

TITAN CONTAINERS INTERNATIONAL A/S  
Litauen Alle 9, 2630 Høje Taastrup

Annual report for 2015  
(39<sup>th</sup> financial year)

Adopted at the annual general meeting on

24/5-2016



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Chairman

CVR no. 81 72 54 11

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## STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

Today, the board of directors and the executive board have discussed and approved the annual report of TITAN Containers International A/S for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Høje Taastrup, 24 May 2016

**Executive Board**



John Layland Barker

**Supervisory Board**



John Layland Barker



Philip Bernard Brewer



Per Otto Bech  
chairman



Helge Ernst Lunau



Susanne Borch-Jensen

# INDEPENDENT AUDITOR'S REPORT

*To the Shareholder of TITAN Containers International A/S*

## **Report on the financial statements**

We have audited the financial statements of TITAN Containers International A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

## **Management's responsibility for the financial statements**

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

## **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

## **Opinion**

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

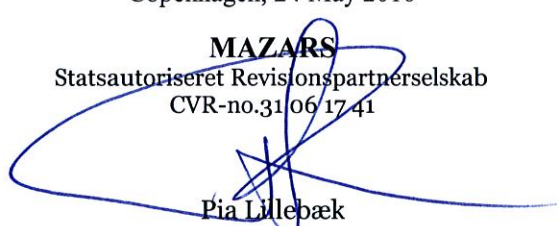
## INDEPENDENT AUDITOR'S REPORT

### Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, 24 May 2016

**MAZARS**  
Statsautoriseret Revisionspartnerselskab  
CVR-no. 31 06 17 41



Pia Lillebæk  
State-authorized public accountant

## COMPANY DETAILS

The company	TITAN Containers International A/S Litauen Alle 9 2630 Høje Taastrup  Tel: 70 23 17 18  Fax: 70 23 16 17  Website: <a href="http://www.titancontainers.com">www.titancontainers.com</a>  CVR no.: 81 72 54 11  Financial year: 1 January - 31 December Incorporated:  Domicile: Høje Taastrup
Board of directors	Per Otto Bech, chairman John Layland Barker, Philip Bernard Brewer Helge Ernst Lunau Susanne Borch-Jensen
Executive board	John Layland Barker
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

## MANAGEMENT'S REVIEW

### **Company's business activities**

The company's aim is to drive trade and management of containers and related activity.

### **Business review**

The company's income statement for the year ended 31 December 2015 shows a profit of USD 66,637, and the balance sheet at 31 December 2015 shows equity of USD 220,125.

The result of the Company is as forecasted.

### **Post balance sheet events**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

## ACCOUNTING POLICIES

The annual report of TITAN Containers International A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The annual report for 2015 is presented in USD.

### **Change in accounting policies**

#### ***Accounting policies have been changed in the financial year 2015 as follows:***

As of 2015 the company have chosen to present the Financial Statements in USD. This currency is considered to be the company's functional/applicable currency, as the transactions in essence are performed and registered in USD. It is the opinion of the Management that the change of presentation will give a more fair view of the company's financial position at 31 December and of the result of its operations for the financial year.

The comparative figures for 2014 have been restated to the changed presentation. When converting the figures for 2014 an exchange rate of 6,12 is used.

The share capital is pegged to the exchange rate at the transaction date at 1 January 2015.

### **Basis of recognition and measurement**

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

### **Gross profit**

The company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.



## ACCOUNTING POLICIES

### Revenue

Revenue derived from the sale of goods and services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is recognised exclusive VAT and less sales discount.

### Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

### Financial income and expenses

Financial income and expenditure are recognised in the income statement with the amounts that regards the financial year. Financial income and expenses include interest, realised and unrealised exchange adjustments and price adjustment of securities..

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Deferred tax is measured using 22 % of all temporary differences between the carrying amount and the tax base. The company is taxed jointly with the ultimate parent company TITAN Sales & Management Holding ApS.

The net tax of the joint taxed income is divided proportionally on the Danish Companies with a positive income. Companies with a loss in the joint taxation are refunded an amount equal to the gained tax savings.

### Balance sheet

#### Tangible assets

Items of Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual parts of an item of equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

	Useful life	Residual value
Operating equipment	28 years	30 %

## ACCOUNTING POLICIES

Gains and losses are stated as the difference between the selling prices less than selling costs and the carrying amount at the date of sale.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

### **Leases**

Leases concerning operating equipment in respect of which the company bears all significant risks and gains all significant benefits associated with the title to such assets are classified as finance leases, which are measured, on initial recognition, in the balance sheet at the lower of the fair value of the leased asset and the net present value of future lease payments. For purposes of calculating the net present value, the internal rate of return of the lease or, alternatively, the company's borrowing rate is used as discount factor. Subsequently, assets held under finance leases are accounted for as the company's other fixed assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments under operating leases are recognised in the income statement over the term of the lease. The company's aggregate commitment relating to operating leases is disclosed under contingencies, etc.

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds, to nominal value. Bad debts are written down to net realisable value.

### **Dividend**

Dividend proposed by Management to be distributed for the year is recognised under equity.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Total payables company tax for the group is showed in the ultimate parent company.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

## ACCOUNTING POLICIES

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities are measured at net realisable value.

### **Foreign currency translation**

Foreign currency transactions are translated using the rate of exchange applicable at the date of transaction.

Receivables, liabilities other than provisions and other monetary items in foreign currencies, which have not been settled by the balance sheet date, are translated using the rate of exchange applicable at the balance sheet date.

Operating equipment purchased in foreign currencies are translated using the exchange rate applicable at the date of transaction.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2015 USD	2014 USD'000
<b>GROSS PROFIT</b>		836.941	-1
Depreciation, amortisation and impairment of intangible assets and operating equipment		-345.057	0
<b>OPERATING RESULT</b>		491.884	-1
Financial income	1	1.653.906	0
Financial costs	2	-2.001.284	-9
<b>PROFIT / LOSS BEFORE TAX</b>		144.506	-10
Tax on profit/loss for the year	3	-77.869	-11
<b>PROFIT / LOSS FOR THE YEAR</b>		66.637	-21
Retained earnings		66.637	-21
		66.637	-21

## BALANCE SHEET AT 31 DECEMBER

	Note	2015 USD	2014 USD'000
<b>ASSETS</b>			
Operating equipment		28.522.308	0
Leased operating equipment		13.123.885	0
<b>Tangible assets</b>	4	41.646.193	0
<b>FIXED ASSETS TOTAL</b>		41.646.193	0
Deferred tax asset		233.266	311
Prepayments		63.360	0
<b>Receivables</b>		296.626	311
<b>Cash at bank and in hand</b>		569	0
<b>CURRENT ASSETS TOTAL</b>		297.195	311
<b>ASSETS TOTAL</b>		41.943.388	311

## BALANCE SHEET AT 31 DECEMBER

	<u>Note</u>	<u>2015</u> USD	<u>2014</u> USD'000
<b>LIABILITIES AND EQUITY</b>			
Share capital		81.681	82
Retained earnings		138.444	72
<b>EQUITY TOTAL</b>	5	<u>220.125</u>	<u>154</u>
Banks		18.086.570	0
Lease obligations		7.846.036	0
<b>Long-term debt</b>	6	<u>25.932.606</u>	<u>0</u>
Short-term part of lon-term debt	6	12.479.799	0
Trade payables		11.425	0
Payables to subsidiaries		3.299.433	157
<b>Short-term debt</b>		<u>15.790.657</u>	<u>157</u>
<b>DEBT TOTAL</b>		<u>41.723.263</u>	<u>157</u>
<b>LIABILITIES AND EQUITY TOTAL</b>		<u>41.943.388</u>	<u>311</u>
Contingencies, etc.	7		
Collateral and security	8		

## NOTES TO THE ANNUAL REPORT

	2015	2014
	USD	USD'000
<b>1 FINANCIAL INCOME</b>		
Financial income, group entities	1.601.581	0
Exchange gains	52.325	0
	1.653.906	0
<b>2 FINANCIAL COSTS</b>		
Financial expenses, group entities	0	9
Other financial costs	2.001.284	0
	2.001.284	9
<b>3 TAX ON PROFIT/LOSS FOR THE YEAR</b>		
Deferred tax for the year	77.869	11
	77.869	11
<b>4 TANGIBLE ASSETS</b>		
	Operating equipment	Leased operating equipment
Cost at 1 January 2015	0	0
Additions for the year	28.583.000	13.408.250
Cost at 31 December 2015	28.583.000	13.408.250
Revaluations at 1 January 2015	0	0
Revaluations at 31 December 2015	0	0
Impairment losses and depreciation at 1 January 2015	0	0
Depreciation for the year	60.692	284.365
Impairment losses and depreciation at 31 December 2015	60.692	284.365
Carrying amount at 31 December 2015	28.522.308	13.123.885

## NOTES TO THE ANNUAL REPORT

### 5 EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2015	81.681	71.807	153.488
Net profit/loss for the year	0	66.637	66.637
Equity at 31 December 2015	81.681	138.444	220.125

The share capital consists of:

20 A-shares a USD 163,3620	3.267
480 B-shares a USD 163,3620	78.414
	81.681

There have been no changes in the share capital during the last 5 years.

### 6 LONG TERM DEBT

	Debt at 1 January 2015	Debt at 31 December 2015	Payment within 1 year	Debt after 5 years
Banks	0	29.144.279	11.057.709	0
Lease obligations	0	9.268.126	1.422.090	2.514.272
	0	38.412.405	12.479.799	2.514.272



## **NOTES TO THE ANNUAL REPORT**

### **7 CONTINGENCIES, ETC.**

The Company is jointly taxed with other Danish companies in the TITAN Group. The Danish companies of the Group are jointly and severally liable to tax of the Group's jointly taxed income etc. The total payable corporate tax is shown in TITAN Sales & Management ApS' annual report, registration no. 12 51 19 73, who is managing company in relation to the joint taxation. Furthermore, the Danish companies of the Group are jointly and severally liable to the Danish withholding taxes in form of dividend tax, royalty tax and interest tax. Any future corrections to corporate taxes and withholding taxes can result in a larger amount of the company's liability.

### **8 COLLATERAL AND SECURITY**

The company is surely debtor for the group enterprise bank engagements.