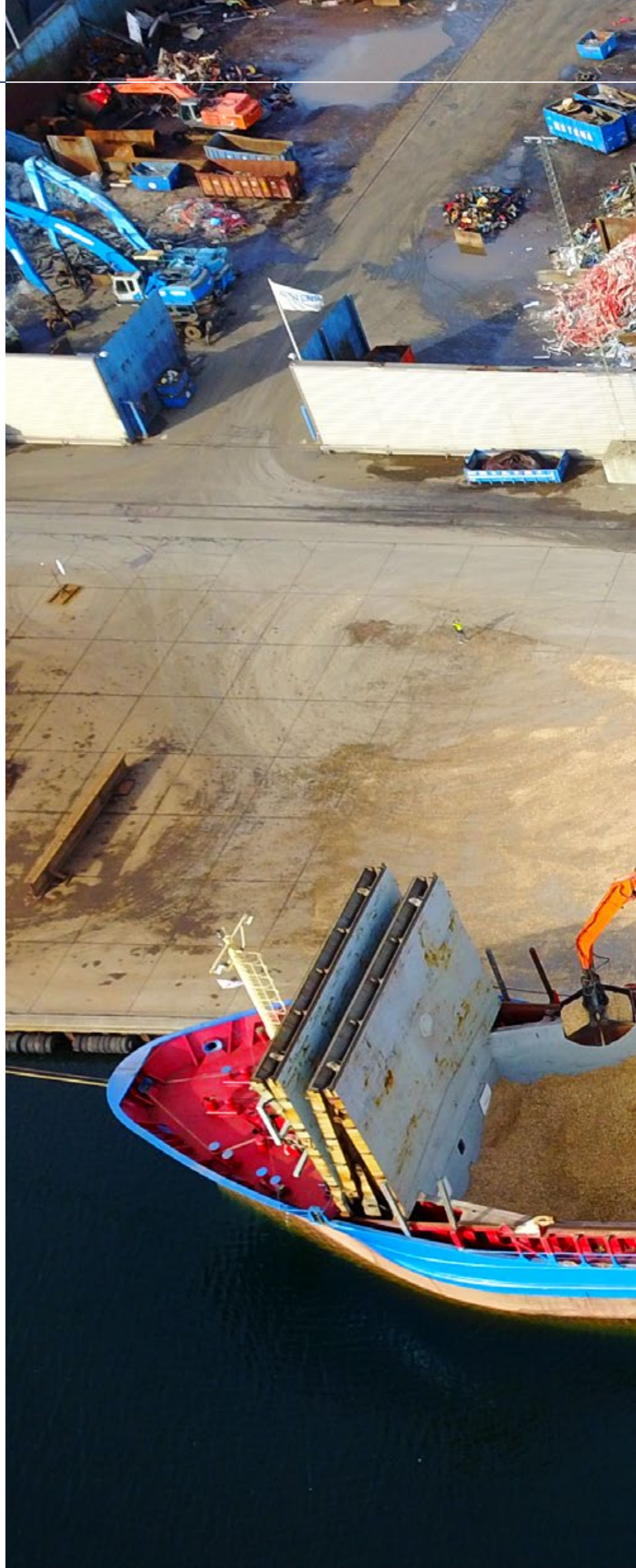
Cash flows from operating activities
Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities
Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities
Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise the items "Cash at bank and in hand" under current assets as well as "Credit institutions" under short-term debt.

The cash flow statement cannot be immediately derived from the published financial records.



DEFINITION OF FINANCIAL HIGHLIGHTS

Key figures, financial and share ratios are calculated in accordance with ‘Recommendations & Financial Ratios 2015‘ published by the Danish Finance Society, except for financial ratios marked with * as these are either derived or not included in the Recommendations.

Key figures

Net interest-bearing debt (NIBD)	=	Interest-bearing debt less interest-bearing assets and cash and cash equivalents
Net working capital (NWC)	=	Receivables and other current operating assets less trade payables and other payables and other current operating liabilities

Financial ratios

$$\text{Gross margin} = \frac{\text{Gross profit x 100}}{\text{Net revenue}}$$

$$\text{Operating margin} = \frac{\text{EBITDA x 100}}{\text{Net revenue}}$$

$$\text{Profit margin} = \frac{\text{EBIT x 100}}{\text{Net revenue}}$$

$$\text{Return on equity (ROE)} = \frac{\text{Profit for the year x 100}}{\text{Average equity}}$$

$$\text{Liquidity ratio} = \frac{\text{Current assets x 100}}{\text{Short-term debt}}$$

$$\text{Solvency ratio} = \frac{\text{Equity at year end x 100}}{\text{Total assets}}$$

$$\text{Gearing ratio} = \frac{\text{Net interest bearing debt x 100}}{\text{EBITDA}}$$

Number of employees = Employees are converted to annual full-time employees

MANY NAMES
ONE BRAND

SHIPPING.DK

TransFargo

FAC

W@terWay Shipping

Frederikshavn Shipping

RASMUS CHRISTENSEN SHIPPING APS

DKCONTROL

Chr. Rørholms Eftf. ApS

Danish Stevedore A/S

TF FREIGHT

JGJ

J. GOTFRED JENSEN SHIPPING

FRANCK & TOBIESEN

PART OF SHIPPING.DK

Randers Agencies ApS

thomas wang a/s

SDK

SDK

SDK Shipping

SDK Chartering

SDK Cruise

SDK Logistics

SDK Solutions