MAZARS

TITAN SALES & MANAGEMENT HOLDING APS

Græstedvej 36, Sletelte
3200 Helsinge

Annual report for 2018
(30th Financial year)

Adopted at the annual general meeting on
26 April 2019

chairman

CVR-nr. 12 51 19 73

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COMPANY DETAILS

The company	TITAN Sales & Management Holding ApS Græstedvej 36, Sletelte 3200 Helsinge	
	CVR no.:	12 51 19 73
	Reporting period: Incorporated:	1 January - 31 December 2018 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 2018.

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 2018 and of the results of the group and the company operations and consolidated cash flows for the financial year 1 January - 31 December 2018.

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 by the company in general meeting.

Høje Taastrup, 26 April 2019

Executive board

Nete Barker

John Layland Barker

Supervisory board

Mette Louisa Barker

Rikke Belinda Barker

Robin Mark Staunton

Anja Maria Barker

Lars Prieme

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 2018, 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 companyfinancial 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 2018 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 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company " 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 the consolidated financial statements and the parent company the 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.

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.

INDEPENDENT AUDITOR'S REPORT

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.

INDEPENDENT AUDITOR'S REPORT

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.

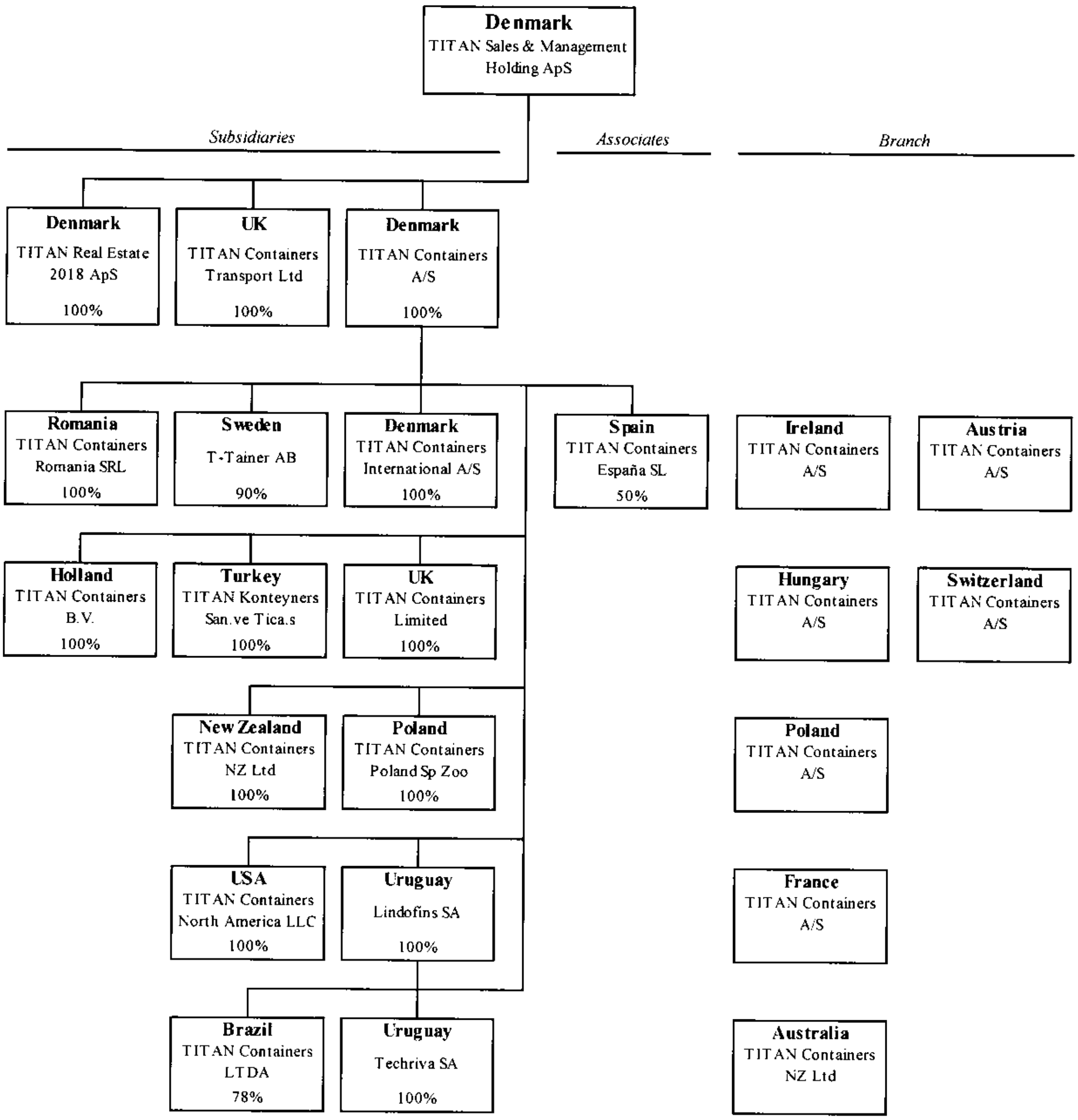
Copenhagen, 26 April 2019

MAZARS
Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41

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

Dennis Herholdt Rasmussen
Statsautoriseret revisor
(State-authorised public acountant)
MNE no. mne43413

GROUP CHART


Denmark
TITAN Sales & Management Holding ApS
Subsidiaries
Associates
Branch
Denmark
TITAN Real Estate 2018 ApS
100%
UK
TITAN Containers Transport Ltd
100%
Denmark
TITAN Containers A/S
100%
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
TITAN Containers A/S
Austria
TITAN Containers A/S
Holland
TITAN Containers B.V.
100%
Turkey
TITAN Konteyners San.ve Tica.s
100%
UK
TITAN Containers Limited
100%
Hungary
TITAN Containers A/S
Switzerland
TITAN Containers A/S
New Zealand
TITAN Containers NZ Ltd
100%
Poland
TITAN Containers Poland Sp Zoo
100%
Poland
TITAN Containers A/S
USA
TITAN Containers North America LLC
100%
Uruguay
Lindofins SA
100%
France
TITAN Containers A/S
Brazil
TITAN Containers LTDA
78%
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 41 self-storage sites located in 11 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 groups financial position at 31 December 2018 and the results of its operations and cash flows for the financial year ended 31 December 2018 are not affected by any unusual matters.

Business review
The Company's 2018 annual accounts are presented on the following pages. The group income statement for the year ended 31 December shows a operating profit of TDKK 70,291, and the balance sheet at 31 December 2018 shows equity of TDKK 131,479.

Whilst lower than forecast, the operating result of The Company reflects continued investments in future growth and revenues at the expense of the 2018 operating result. The Management consider the result to be satisfactory.

The international market environment in 2018 worsened during the year heavily influenced by lower international trade volumes resulting from lower consumer demand and the US/China trade conflict. Reduced demand for steel resulted in lower steel costs and as a direct result lower new container prices for standard container types from the 4th quarter. Reflecting low availability, the prices for used containers weakened only slightly during the year. Revenue from container trading was slightly lower than in 2017.

Investments in the container rental business continued at a similar levels to previous years and this segment increased revenues by 14.3% in 2018.

MANAGEMENT'S REVIEW

Financial review
The Company continues to experience growing market demand for the products and services supplied.

The ArcticStore range of refrigerated rental containers continue to be highly successful in both newer and mature markets. Some limited fleet growth and improved utilisation are anticipated to continue similar to the trend of the past several years.

TITAN self-storage forecast improved utilisation of existing storage rooms during 2019. A few additional sites (from the 2018 business plan) will open in 2019. No significant additional investments in additional sites are planned for this year.

The DNV offshore market performed as expected in 2018 and whilst slight market improvement is expected in 2019 any new investments are highly unlikely.

The traditional core business of ISO 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 2019.

Despite continued poor international market conditions, TITAN's multi-segmented business is only slightly influenced by world trade in general. For the overall rental business, we forecast 2019 will be similar to 2018 with double figure percentage growth.

Both new and used container prices and demand remained robust through the first three quarters of 2018. Lower new container pricing in the 4th quarter realised some price adjustments and used container pricing re-aligned to the new container values. During 2019, we forecast lower income from a similar volume of new and used container sales as market prices continue to adjust to.

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

MANAGEMENT'S REVIEW

The year at a glance and follow-up on expectations expressed last year
The Company's operating performance in 2018 was TDKK 70,291.

All brands responded well to the market conditions in 2018. Performance across all product lines was strong with newer markets starting to make a more noticeable contribution to The Company's total performance.

During 2018, The Company again experienced high container rental volume, which led to rental revenues increasing by 14.3%.

New investments in rental containers and plant and machinery were significantly higher in 2018 compared with 2017. We forecast lower investments in 2019.

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 2018 with no major investments. 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 human resources in 2018. Further new senior appointments have and will be made in 2019.

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), the Euro (EUR), British Pounds (GBP) and USD. The Company's local operations are denominated in the relevant local currencies that primarily include DKK, GBP, Euro, USD, AUD, NZD 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 friendlier insulation blowing agent refrigerated containers.

Our ArcticStore refrigerated containers almost exclusively feature new technology refrigeration equipment that significantly reduces customer power consumption. During 2018 we adopted R452A refrigerant as standard (instead of R404A) when ordering new refrigeration.

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.

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 or forced labour, respect for human rights and for legal employment laws and regulations, 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.

The Company has issued its Statement Pursuant to the Modern Slavery Act 2015 and its Supplier Code of Conduct. The aim of both documents is to set out the ethical conducts and standards that shall govern the activities of The Company and business partners across the world. The documents expressly include The Company's commitment to core labour principles, human rights and reinforces The Company's zero-tolerance policy to any sort of corruption, discrimination, child of forced labour, modern slavery and human trafficking.

MANAGEMENT'S REVIEW

Statutory report on the underrepresented gender
One gender is not under-represented in the supreme management body.

The Company does not practise 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.

Significant events occurring after end of reporting period
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				
	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
KEY FIGURES					
Revenue	430,753	435,553	373,174	288,935	279,569
Gross profit	168,820	147,333	112,391	103,909	70,128
Profit/loss before net financials	70,291	66,286	52,256	60,827	37,496
Net financials	-44,432	-30,776	-47,489	-39,619	-12,599
Profit/loss for the year	17,209	23,337	9,148	19,390	14,550
Balance sheet total	1,006,344	851,750	739,742	636,666	523,031
Investment in property, plant and equipment	177,871	102,690	99,729	126,341	147,064
Equity	131,479	114,411	76,083	65,643	48,233
FINANCIAL RATIOS					
Gross margin	39.2%	33.8%	30.1%	36.0%	25.1%
EBIT margin	16.3%	15.2%	14.0%	21.1%	13.4%
Return on assets	7.6%	8.3%	7.6%	10.5%	8.0%
Solvency ratio	13.1%	13.4%	10.3%	10.3%	9.2%

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 2018 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 are identical for both the parent company financial statements and the consolidated financial statements.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 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.

Recognition and measurement of business combinations
Recently acquired entities are recognised in the financial statements from the date of acquisition. Comparative figures are not restated in respect of recently acquired entities.

In a business combination achieved in stages, the previously held equity interest are remeasured at acquisition-date fair value and recognise the resulting gain or loss, if any, directly at Equity.

The date of acquisition is the time when the company actually gains control over the acquiree.

The acquisition method is applied to the acquisition of new entities where the company gains control over the acquiree. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or emanate from a contractual right. Deferred tax on the revaluations made is recognised.

Positive differences (goodwill) between, on the one side, the purchase consideration, the value of non-controlling interests in the acquiree and the fair value of any previously acquired investments and, on the other side, the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised as goodwill under 'Intangible assets'. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of its useful life.

Statement of goodwill

Acquisitions of entities are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired entity in connection with the acquisition. Allowance is made for the tax effect of revaluations made.

The remaining positive balances from the aquisition in 2018 is kDKK 6,678 calculated as the difference between the cost and the fair value calculated based on the purchase price of the 100 %. The positive difference is recognized in Equity movements.

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.

ACCOUNTING POLICIES

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.

The company has chosen to consider the equity method as a consolidation method.

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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity 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, respectively.

Leases

The company has chosen IAS 17 as the interpretation for the classification and recognition of leasing contracts

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 in so far as 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.

Impairment of fixed assets

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

Inventory

Inventories of containers are measured at cost.
Other inventories is measured using the FIFO 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.

Receivables

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

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

ACCOUNTING POLICIES

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.

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 separate entities 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 entered into to hedge net investments in such entities 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.

With reference to section 86(4) of the Danish Financial statement Act, no cashflow statement has been prepared for the parent company. The entity's cash flow are part of the consolidated cash flow statement.

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 group's 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 as well as 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 group's 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.

ACCOUNTING POLICIES

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	$\frac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2018	2017	2018	2017
		TDKK	TDKK	TDKK	TDKK
Revenue		**430,753**	**435,553**	**10,730**	**10,326**
Other operating income		393	0	0	0
Cost of sales		-204,921	-236,706	0	0
Other external expenses		-57,405	-51,514	-572	-628
Gross profit		**168,820**	**147,333**	**10,158**	**9,698**
Staff costs	2	-64,643	-55,479	-9,816	-11,026
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-33,873	-25,539	-60	-67
Other operating costs		-13	-29	-13	-29
Operating profit / loss		**70,291**	**66,286**	**269**	**-1,424**
Income from investments in subsidiaries		0	0	15,411	27,457
Income from investments in associates		368	-74	0	129
Financial income	3	2,787	1,218	1	4
Financial costs	4	-47,587	-31,920	-1,003	-1,330
Profit/loss before tax		**25,859**	**35,510**	**14,678**	**24,836**
Tax on profit/loss for the year		-8,650	-12,173	0	0
Profit/loss for the year		**17,209**	**23,337**	**14,678**	**24,836**
Distribution of profit	5				

BALANCE SHEET 31 DECEMBER

	Note	Group		Parent Company	
		2018	2017	2018	2017
		TDKK	TDKK	TDKK	TDKK
ASSETS					
Goodwill		31,507	23,071	0	0
Software		1,271	1,412	0	0
Intangible assets	6	**32,778**	**24,483**	**0**	**0**
Land and buildings		11,785	6,325	0	0
Operating equipment		601,289	451,243	0	0
Other fixtures and fittings, tools and equipment		9,177	10,726	0	0
Leased operating equipment		202,064	202,488	128	197
Tangible assets	7	**824,315**	**670,782**	**128**	**197**
Investments in subsidiaries	8	0	0	153,069	139,349
Investments in associates	9	637	1,194	0	924
Deposits	10	258	374	0	0
Fixed asset investments		**895**	**1,568**	**153,069**	**140,273**
Total non-current assets		**857,988**	**696,833**	**153,197**	**140,470**

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group		Parent Company	
		2018	2017	2018	2017
		TDKK	TDKK	TDKK	TDKK
ASSETS					
Finished goods and goods for resale		33,288	47,224	0	0
Inventory		**33,288**	**47,224**	**0**	**0**
Trade receivables		91,290	89,891	0	0
Receivables from associates		2,101	3,318	0	0
Other receivables		3,148	1,922	0	0
Prepayments	11	5,962	3,324	104	0
Receivables		**102,501**	**98,455**	**104**	**0**
Cash at bank and in hand		**12,567**	**9,238**	**0**	**0**
Total current assets		**148,356**	**154,917**	**104**	**0**
Total assets		**1,006,344**	**851,750**	**153,301**	**140,470**

BALANCE SHEET 31 DECEMBER

		Group		Parent Company	
	Note	2018	2017	2018	2017
		TDKK	TDKK	TDKK	TDKK
EQUITY AND LIABILITIES					
Share capital		125	125	125	125
Revaluation reserve		847	984	0	0
Reserve for net revaluation under the equity method		0	2,477	130,484	108,764
Retained earnings		129,939	106,335	302	1,035
Proposed dividend for the year		0	6,000	0	6,000
Non-controlling interests		568	-1,510	0	0
Equity	12	**131,479**	**114,411**	**130,911**	**115,924**
Provision for deferred tax	13	53,274	44,660	0	0
Total provisions		**53,274**	**44,660**	**0**	**0**
Banks		1,360	2,278	0	0
Lease obligations		100,657	93,841	0	0
Trade payables		27,994	6,293	0	0
Total non-current liabilities	14	**130,011**	**102,412**	**0**	**0**

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group 2018 TDKK	Group 2017 TDKK	Parent Company 2018 TDKK	Parent Company 2017 TDKK
EQUITY AND LIABILITIES					
Short-term part of lon-term debt	14	350,305	317,010	0	0
Banks		198,563	151,401	282	214
Other credit institutions		113	175	113	175
Prepayments received from customers		229	1,172	0	0
Trade payables		121,776	102,123	882	644
Payables to subsidiaries		0	0	17,755	21,337
Payables to associates		1,961	0	0	0
Payables to shareholders and management		2,424	21	2,065	21
Corporation tax		571	476	0	0
Other payables		15,587	17,366	1,293	2,155
Deferred income	15	51	523	0	0
Total current liabilities		**691,580**	**590,267**	**22,390**	**24,546**
Total liabilities		**821,591**	**692,679**	**22,390**	**24,546**
Total equity and liabilities		**1,006,344**	**851,750**	**153,301**	**140,470**

Rent and lease liabilities	16
Contingencies, etc.	17
Mortgages and collateral	18
Related parties and ownership structure	19
Fee to auditors appointed at the general meeting	20

STATEMENT OF CHANGES IN EQUITY

Group

	Share capital	Revaluation reserve	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
Equity at 1 January 2018	125	984	2,477	106,339	6,000	-1,510	114,415
Ordinary dividend paid	0	0	0	0	-6,000	0	-6,000
Dissolution of previous years' revaluation	0	-137	-2,477	2,614	0	0	0
Exchange adjustment, foreign	0	0	0	-370	0	-453	-823
Fair value adjustment of hedging instruments	0	0	0	6,678	0	0	6,678
Net profit/loss for the year	0	0	0	14,678	0	2,531	17,209
Equity at 31 December 2018	125	847	0	129,939	0	568	131,479

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	125	108,764	1,035	6,000	115,924
Ordinary dividend paid	0	0	0	-6,000	-6,000
Exchange adjustment, foreign	0	-369	0	0	-369
Fair value adjustment of hedging instruments	0	6,678	0	0	6,678
Net profit/loss for the year	0	15,411	-733	0	14,678
Equity at 31 December 2018	125	130,484	302	0	130,911

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2018	Group 2017
		TDKK	TDKK
Net profit/loss for the year		17,209	23,337
Adjustments		82,793	71,834
Change in working capital		33,450	13,609
Cash flows from operating activities before financial income and expenses		**133,452**	**108,780**
Interest income and similar income		224	1,218
Interest expenses and similar charges		-37,312	-31,919
Cash flows from operating activities		**96,364**	**78,079**
Purchase of intangible assets		-12,987	-17,836
Purchase of property, plant and equipment		-177,871	-102,690
Other adjustments, currency and disposal		-4,171	0
Cash flows from investing activities		**-195,029**	**-120,526**
Change in loan facilities		107,994	49,900
Dividend paid		-6,000	-3,000
Cash flows from financing activities		**101,994**	**46,900**
Change in cash and cash equivalents		**3,329**	**4,453**
Cash and cash equivalents		9,238	4,785
Cash and cash equivalents		**12,567**	**9,238**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		12,567	9,238
Cash and cash equivalents		**12,567**	**9,238**

NOTES

1 INFORMATION ON SEGMENTS

ACTIVITIES - PRIMARY SEGMENT

t.kr.	Rental	Sales	Service	Group
Revenue	207,547	160,120	63,086	430,753

GEOGRAPHICAL - SECONDARY SEGMENT

	Denmark	EEC	Outside EEC	Koncern i alt
Revenue	45,950	255,918	128,885	430,753

	Group		Parent Company	
	2018	2017	2018	2017
	TDKK	TDKK	TDKK	TDKK
2 STAFF COSTS				
Wages and salaries	62,700	53,603	9,804	11,014
Pensions	689	749	0	0
Other social security costs	1,254	1,127	12	12
	64,643	55,479	9,816	11,026
Including remuneration to the Executive and Supervisory Boards				
Executive and supervisory Board	9,509	10,756	9,509	10,756
	9,509	10,756	9,509	10,756
Average number of employees	132	126	2	2

NOTES

	Group		Parent Company	
	2018	2017	2018	2017
	TDKK	TDKK	TDKK	TDKK
3 FINANCIAL INCOME				
Other financial income	94	175	0	0
Exchange gains	2,693	1,043	1	4
	2,787	1,218	1	4
4 FINANCIAL COSTS				
Financial expenses, group entities	0	0	791	1,293
Other financial costs	37,182	27,611	212	37
Exchange adjustments	10,405	4,309	0	0
	47,587	31,920	1,003	1,330
5 DISTRIBUTION OF PROFIT				
Retained earnings	14,678	24,704	-733	-2,750
Reserve for net revaluation under the equity method	14,678	24,833	14,678	24,836
Non-controlling interests	2,531	-1,496	0	0
	17,209	23,337	14,678	24,836

NOTES

6 INTANGIBLE ASSETS

Group

	Goodwill	Software
Cost at 1 January 2018	33,832	1,412
Additions for the year	15,337	0
Cost at 31 December 2018	49,169	1,412
Impairment losses and amortisation at 1 January 2018	10,762	0
Amortisation for the year	6,900	141
Impairment losses and amortisation at 31 December 2018	17,662	141
Carrying amount at 31 December 2018	31,507	1,271

7 TANGIBLE ASSETS

Group

	Land and buildings	Operating equipment	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2018	16,323	514,480	30,198	223,147
Exchange adjustment	-36	11,605	1	9,788
Additions for the year	6,080	124,949	4,734	42,108
Disposals for the year	0	-42,646	-4,177	-5,488
Re-classification on leased assets disposal	0	73,362	0	-36,677
Cost at 31 December 2018	22,367	681,750	30,756	232,878
Revaluations at 1 January 2018	0	1,261	0	463
Revaluations at 31 December 2018	0	1,261	0	463
Impairment losses and depreciation at 1 January 2018	9,998	64,498	19,469	21,123
Exchange adjustment	0	746	-187	-803
Depreciation for the year	584	18,226	2,758	12,572
Reversal of impairment and depreciation of sold assets	0	-2,353	-461	-1,615
Re-classification on leased assets - additions	0	605	0	0
Impairment losses and depreciation at 31 December 2018	10,582	81,722	21,579	31,277
Carrying amount at 31 December 2018	11,785	601,289	9,177	202,064

Parent Company

	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2018	200	225
Additions for the year	0	160
Disposals for the year	0	-225
Cost at 31 December 2018	200	160

NOTES

7 TANGIBLE ASSETS (CONTINUED)

Parent Company

	Other fixtures and fittings, tools and equipment	Leased operating equipment
Impairment losses and depreciation at 1 January 2018	200	28
Impairment losses for the year	0	0
Depreciation for the year	0	60
Reversal of impairment and depreciation of sold assets	0	-56
Impairment losses and depreciation at 31 December 2018	200	32
Carrying amount at 31 December 2018	0	128

	Parent Company	
	2018	2017
	TDKK	TDKK
8 INVESTMENTS IN SUBSIDIARIES		
Cost at 1 January 2018	3,803	3,803
Additions for the year	13,586	0
Disposals for the year	-13,586	0
Transfers for the year	0	0
Cost at 31 December 2018	3,803	3,803
Revaluations at 1 January 2018	135,546	114,838
Disposals for the year	0	0
Exchange adjustment	-369	-1,749
Net effect from acquisition	6,678	0
Net profit/loss for the year	15,702	27,748
Received dividend	-8,000	-5,000
Amortisation of goodwill	-291	-291
Revaluations at 31 December 2018	149,266	135,546
Carrying amount at 31 December 2018	153,069	139,349

Parent Company
Investments in subsidiaries are specified as follows:

Navn	Registered office	Ownership interest
TITAN Containers A/S	Denmark	100%
TITAN Real Estate 2018 ApS	Denmark	100%
TITAN Container Transport Limited	United kingdom	100%

	Group		Parent Company	
	2018	2017	2018	2017
	TDKK	TDKK	TDKK	TDKK
9 INVESTMENTS IN ASSOCIATES				
Cost at 1 January 2018	1,350	1,350	115	115
Disposals for the year	-115	0	-115	0
Cost at 31 December 2018	1,235	1,350	0	115
Revaluations at 1 January 2018	-156	1,674	809	2,436
Disposals for the year	-809	-1,760	-809	-1,760
Exchange adjustment	-1	4	0	4
Net profit/loss for the year	516	87	0	129
Other equity movements, net	0	-13	0	0
Amortisation of goodwill	-148	-148	0	0
Revaluations at 31 December 2018	-598	-156	0	809
Carrying amount at 31 December 2018	637	1,194	0	924

Group

Investments in associates are specified as follows:

Name	Registered office	Ownership interest
TITAN Containers Espania	Spain	50%

10 FIXED ASSET INVESTMENTS

Group

	Deposits
Cost at 1 January 2018	374
Disposals for the year	-116
Cost at 31 December 2018	258
Carrying amount at 31 December 2018	258

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.

13 PROVISION FOR DEFERRED TAX

	Group		Parent Company	
	2018	2017	2018	2017
	TDKK	TDKK	TDKK	TDKK
Provision for deferred tax at 1 January 2018	44,660	35,764	0	0
Provision in year	8,614	9,105	0	0
Adjustments previous year	0	-209	0	0
Provision for deferred tax at 31 December 2018	53,274	44,660	0	0

14 LONG TERM DEBT

Group	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Banks	277,871	283,707	282,347	0
Lease obligations	139,280	136,740	36,082	2,107
Trade payables	6,293	59,870	31,876	0
	423,444	480,317	350,305	2,107

15 DEFERRED INCOME

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

	Group		Parent Company	
	2018	2017	2018	2017
	TDKK	TDKK	TDKK	TDKK
16 RENT AND LEASE LIABILITIES				
Operating lease liabilities.				
Total future lease payments:				
Within 1 year	15,533	10,083	0	0
Between 1 and 5 years	37,110	29,832	0	0
After 5 years	13,181	13,289	0	0
	65,824	53,204	0	0

17 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 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 2018 and withholding tax on interest, royalties and dividends falling due on or after 1 July 2012.

18 MORTGAGES AND COLLATERAL

TITAN Sales & Management ApS
The Company have plegded security in the shares of TITAN Containers A/S as security for credit insitute engagements.

TITAN Containers A/S
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 85,890 which gives pledge in the Company's operating equipment, which accountable value at 31 December 2018 amounts to TDKK 410,583.

As security for credit institute engagement TDKK 100,000 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 2,026 pledges are given in land and property, whose accountable value at 31 December 2018 amounts to TDKK 3,423.

18 MORTGAGES AND COLLATERAL (CONTINUED)

TITAN Containers Ltd

As collateral for current account with foreign credit institute, £ 18,217 security is placed in property and other property, plant and equipment.As collateral for entered lease contracts with a remaining obligation at 31 December 2018 of £ 2,562,596 security is placed in property, plant and equipment. Security for lease contracts is also placed by TITAN Containers A/S.

TITAN Containers International ApS

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

19 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

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

	Group	
	2018	2017
	TDKK	TDKK
20 FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING		
Mazars:		
Audit fee	486	
Tax advisory services	86	
Non-audit services	402	
	974	1,642