MAZARS

Erhvervsstyrelsen

TITAN SALES & MANAGEMENT HOLDING ApS

Græstedvej 36, Sletelte
3200 Helsinge

Annual report for 2017
(29th Financial year)

Adopted at the annual general meeting on
18 April 2018

chairman

CVR-nr. 12 51 19 73

CONTENTS

COMPANY DETAILS

The company	TITAN Sales & Management Holding ApS Græstedvej 36, Sletelte 3200 Helsinge
	CVR no.: 12 51 19 73
	Reporting period: 1 January - 31 December 2017 Incorporated: 1. September 1988
	Domicile: Gribskov
Supervisory board	Mette Louisa Barker Rikke Belinda Barker Robin Mark Staunton Anja Maria Barker Lars Priemé John Layland Barker Birger Lindberg Skov Nete Lind Barker
Executive board	Nete Barker John Layland Barker
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of TITAN Sales & Management Holding ApS for the financial year 1 January - 31 December 2017.

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

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the company and the group financial position at 31 December 2017 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2017.

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

Management recommends that the annual report should be approved at the annual general meeting.

Høje Taastrup, 18 April 2018

Executive board

Nete Barker

John Layland Barker

Supervisory board

Mette Louisa Barker

Rikke Belinda Barker

Robin Mark Staunton

Anja Maria Barker

Lars Priemé

John Layland Barker

Birger Lindberg Skov

Nete Lind Barker

INDEPENDENT AUDITOR'S REPORT

To the shareholder of TITAN Sales & Management Holding ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of TITAN Sales & Management Holding ApS for the financial year 1 January - 31 December 2017, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the group and the parent company as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group and the parent company's financial position at 31 December 2017 and of the results of the group and the parent company's operations and consolidated cash flows for the financial year 1 January - 31 December 2017 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 parent company 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.

Management's responsibilities for the consolidated financial statements and 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information for the group's entities or business activities to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the audit of the group. We alone are 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.

Statement on management's review
Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements and parent company 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 Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the consolidated financial statements and parent company 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 management's review.

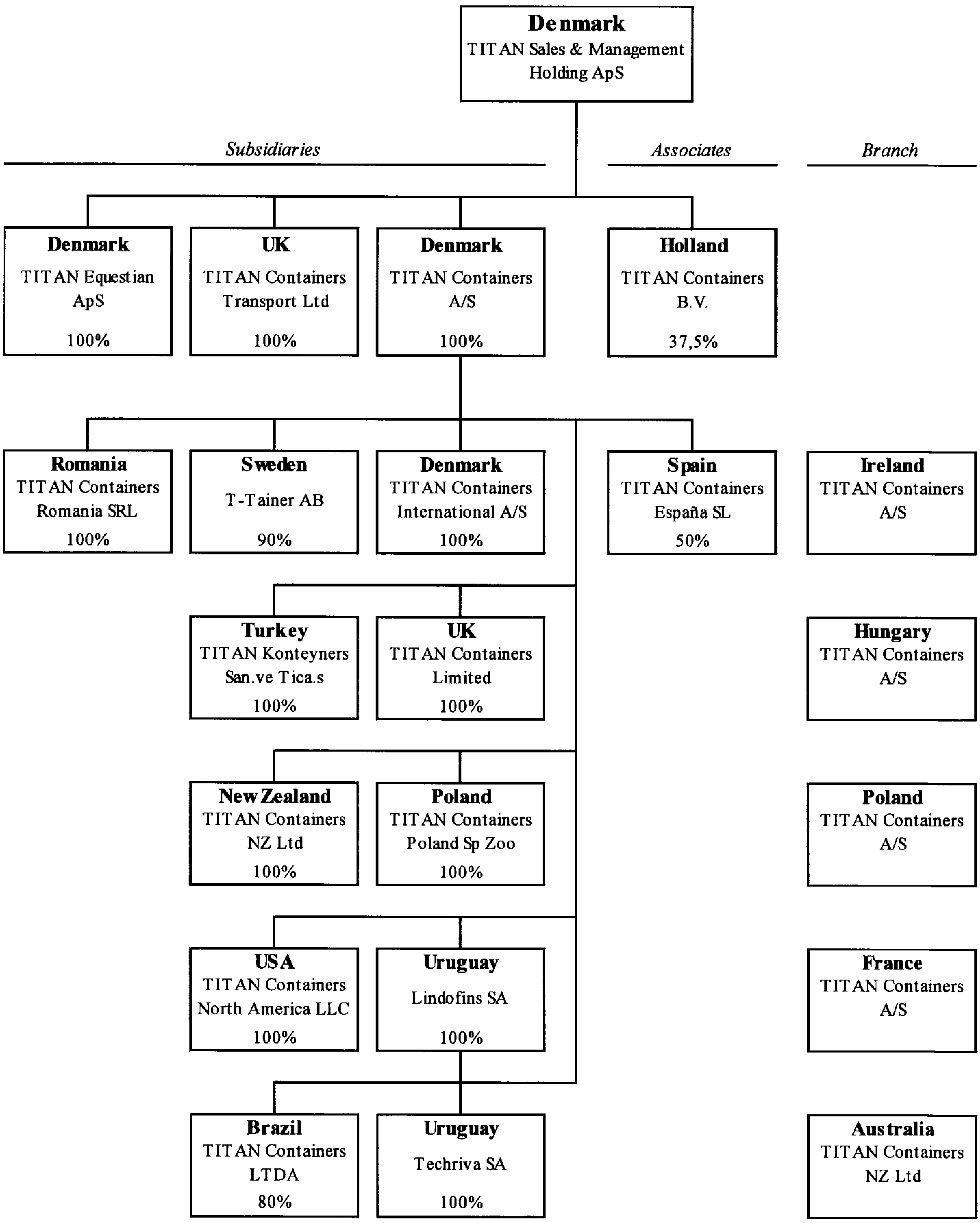
INDEPENDENT AUDITOR'S REPORT

Copenhagen, 18 April 2018

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

Pia Lillebæk
Statsautoriseret reviror
(State-authorised public acountant)
MNE no. mne30257

GROUP CHART


Denmark
TITAN Sales & Management
Holding ApS
Subsidiaries
Associates
Branch
Denmark
TITAN Equestian
ApS
100%
UK
TITAN Containers
Transport Ltd
100%
Denmark
TITAN Containers
A/S
100%
Holland
TITAN Containers
B.V.
37,5%
Romania
TITAN Containers
Romania SRL
100%
Sweden
T-Tainer AB
90%
Denmark
TITAN Containers
International A/S
100%
Spain
TITAN Containers
España SL
50%
Ireland
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A/S
Turkey
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NZ Ltd
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Poland
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Poland Sp Zoo
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A/S
USA
TITAN Containers
North America LLC
100%
Uruguay
Lindofins SA
100%
France
TITAN Containers
A/S
Brazil
TITAN Containers
LTDA
80%
Uruguay
Techriva SA
100%
Australia
TITAN Containers
NZ Ltd

MANAGEMENT'S REVIEW

Business activities
The Company owns and operates a fleet of ISO shipping and storage containers, purpose-built refrigerated storage containers and DNV offshore containers for international and domestic rentals.

Further, the company presently operates 35 self-storage sites located in 9 countries, 14 container depots with container handling equipment in 7 countries and 14 container lorries in 4 countries.

Through the Company's own and subsidiary offices in 17 countries, TITAN offers these containers and services to customers for domestic, offshore and international hire. The Company is also actively engaged in the purchase and sale of new and used containers and in the supply of related services to a wide range of customers.

Recognition and measurement uncertainties
The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters
The financial position at 31 December 2017 of the Group and the results of the activities and cash flows of the Company for the financial year for 2017 have not been affected by any unusual events but please refer to the restatement description in the comparatives for 2016 in the paragraph of accounting policies.

Business review
The Group income statement for the year ended 31 December shows a profit of TDKK 23,339, and the balance sheet at 31 December 2017 shows equity of TDKK 114,415.

During 2017, the market environment continued the positive trend that began in the fourth quarter of 2016. Driven by firmer steel prices, shipping line demand and tight supply, new container prices increased from the very low levels reached in 2016. These conditions contributed the 23% increase in sales revenue realized by TITAN in 2017 through the sale of new containers purchased in 2016 and improved used container sale prices.

TITAN also continued to expand its rental business during 2017. The Company benefited from the recent investments in equipment and the maturation of its expanded operating network. This availability of additional containers and the development of more recently opened facilities enhanced rental opportunities and provided the Company with improved scale. As a result, TITAN's rental and services revenues increase significantly by 11.8% in 2017.

During 2017, the Company primarily invested in the expansion of the rental container fleet. This investment was specifically focused on acquiring the additional self-storage and refrigerated containers required to meet rental market demand and support the addition of new self-storage sites. The Company has started to realize the benefits of these investments and expects to realize further growth in 2018.

MANAGEMENT'S REVIEW

Financial review

The Company is in an excellent position to benefit from the 2017 performance. We continue to experience growing market demand for the ArcticStore range of refrigerated rental containers in both our newer and mature markets. Fleet growth and improved utilisation are both anticipated to continue the on the trend of the past several years.

Business levels at already established TITAN self-storage sites are expected to grow as new MultiStore 1st floor capacity is added. We plan to augment this growth with the addition of 15-20 new sites during 2018 resulting in strong performance for the self-storage business.

The DNV offshore market remains challenging but TITAN has been able to realise good performance from the existing fleet. We remain confident that we will continue to experience acceptable utilisation and income due to the conservative nature of TITAN's activities and continued limited investment.

The traditional core business of standard container rentals continues to perform well. Based on positive indicators from major clients for this year, we forecast another year of stable performance in 2018.

For the overall rental business, we forecast 2018 to follow a similar trend to 2017. The continued consolidation of activities, the realization of the full year impact of 2017 investment and only limited geographical expansion are expected to result in double figure percentage growth in TITAN's rental operations once again.

Both new and used container prices recovered significantly during late 2016 and remained solid through 2017. This increase in pricing was primarily the result increased material prices and improved container demand. We expect the relative stability of the new and used container market compared with last year to yield normalized levels of profitability.

While management will continue to monitor the BREXIT process, we remain confident that this will ultimately have minimal impact on our significant business activities.

MANAGEMENT'S REVIEW

The year at a glance and follow-up on expectations expressed last year
The Company's operating performance in 2017 was consistent with budget expectations.

All brands responded well to the market conditions in 2017. Performance across all product lines was strong with newer markets starting to make a more noticeable contribution to the Company's total performance.

During 2017, the Company again experienced high container rental volume, which led to rental revenues increasing by 15.8%. As a result, rental income once again exceeded revenue from container sales reflecting the Company's continued investment in the rental activity.

New investments in rental containers and plant and machinery were at a similar level to previous years. Investment in self-storage activities continued to grow. Similar investments are anticipated in 2018.

During 2016, the Company started the preliminary investigation of the market potential of several South East Asian markets. This process continued to move slowly during 2017 with no major investments having been made. We will continue to prudently evaluate this during 2018. No major investments are currently planned.

To meet our corporate growth objectives and the increasing complexity of national and international reporting and compliance, the Company added new resources in 2017. Further new appointments are expected in 2018.

Special risks apart from generally occurring risks in industry
Currency risks
The Company buys containers in U.S. Dollars (USD). To reduce currency exposure, the Company maintains certain foreign currency debt and a portion of its rental container fleet in TITAN Containers International A/S denominated in USD. This became effective in 2015.

The Company has financed the acquisition of containers using credit facilities denominated in Danish Krone (DKK), British Pounds (GBP) and USD. The Company's local operations are denominated in the relevant local currencies that primarily include: DKK, GBP, Euro, USD, and Swedish Krona (SEK). The Company continuously evaluates the risk for loss associated with fluctuations in the rates of foreign exchange and tries to hedge as and where appropriate.

The Company currently classifies currency adjustments as "financial costs" to give a fair view of the operating result excluding currency impact.

MANAGEMENT'S REVIEW

Impact on external environment and measures of preventing, reducing or mitigating damage
It is the Company's policy to use "less damaging" products and procedures where economically acceptable. In recent years, the Company has changed nearly 100% of container production to bamboo flooring (from tropical hardwoods) and adopted the use of water-based paints and environmentally friendly insulation in refrigerated containers.
Our ArticStore refrigerated containers almost exclusively feature new technology refrigeration equipment that significantly reduces customer power consumption.

Statutory report on corporate governance
For many years, the Company has maintained ethics provisions with regard to supplier and customer business activities. This is particularly pertinent in developing countries. These provisions include: no child labour, respect for human rights, no bribery or corruption to be given or received either directly or indirectly, care for the environment and reasonable financial and "in-kind" contributions to local, national and international charities, non-governmental organizations and other non-profit making associations.

Statutory report on the underrepresented gender
TThe Company does not practice discrimination in any form. It is the Company's policy to place the best person in a position regardless of their gender, orientation, ethnic origin, religious beliefs or other private considerations.

Seen over the entire workforce the Company has a well-balanced, multi-ethnic, multi-gender team where performance determines responsibility and advancement.

Appointments to the Board, and all external senior appointments, are made entirely based upon a candidate's suitability, industry knowledge and national or international business experience.

There is no predominance of one gender on the Company's management levels.

Research and development activities in and for reporting entity
The Company maintains a limited research and development program primarily focused on developing new refrigerated, self-storage, accommodation and DNV container products and services.

Significant events occurring after end of reporting period
On January 7, 2018, TITAN acquired the remaining 62.5% of the shares of TITAN Containers B/V. No events have occurred after the balance sheet date which could significantly affect the company's financial position.

FINANCIAL HIGHLIGHTS

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	Group				
	2017	2016	2015	2014	2013
	TDKK	TDKK	TDKK	TDKK	TDKK
KEY FIGURES					
Revenue	445,990	366,932	373,174	288,935	279,569
Gross profit	147,335	124,376	112,391	103,909	70,128
Profit/loss before financial income and expenses	66,288	54,817	52,256	60,827	37,496
Net financials	-30,776	-18,673	-47,489	-39,619	-12,599
Profit/loss for the year	23,339	27,902	9,148	19,390	14,550
Balance sheet total	851,751	785,207	739,742	636,666	523,031
Investment in property, plant and equipment	102,690	71,750	99,729	126,341	147,064
Equity	114,415	95,968	76,083	65,643	48,233
FINANCIAL RATIOS					
Gross margin	33.0%	33.9%	30.1%	36.0%	25.1%
EBIT margin	14.9%	14.9%	14.0%	21.1%	13.4%
Return on assets	8.1%	7.2%	7.6%	10.5%	8.0%
Solvency ratio	13.4%	12.2%	10.3%	10.3%	9.2%
Return on equity	22.2%	32.4%	12.9%	34.1%	32.4%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies..

ACCOUNTING POLICIES

The annual report of TITAN Sales & Management Holding ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The Deferred Tax Provision for 2016 in a Subsidiary was understated by DKK 3.407.841 in the previous Financial Statements. The 2016 comparative figures of the item 'Tax on profit for the year' in the Income Statement has been restated with the updated provision for this increased amount. The corresponding provision in the Balance Sheet has also been restated accordingly. The effect on Equity has been corrected per 1 January 2017.

The accounting policies applied remain otherwise unchanged from last year.

The annual report for 2017 is presented in TDKK

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 group's and the parent 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 group's and the Parent 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.

ACCOUNTING POLICIES

Consolidated financial statements

The consolidated financial statements comprise the Parent Company TITAN Sales & Management Holding ApS and subsidiaries in which the Parent Company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Minority interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The minority interests' proportionate share of subsidiaries' profit/loss and equity is presented separately under appropriation of profit and in a main item under equity.

Income statement

Segment information

Information is provided on business segments and geographical markets. The segment information is provided in consideration of the group's accounting policies, risks and management control.

Revenue

Revenue from lease, sale and service 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 of VAT and other indirect taxes and less sales discounts.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of property.

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

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges, etc.

Profit/loss from investments in subsidiaries and associates
The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the Consolidated and the Parent Company income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year
On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

ACCOUNTING POLICIES

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Software and development of IT are measured at cost less accumulated amortisation and impairment losses. Software are amortised on a straight-line basis over the expected life time however maximally 3 years.

Tangible assets

Items of land and buildings, operating equipment and fixtures and fittings, tools and equipment are measured at cost added revaluations and less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

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

Revaluation of operating equipment is made to market value in connection with purchase by the end of the lease period.

Properties for rent are included at market value.

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

	Useful life		Residual value
Land and property	30	years	0 %
Operating quipment	28	years	30 %
Other fixtures and fittings, tools and equimpent	3-10	years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

ACCOUNTING POLICIES

Leases

Leases for items of property, plant and equipment that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are recognised in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets, excl. residual value.

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 operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the Group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. Negative value arising from elimination of unrealised profit in excess of the investment is recognised as deferred income. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of TITAN Sales & Management Holding ApS is adopted are not taken to the net revaluation reserve.

The booked value method is applied on acquisitions of group companies.

For acquisition of new enterprises the acquisition method is applied, according to which the identifiable assets and liabilities are measured at fair value at the time of acquisition.

ACCOUNTING POLICIES

Inventory
Inventories of containers are measured at cost.
Other inventories is measured using theFIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The net realisable value of inventory is calculated at the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets
The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

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

Prepayments
Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

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.

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

Deferred tax is only accured when the deffered tax is incumbent on the jointly taxed companies.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Total payable company tax for the group is showed in the parent company.

ACCOUNTING POLICIES

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.

Financial liabilities also include the capitalised residual finance lease commitment.

Other debts are measured at net realisable value.

Deferred income
Deferred income comprises payments received concerning income in subsequent reporting years.

Deferred income includes eliminaition of downstream unrealised profits in excess of the carrying value of investments in group enterprises.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign exchange adjustments of balances with unrelated foreign subsidiaries which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging separate foreign subsidiaries are taken directly to equity.

Cash flow statement
The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

ACCOUNTING POLICIES

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities
Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities
Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

FINANCIAL HIGHLIGHTS
Definitions of financial ratios.

Gross margin ratio	$\frac{\text{Gross Profit x 100}}{\text{Revenue}}$
EBIT margin	$\frac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
		TDKK	TDKK	TDKK	TDKK
Revenue	1	**445,990**	**366,932**	**10,326**	**3,504**
Other operating income		0	1,587	0	1,587
Cost of sales		-236,707	-205,558	0	0
Other external expenses		-61,948	-38,585	-629	-599
Gross profit		**147,335**	**124,376**	**9,697**	**4,492**
Staff costs	2	-55,479	-45,828	-11,026	-7,575
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-25,539	-23,731	-67	-45
Other operating costs		-29	0	-29	0
Profit/loss before financial income and expenses		**66,288**	**54,817**	**-1,425**	**-3,128**
Income from investments in subsidiaries		0	0	27,457	31,582
Income from investments in associates		-74	-132	129	-18
Financial income	3	1,218	10,576	4	427
Financial costs	4	-31,920	-29,117	-1,330	-968
Profit/loss before tax		**35,512**	**36,144**	**24,835**	**27,895**
Tax on profit/loss for the year		-12,173	-8,242	0	0
Net profit/loss for the year		**23,339**	**27,902**	**24,835**	**27,895**

Distribution of profit 5

BALANCE SHEET 31 DECEMBER

	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
		TDKK	TDKK	TDKK	TDKK
ASSETS					
Goodwill		23,070	11,159	0	0
Software		1,412	0	0	0
Intangible assets	6	**24,482**	**11,159**	**0**	**0**
Land and buildings		6,325	6,997	0	0
Operating equipment		451,243	451,638	0	0
Other fixtures and fittings, tools and equipment		10,729	3,663	0	0
Leased operating equipment		202,487	171,772	197	224
Tangible assets	7	**670,784**	**634,070**	**197**	**224**
Investments in subsidiaries	8	0	0	139,349	118,642
Investments in associates	9	1,194	3,024	924	2,551
Deposits	10	374	764	0	0
Fixed asset investments		**1,568**	**3,788**	**140,273**	**121,193**
Fixed assets total		**696,834**	**649,017**	**140,470**	**121,417**

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group		Parent Company	
		2017	2016	2017	2016
		TDKK	TDKK	TDKK	TDKK
ASSETS					
Finished goods and goods for resale		47,224	30,504	0	0
Inventory		**47,224**	**30,504**	**0**	**0**
Trade receivables		89,890	94,573	0	27
Receivables from subsidiaries		0	0	0	29
Receivables from associates		3,319	2,419	0	0
Other receivables		1,922	1,675	0	0
Prepayments	11	3,324	2,234	0	0
Receivables		**98,455**	**100,901**	**0**	**56**
Cash at bank and in hand		**9,238**	**4,785**	**0**	**5**
Current assets total		**154,917**	**136,190**	**0**	**61**
Assets total		**851,751**	**785,207**	**140,470**	**121,478**

BALANCE SHEET 31 DECEMBER

	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
		TDKK	TDKK	TDKK	TDKK
LIABILITIES AND EQUITY					
Share capital		125	125	125	125
Reserve for net revaluation under the equity method		2,477	2,348	111,722	92,136
Other reserves		-4,228	-2,484	-2,958	-1,212
Retained earnings		111,551	92,846	1,035	1,789
Proposed dividend for the year		6,000	3,000	6,000	3,000
Non-controlling interests		-1,510	133	0	0
Equity	12	**114,415**	**95,968**	**115,924**	**95,838**
Provision for deferred tax	13	44,660	35,764	0	0
Provisions total		**44,660**	**35,764**	**0**	**0**
Banks		2,278	3,571	0	0
Lease obligations		93,841	93,240	0	0
Trade payables		6,293	0	0	0
Long-term debt	14	**102,412**	**96,811**	**0**	**0**

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group 2017 TDKK	Group 2016 TDKK	Parent Company 2017 TDKK	Parent Company 2016 TDKK
LIABILITIES AND EQUITY					
Short-term part of lon-term debt	14	317,010	342,136	0	0
Banks		151,401	121,739	214	4
Other credit institutions		175	180	175	180
Prepayments received from customers		1,172	340	0	0
Trade payables		102,118	76,714	642	304
Payables to subsidiaries		0	0	21,339	24,732
Payables to associates		0	1,760	0	0
Payables to shareholders and management		21	27	21	0
Corporation tax		476	0	0	0
Other payables		17,368	13,382	2,155	420
Deferred income	15	523	386	0	0
Short-term debt		**590,264**	**556,664**	**24,546**	**25,640**
Debt total		**692,676**	**653,475**	**24,546**	**25,640**
Liabilities and equity total		**851,751**	**785,207**	**140,470**	**121,478**

	Note
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Contingent assets, liabilities and other financial obligations	17
Charges and securities	18
Related parties and ownership	19
Fee to auditors appointed at the general meeting	20

STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Reserve for net revaluation under the equity method	Other reserves	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
Equity at 1 January 2017	125	2,348	-2,483	96,253	3,000	133	99,376
Net effect from adjustment of error	0	0	0	-3,408	0	0	-3,408
	125	2,348	-2,483	92,845	3,000	133	95,968
Exchange adjustments	0	0	-1,745	0	0	-147	-1,892
Ordinary dividend paid	0	0	0	0	-3,000	0	-3,000
Net profit/loss for the year	0	129	0	18,706	6,000	-1,496	23,339
Equity at 31 December 2017	125	2,477	-4,228	111,551	6,000	-1,510	114,415

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Other reserves	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2017	125	95,544	-1,212	1,786	3,000	99,243
Net effect from adjustment of error	0	-3,408	0	0	0	-3,408
	125	92,136	-1,212	1,786	3,000	95,835
Exchange adjustments	0	0	-1,746	0	0	-1,746
Ordinary dividend paid	0	0	0	0	-3,000	-3,000
Net profit/loss for the year	0	27,586	0	-8,751	6,000	24,835
Distributed dividends from investments in subsidiaries	0	-8,000	0	8,000	0	0
Equity at 31 December 2017	125	111,722	-2,958	1,035	6,000	115,924

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2017	Group 2016
		TDKK	TDKK
Net profit/loss for the year		23,339	27,902
Adjustments		71,834	50,649
Change in working capital	21	13,609	-19,312
Cash flows from operating activities before financial income and expenses		**108,782**	**59,239**
Interest income and similar income		1,218	10,576
Interest expenses and similar charges		-31,921	-29,116
Cash flows from operating activities		**78,079**	**40,699**
Purchase of intangible assets		-17,836	0
Purchase of property, plant and equipment		-102,690	-66,617
Fixed asset investments made etc		0	144
Cash flows from investing activities		**-120,526**	**-66,473**
Change in loan facilities		49,900	28,327
Dividend paid		-3,000	-5,000
Cash flows from financing activities		**46,900**	**23,327**
Change in cash and cash equivalents		**4,453**	**-2,447**
Cash and cash equivalents		4,785	7,232
Cash and cash equivalents		**9,238**	**4,785**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		9,238	4,785
Cash and cash equivalents		**9,238**	**4,785**

NOTES

1 **INFORMATION ON SEGMENTS**

ACTIVITIES - PRIMARY SEGMENT

t.kr.	Rental	Sales	Service	Group
Revenue	192,084	177,534	76,371	445,989

GEOGRAPHICAL - SECONDARY SEGMENT

TDKK	Denmark	EEC	Outside EEC	Group
Revenue	57,373	254,253	134,363	445,989

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
2 **STAFF COSTS**				
Wages and salaries	53,603	44,734	11,014	7,566
Pensions	749	589	0	0
Other social security costs	1,127	505	12	9
	55,479	45,828	11,026	7,575
Average number of employees	126	95		

According to section 98 B(3) of the Danish Financial Statements Act, renumeration to the Executive Board has not been disclosed.

NOTES

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
3 FINANCIAL INCOME				
Other financial income	325	501	0	3
Exchange adjustments	183	0	0	0
Exchange gains	710	10,075	4	424
	1,218	10,576	4	427

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
4 FINANCIAL COSTS				
Financial expenses, group entities	0	0	1,293	938
Other financial costs	27,611	27,863	37	30
Exchange adjustments	4,309	1,254	0	0
	31,920	29,117	1,330	968

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
5 DISTRIBUTION OF PROFIT				
Proposed dividend for the year	6,000	3,000	6,000	3,000
Reserve for net revaluation under the equity method	129	-132	27,586	31,563
Non-controlling interests	-1,496	9	0	0
Retained earnings	18,706	25,016	-8,751	-6,668
	23,339	27,902	24,835	27,895

6 INTANGIBLE ASSETS

Group

	Goodwill	Software
Cost at 1 January 2017	22,772	0
Additions for the year	16,424	1,412
Disposals for the year	-5,364	0
Cost at 31 December 2017	33,832	1,412
Impairment losses and amortisation at 1 January 2017	11,613	0
Amortisation for the year	4,513	0
Reversal of impairment and amortisation of sold assets	-5,364	0
Impairment losses and amortisation at 31 December 2017	10,762	0
Carrying amount at 31 December 2017	23,070	1,412

7 TANGIBLE ASSETS

Group

	Land and buildings	Operating equipment	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2017	16,411	507,287	17,340	188,704
Exchange adjustment	-88	-24,102	-218	-17,153
Additions for the year	0	94,210	5,223	66,070
Disposals for the year	0	-62,915	-25	-6,596
Re-classification on leased assets disposal	0	0	7,878	-7,878
Cost at 31 December 2017	16,323	514,480	30,198	223,147
Revaluations at 1 January 2017	0	1,261	0	463
Revaluations at 31 December 2017	0	1,261	0	463

7 TANGIBLE ASSETS (CONTINUED)

Group

	Land and buildings	Operating equipment	Other fixtures and fittings, tools and equipment	Leased operating equipment
Impairment losses and depreciation at 1 January 2017	9,414	56,911	13,676	17,395
Exchange adjustment	0	-942	54	-709
Depreciation for the year	584	11,224	2,516	7,814
Impairment and depreciation of sold assets for the year	0	0	0	-39
Reversal of impairment and depreciation of sold assets	0	-2,695	-25	-90
Re-classification on leased assets - additions	0	0	3,248	-3,248
Impairment losses and depreciation at 31 December 2017	9,998	64,498	19,469	21,123
Carrying amount at 31 December 2017	6,325	451,243	10,729	202,487

Parent Company

	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2017	200	269
Additions for the year	0	225
Disposals for the year	0	-269
Cost at 31 December 2017	200	225

7 TANGIBLE ASSETS (CONTINUED)

Parent Company

	Other fixtures and fittings, tools and equipment	Leased operating equipment
Impairment losses and depreciation at 1 January 2017	200	45
Impairment losses for the year	0	0
Depreciation for the year	0	67
Impairment and depreciation of sold assets for the year	0	-39
Reversal of impairment and depreciation of sold assets	0	-45
Impairment losses and depreciation at 31 December 2017	200	28
Carrying amount at 31 December 2017	0	197

8 INVESTMENTS IN SUBSIDIARIES

	Parent Company	
	2017	2016
	TDKK	TDKK
Cost at 1 January 2017	3,327	3,803
Cost at 31 December 2017	3,327	3,803
Revaluations at 1 January 2017	114,839	88,168
Exchange adjustment	-1,749	-1,911
Net profit/loss for the year	28,223	31,873
Received dividend	-5,000	-3,000
Amortisation of goodwill	-291	-291
Revaluations at 31 December 2017	136,022	114,839
Carrying amount at 31 December 2017	139,349	118,642

NOTES

Parent Company
Investments in subsidiaries are specified as follows:

Navn	Place of registered office	Ownership	Equity	Net profit/loss for the year
TITAN Containers A/S	Denmark	100%	136,209	27,008
TITAN Equestian ApS	Denmark	100%	115	0
TITAN Container Transport Limited	United kingdom	100%	1,861	740

NOTES

	Group		Parent Company	
	2017	2016	2017	2016
	TDKK	TDKK	TDKK	TDKK
9 INVESTMENTS IN ASSOCIATES				
Cost at 1 January 2017	1,350	1,350	115	115
Cost at 31 December 2017	1,350	1,350	115	115
Revaluations at 1 January 2017	1,674	2,264	2,436	2,764
Disposals for the year	-1,760	0	-1,760	0
Exchange adjustment	4	-310	4	-310
Net profit/loss for the year	87	-132	129	-18
Other equity movements, net	-13	0	0	0
Amortisation of goodwill	-148	-148	0	0
Revaluations at 31 December 2017	-156	1,674	809	2,436
Carrying amount at 31 December 2017	1,194	3,024	924	2,551

Group
Investments in associates are specified as follows:

Name	Place of registered office	Ownership	Equity	Net profit/loss for the year
TITAN Containers Espania	Spain	50%	-499	-84
TITAN Containers B.V.	Holland	38%	2,464	343

NOTES

10 FIXED ASSET INVESTMENTS

Group

	Deposits
Cost at 1 January 2017	764
Disposals for the year	-390
Cost at 31 December 2017	374
Carrying amount at 31 December 2017	374

11 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.

12 EQUITY

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

NOTES

	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
	TDKK	TDKK	TDKK	TDKK
13 PROVISION FOR DEFERRED TAX				
Provision for deferred tax at 1 January 2017	35,764	28,477	0	0
Provision in year	9,105	7,287	0	0
Adjustments previous year	-209	0	0	0
Provision for deferred tax at 31 December 2017	44,660	35,764	0	0

14 LONG TERM DEBT

Group	Debt at 1 January 2017	Debt at 31 December 2017	Payment within 1 year	Debt after 5 years
Banks	317,451	277,871	275,593	0
Lease obligations	121,495	139,280	41,416	4,024
Trade payables	0	6,293	0	0
	438,946	423,444	317,009	4,024

15 DEFERRED INCOME

Deferred income consists of payments received in respect of income in subsequent years as well as fair value adjustments of derivative financial instruments with a negative fair value.

16 RENTAL AGREEMENTS AND LEASE COMMITMENTS

Lease obligation (operating leases) due within 5 Years: TDKK 39,916

17 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

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 Holding ApS' annual report, CVR-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 together with other jointly taxed entities for payment of corporate income tax for the income year 2017 and withholding tax on interest, royalties and dividends falling due on or after 1 July 2012.

NOTES

17 CONTINGENT ASSETS, LIABILITIES AND OTHER FINANCIAL OBLIGATIONS (CONTINUED)

The company is vigorously defending a lawsuit from an ex employee, however the actual amount of any suchobligation cannot be accurately measured with any degree of probability

18 CHARGES AND SECURITIES

Parent company
The Company has issued mortgage deed of TDKK 12,461 which gives pledge in the Company's land and property. The mortgage deeds are deposited as security for credit institute engagement. The Company has issued chattel mortgage deed of total TDKK 162,890 which gives pledge in the Company's operating equipment, which accountable value at 31 December 2017 amounts to TDKK 314,960. As security for credit institute engagement TDKK 230,000 pledges are given in the business at the date of the presentation of the Financial Statements. The Company is surely debtor for the group enterprise bank engagement for TITAN Sales & Management Holding ApS and TITAN Konteyner Sanayi Ve Ticarel, Turkey. As security for mortgage debt, TDKK 2,644 pledges are given in land and property, whose accountable value at 31 December 2017 amounts to TDKK 3,808.

TITAN Containers Ltd
As collateral for current account with foreign credit institute, £ 53,424 security is placed in property and other property, plant and equipment.As collateral for entered lease contracts with a remaining obligation at 31 December 2017 of £ 3,604,072 security is placed in property, plant and equipment. Security for lease contracts is also placed by TITAN Containers A/S.

19 RELATED PARTIES AND OWNERSHIP

Controlling interest

The Company's share capital is owned 100 % by:
John Layland Barker
Græstedvej 36, Sletelte
3200 Helsinge

Transactions

Lease of warehouse facilities, annual rent DKK 1,000 thousand. Leased by BB and CC Jensen. The lease has been entered into on market terms.

NOTES

20 FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

Fee to Mazars Statsautoriseret Revisionspartnerselskab, including network firms world wide (last year): Audit fee; TDKK 492 (TDKK 507); Tax advisory service TDKK 459 (TDKK 701); Non-audit services TDKK 1,861 (TDKK 1,337)

21 CASH FLOW STATEMENT - CHANGE IN WORKING CAPITAL

Change in inventories	-16,720	-3,873
Change in receivables	2,445	-9,276
Change in trade payables, etc.	27,884	-6,161
	13,609	-19,310