MAZARS

TITAN CONTAINERS A/S
Litauen Allé 9
2630 Høje Taastrup

Annual report for the period
1. januar to 31. december 2016
(28th Financial year)

Adopted at the annual general meeting on
5 April 2017

Chairman

CVR-nr. 13 13 17 32

ØSTERFÆLLED TORV 10, 2. SAL - 2100 KØBENHAVN Ø
TEL: +45 35 26 52 22 - E-MAIL: INFO@MAZARS.DK - WWW.MAZARS.DK

MAZARS
STATSAUTORISERET REVISIONSPARTNERSELSKAB

CONTENTS

COMPANY DETAILS

The Company	TITAN Containers A/S Litauen Allé 9 2630 Høje Taastrup	
	Tel:	+45 70 23 17 18
	Fax:	+45 70 23 16 17
	Website:	www.titancontainers.com
	CVR no.:	13 13 17 32
	Reporting period: Incorporated:	1. januar - 31. december 1. April 1989
	Domicile:	Høje Taastrup
Secondary names	TITAN Container Udlejning A/S TITAN Container Hire A/S TITAN Container Leasing A/S TITAN Container Rental A/S TITAN Arcticstore A/S TITAN Boxtainer A/S TITAN Canons Park A/S Arcticstore A/S	
Supervisory Board	Per Otto Bech, Chairman, *Chairman* John Layland Barker Neté Lind Barker Helge Ernst Lunau Philip Bernard Brewer Birger Lindberg Skov Per Toelstang	
Executive Board	John Layland Barker, managing director Helge Ernst Lunau, director Susanne Borch-Jensen, director	
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø	

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today discussed and approved the annual report of TITAN Containers A/S for the financial year 1. januar - 31. december 2016.

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

In our opinion, the Consolidated Financial Statements and Parent Company Financial Statements gives a true and fair view of the Company and the Group financial position at 31. december 2016 and of the results of the the Company and the Group operations for the financial year 1. januar - 31. december 2016.

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

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

Høje Taastrup, 5 April 2017

Executive Board

John Layland Barker managing director	Helge Ernst Lunau director	Susanne Borch-Jensen director

Supervisory Board

Per Otto Bech Chairman	John Layland Barker	Neté Lind Barker
Helge Ernst Lunau	Philip Bernard Brewer	Birger Lindberg Skov
	Per Toelstang	

INDEPENDENT AUDITOR'S REPORT

To the shareholder of TITAN Containers A/S

Opinion

We have audited Consolidated Financial Statements and the Parent Company of TITAN Containers A/S for the financial year 1. januar - 31. december 2016, which comprise an income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. 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 parent company financial statements give a true and fair view of the Company´s financial position at 31 December 2016 and of the results of the Group and the Parent Company's operations for the financial year 1 January - 31 December 2016 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 CompanyFinancial 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.

- 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.

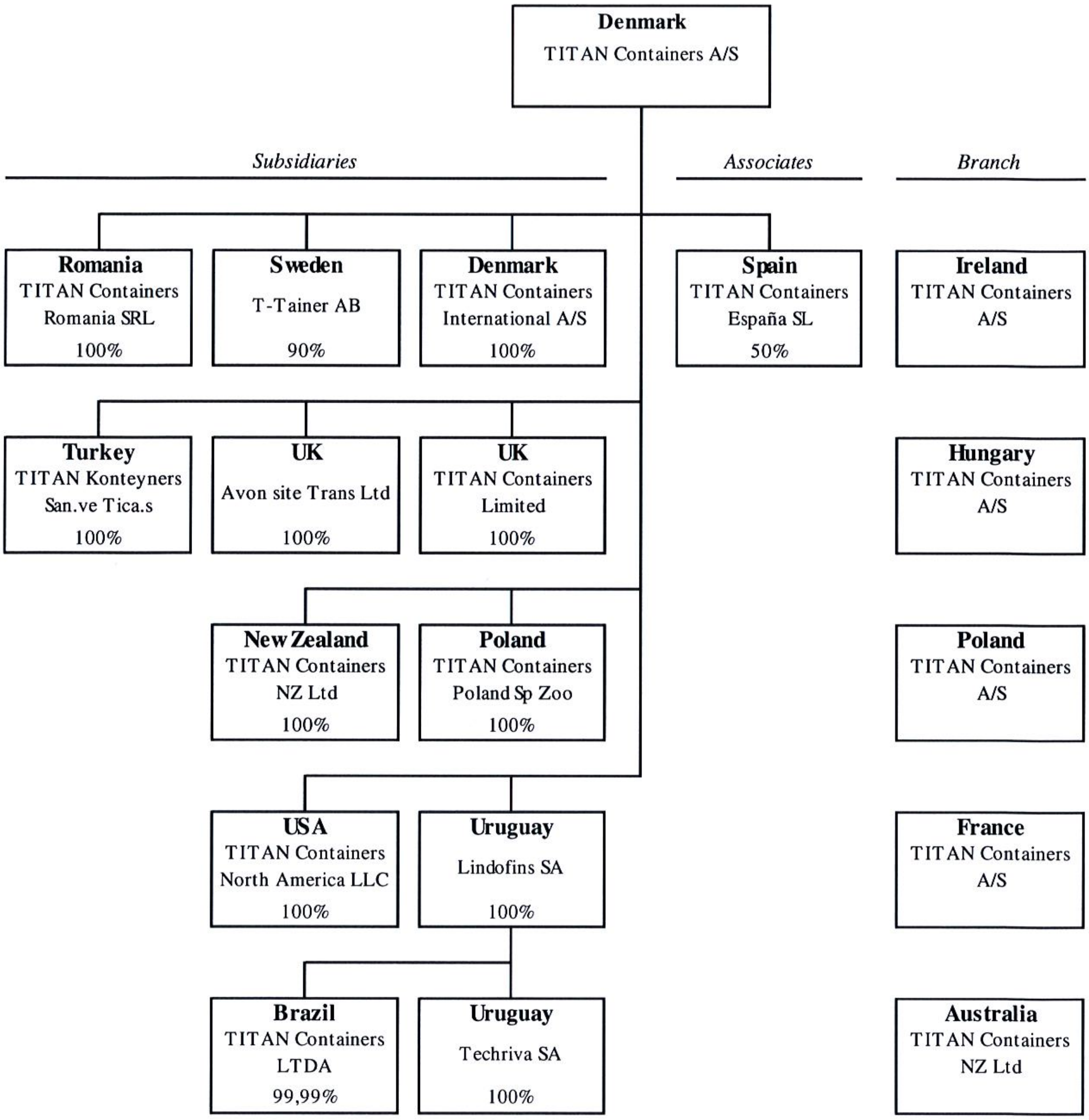
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 5 April 2017
MAZARS
Statsautoriseret Revisionspartnerselskab
CVR-nr. 31 06 17 41

Pia Lillebæk
statsautoriseret revisor
(State-authorised public accountant)

GROUP CHART



Denmark
TITAN Containers A/S
Subsidiaries
Associates
Branch
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
Turkey
TITAN Konteyners San.ve Tica.s
100%
UK
Avon site Trans Ltd
100%
UK
TITAN Containers Limited
100%
Hungary
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
99,99%
Uruguay
Techriva SA
100%
Australia
TITAN Containers NZ Ltd

MANAGEMENT'S REVIEW

Business activities
The Group's aim is to drive the commercialization and management of containers as well as related, thereto activity, based on the Supervisory Board's discretion.

The Group 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 Group presently operates 19 self storage sites located in 6 countries, 14 container depots with container handling equipment in 7 countries and 14 container lorries in 4 countries.

Through the Groups's own and subsidiary offices in 17 countries the Company offers these containers and services to customers for domestic, offshore and international hire. The Group 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.

The Annual report
The Group income statement for the year ended 31 December shows a profit of DKK 35,290,281, and the balance sheet at 31. december 2016 shows equity of DKK 119,442,932.

During 2016, the market environment remained extremely challenging. By mid-2016, new container prices reached their lowest level in more than 12 years due to historically low steel prices and limited demand from shipping lines. This contributed to a concurrent reduction in used container prices, which reached their lowest level since before 2010. Despite an increased sale volume in 2016, the Company's sales income was significantly lower due to prevailing market prices.

While market conditions adversely affected container sale income during 2016, TITAN successfully continued to expand its rental business. TITAN 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 by 9 % in 2016.

During 2016, the Group primarily invested in the expansion of the rental container fleet. This investment was specifically focused on acquiring additional self storage and refrigerated containers required to meet rental market demand and support the addition of new self storage sites. The Group will only begin to realize the benefits of these investments in 2017.

The BREXIT vote had limited impact on TITAN's result. The Group has experienced limited impact on the UK operating performance while both income and expenses offset one another when measured in DKK.

MANAGEMENT'S REVIEW

The year at a glance and follow-up on expectations expressed last year
The Group's operating performance in 2016 was slightly better than budget expectations.

Despite the generally adverse market conditions all brands performed well with newer markets starting to make a more noticeable contribution to the Group's total performance.

Both revenue and costs in GBP were lower than forecast in DKK due to the reduced value of the GBP post-BREXIT. Approximately 25% of the Company's income and 25% of costs are in GBP. The sudden fall in GBP realised a one-off currency gain in 2016.

During 2016, the Company achieved a record number of containers on hire, which led to rental revenues increasing by 12.5%. As a result, rental income exceeded revenue from container sales for the first time in TITAN's history in 2016.

During 2016, the Company started the preliminary investigation of the market potential of several South East Asian markets. Slow and conservative development is anticipated in 2017. No major investments expected earlier than in 2018.

To meet our corporate growth and the increasing complexity of national and international reporting and compliance the Company added new resources to the Management Team in 2016. Further new appointments are expected in 2017.

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.

Future expectations

The Group is in an excellent position to benefit from the 2016 performance, carry over business and from the market changes experienced in last quarter of 2016.

We continue to experience growing market demand for the ArcticStore range of refrigerated rental containers in both our mature and adolescent markets. Fleet growth and improved utilisation are both anticipated to continue the past many years trend.

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 5-10 new sites during 2017 resulting in strong performance for the self storage business.

The DNV offshore market remains challenging as massive reductions in offshore activities in recent years have resulted in excess container supply. While we expect 2017 to be another poor year for the DNV market, 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 2017, we forecast another year of stable performance in 2017.

For the overall rental business, we forecast 2017 to follow a similar trend to 2016. The continued consolidation of activities, the realization of the full year impact of 2016 investment and only limited geographical expansion are expected to result in double figure percentage growth in TITAN's rental operations.

Both new and used container prices recovered dramatically in the 4th quarter 2016 with new prices increasing by almost 40%. This increase in pricing is primarily the result increased material prices and improved container demand, which was driven by the progress of the Hanjin bankruptcy process and steady, but relatively weak, growth in containerised trade. This has resulted in higher new and used container prices moving into 2017. We expect there will be a significant increase in the profitability of new and used container sales in 2017 as the substantial number of new containers TITAN purchased prior to the major price increases are built, delivered to markets and sold.

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

Risks

Currency risks

The Group buys containers in U.S. Dollars (USD). To reduce currency exposure, the Group 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 Group has financed the acquisition of containers using credit facilities denominated in Danish Krone (DKK), British Pounds (GBP) and USD.

The Group's local operations are denominated in the relevant local currencies that primarily include: DKK, GBP, Euro, USD, and Swedish Krona (SEK). The Group continuously evaluates the risk for loss associated with fluctuations in the rates of foreign exchange and tries to hedge as and where appropriate.

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

The environment

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.

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 social responsibility

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.

MANAGEMENT'S REVIEW

Statutory report on the underrepresented gender
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 candidates suitability, industry knowledge and national or international business experience.

Prior to 2025 TITAN and shareholder will whenever that may arise room for the election of new board members do their best to find women with experience and knowledge in order to elect such a person in the Board of Directors.

It is important to emphasize that the Company's policy to increase the share of women in the Supervising Board is not about positive to differential treatment to women, but rather aims to ensure that all relevant talents encouraged applying for a given position.

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

FINANCIAL HIGHLIGHTS

5-year summary:

	Group				
	2016	2015	2014	2013	2012
	TDKK	TDKK	TDKK	TDKK	TDKK
KEY FIGURES					
Profit/loss					
Revenue	362,596	363,079	283,760	279,569	297,278
Gross profit	115,568	102,892	97,246	57,069	56,760
Profit/loss before financial income and expenses	57,877	52,556	59,312	35,913	41,215
Net financials	-17,752	-46,008	-37,276	-9,818	-15,128
Profit/loss for the year	35,290	11,395	18,761	19,546	21,530
Balance sheet					
Balance sheet total	799,450	739,150	643,052	523,540	406,021
Investment in property, plant and equipment	73,319	102,880	134,416	142,049	85,933
Equity	119,443	88,876	79,317	60,665	46,070
FINANCIAL RATIOS					
Gross margin	31.9%	28.3%	34.3%	20.4%	19.1%
EBIT margin	16.0%	14.5%	20.9%	12.8%	13.9%
Return on assets	7.5%	7.6%	10.2%	7.7%	11.9%
Solvency ratio	14.9%	12.0%	12.3%	11.6%	11.3%
Return on equity	33.9%	13.5%	26.8%	36.6%	58.6%

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.

2014 is the first year the Company prepares a consolidated financial statement. Financial highlights for the period 2012 – 2013 only includes financial highlights and ratios for the Parent Company.

ACCOUNTING POLICIES

The annual report of TITAN Containers A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The annual report for 2016 is presented in DKK

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 such that 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 are 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 Containers A/S 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.

ACCOUNTING POLICIES

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 and sale 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 external expenses

Other external expenses include expenses for distribution, sale, publicity, management, office premises and loss on debtors 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 include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments and price adjustment of securities.

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 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.

ACCOUNTING POLICIES

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 isattributable to the net profit for the year, and in equity with the amount attributable to entries directly recognised 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 5-7 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Tangible assets

Items of tangible assets 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.

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 equipment	28	years	30 %
Other fixtures and fittings, tools and equipment	3-10	years	0 %

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

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 arrising 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 Containers A/S 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.

Inventories

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 cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories are calculated as 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 and tangible assets is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

ACCOUNTING POLICIES

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

Prepayments
Prepayments comprise costs incurred concerning subsequent financial years.

Income tax and deffered 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 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.

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 liabilities, which include trade payables, payables to group entities and other payables, 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.

ACCOUNTING POLICIES

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

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

FINANCIAL HIGHLIGHTS

Definitions of financial ratios.

Gross margin ratio $\dfrac{\text{Gross Profit x 100}}{\text{Revenue}}$

EBIT margin $\dfrac{\text{Profit/loss before financials x 100}}{\text{Revenue}}$

Return on assets $\dfrac{\text{Profit/loss before financials x 100}}{\text{Total assets}}$

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

Return on equity $\dfrac{\text{Net profit for the year x 100}}{\text{Average equity}}$

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2016	2015	2016	2015
		DKK	TDKK	DKK	TDKK
REVENUE	1	362,595,520	363,079	353,484,278	615,330
Cost of sales		-206,052,304	-220,610	-198,671,224	-431,521
Other external expenses		-40,974,814	-39,577	-78,012,074	-66,840
GROSS PROFIT		115,568,402	102,892	76,800,980	116,969
Staff costs	2	-35,468,359	-30,451	-16,965,046	-13,405
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-22,223,270	-19,885	-10,682,181	-13,423
OPERATÌNG PROFIT		57,876,773	52,556	49,153,753	90,141
Income from investments in subsidiaries		0	0	-392,271	-34,642
Income from investments in associates		-113,855	-124	-113,855	-124
Financial income	3	11,064,986	1,210	3,065,366	191
Financial costs	4	-28,703,114	-47,094	-11,617,281	-41,157
PROFIT BEFORE TAX		40,124,790	6,548	40,095,712	14,409
Tax on profit for the year		-4,834,509	4,847	-4,814,721	-3,036
PROFIT FOR THE YEAR		35,290,281	11,395	35,280,991	11,373
Distribution of profit	5				

BALANCE SHEET 31 DECEMBER

	Note	Group 2016 DKK	Group 2015 TDKK	Parent Company 2016 DKK	Parent Company 2015 TDKK
ASSETS					
Goodwill		9,703,971	12,537	0	578
Intangible assets	6	9,703,971	12,537	0	578
Land and buildings		6,997,413	7,923	4,392,453	4,890
Operating Equipment		451,638,069	440,101	282,777,774	271,878
Other fixtures and fittings, tools and equipment		3,663,421	5,132	1,938,515	1,328
Leased operating equipment		164,439,890	131,901	6,002,463	4,618
Tangible assets	7	626,738,793	585,057	295,111,205	282,714
Investments in associates	9	472,714	734	472,714	734
Deposits	10	764,090	313	204,073	204
Fixed asset investments		1,236,804	1,047	676,787	938
FIXED ASSETS TOTAL		637,679,568	598,641	295,787,992	284,230

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group		Parent Company	
		2016	2015	2016	2015
		DKK	TDKK	DKK	TDKK
ASSETS					
Inventories and consumables		30,503,769	26,630	30,208,789	25,807
Inventories		30,503,769	26,630	30,208,789	25,807
Trade receivables		94,545,216	85,503	91,243,738	82,585
Receivables from group enterprises		26,002,527	16,666	70,591,996	50,766
Receivables from associates		2,418,595	1,808	2,418,595	1,809
Other receivables		1,665,998	1,122	98,542	69
Prepayments	11	2,184,407	2,326	793,228	941
Receivables		126,816,743	107,425	165,146,099	136,170
Cash at bank and in hand		4,450,288	6,454	2,897,468	4,284
CURRENT ASSETS TOTAL		161,770,800	140,509	198,252,356	166,261
ASSETS TOTAL		799,450,368	739,150	494,040,348	450,491

BALANCE SHEET 31 DECEMBER

		Group		Parent Company	
	Note	2016	2015	2016	2015
		DKK	TDKK	DKK	TDKK
LIABILITIES AND EQUITY					
Share capital		500,000	500	500,000	500
Other reserves		-136,927	1,634	-136,927	1,634
Retained earnings		113,946,845	83,613	113,946,845	83,613
Proposed dividend for the year		5,000,000	3,000	5,000,000	3,000
Non-controlling interests		133,014	129	0	0
Equity	12	119,442,932	88,876	119,309,918	88,747
Provision for deferred tax	13	31,722,424	27,739	39,696,313	34,909
Provisions total		31,722,424	27,739	39,696,313	34,909
Banks		3,570,677	273,754	2,598,894	148,877
Lease obligations		89,484,753	78,414	3,424,927	3,085
Long-term debt	14	93,055,430	352,168	6,023,821	151,962

BALANCE SHEET 31 DECEMBER (CONTINUED)

	Note	Group		Parent Company	
		2016	2015	2016	2015
		DKK	TDKK	DKK	TDKK
LIABILITIES AND EQUITY					
Short-term part of long-term debt	14	342,135,603	118,863	167,057,506	24,045
Banks		121,735,910	53,484	71,216,502	53,489
Prepayments received from customers		339,733	344	339,733	344
Trade payables		76,008,755	84,192	69,437,474	80,767
Payables to group enterprises		1,861,627	4,269	6,392,486	9,253
Payables to shareholders and management		26,698	0	26,698	0
Other payables		12,734,765	8,947	10,997,961	5,544
Deferred income	15	386,491	268	3,541,936	1,431
Short-term debt		555,229,582	270,367	329,010,296	174,873
DEBT TOTAL		648,285,012	622,535	335,034,117	326,835
LIABILITIES AND EQUITY TOTAL		799,450,368	739,150	494,040,348	450,491

Contingent assets, liabilities and other financial obligations	16
Charges and securities	17
Related parties and ownership	18
Fee to auditors appointed at the general meeting	19

EQUITY

Group

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Non-controlling interests	Total
Equity at 1 January 2016	500,000	1,634,147	83,613,036	3,000,000	129,208	88,876,391
Exchange adjustments	0	-1,718,256	0	0	-5,484	-1,723,740
Ordinary dividend paid	0	0	0	-3,000,000	0	-3,000,000
Transfers, reserves	0	-52,818	52,818	0	0	0
Net profit/loss for the year	0	0	30,280,991	5,000,000	9,290	35,290,281
Equity at 31 December 2016	500,000	-136,927	113,946,845	5,000,000	133,014	119,309,918

Parent Company

	Share capital	Other reserves	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2016	500,000	1,634,147	83,613,036	3,000,000	88,747,183
Exchange adjustments	0	-1,718,256	0	0	-1,718,256
Ordinary dividend paid	0	0	0	-3,000,000	-3,000,000
Transfers, reserves	0	-52,818	52,818	0	0
Net profit/loss for the year	0	0	30,280,991	5,000,000	35,280,991
Equity at 31 December 2016	500,000	-136,927	113,946,845	5,000,000	119,309,918

NOTES

1 INFORMATION ON SEGMENTS

ACTIVITIES - PRIMARY SEGMENT

	Rental	Sales	Service	Group total
t.kr.				
Revenue	157,564	139,313	65,718	362,595

GEOGRAPHICAL - SECONDARY SEGMENT

	Denmark	EEC	Outside EEC	Group total
TDKK				
Revenue	45,126	203,101	114,368	362,595

	Group		Parent Company	
	2016	2015	2016	2015
	DKK	TDKK	DKK	TDKK
2 STAFF COSTS				
Wages and salaries	34,397,415	29,542	16,244,601	12,734
Pensions	575,159	489	252,000	260
Other social security costs	495,785	420	468,445	411
	35,468,359	30,451	16,965,046	13,405
Including remuneration to the Executive and Supervisory Boards	9,965,719	6,425,525	9,545,457	6,425,525
Average number of employees	89	88	21	19
3 FINANCIAL INCOME				
Interest received, group entities	947,877	1,003	2,454,841	0
Other financial income	498,264	207	282,317	191
Exchange gains	9,618,845	0	328,208	0
	11,064,986	1,210	3,065,366	191

NOTES

		Group		Parent Company	
		2016	2015	2016	2015
		DKK	TDKK	DKK	TDKK
4	**FINANCIAL COSTS**				
	Financial expenses, group entities	0	0	0	9,771
	Other financial costs	27,449,478	26,255	11,617,281	10,597
	Exchange adjustment	1,253,636	20,839	0	20,789
		28,703,114	47,094	11,617,281	41,157

5	**DISTRIBUTION OF PROFIT**				
	Proposed dividend for the year	5,000,000	3,000	5,000,000	3,000
	Reserve for net revaluation under the equity method	0	0	0	-144
	Overført resultat	30,280,991	8,373	30,280,991	8,517
	Non-controlling interests	9,290	22	0	0
		35,290,281	11,395	35,280,991	11,373

NOTES

6 INTANGIBLE ASSETS

Group

	Goodwill
Cost at 1 January 2016	19,986,781
Additions for the year	380,600
Disposals for the year	-505,595
Cost at 31 December 2016	19,861,786
Impairment losses and amortisation at 1 January 2016	7,449,704
Amortisation for the year	2,708,111
Impairment losses and amortisation at 31 December 2016	10,157,815
Carrying amount at 31 December 2016	9,703,971

6 INTANGIBLE ASSETS (continued)

Parent Company

	Goodwill
Cost at 1 January 2016	5,364,191
Cost at 31 December 2016	5,364,191
Impairment losses and amortisation at 1 January 2016	4,789,116
Amortisation for the year	575,075
Impairment losses and amortisation at 31 December 2016	5,364,191
Carrying amount at 31 December 2016	0
Goodwill included in cost of subsidiaries and associates	10,370,926

NOTES

7 TANGIBLE ASSETS

Group

	Land and buildings	Operating Equipment	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2016	16,757,009	485,818,031	18,373,039	140,723,230
Exchange adjustment	-428,610	4,038,888	-491,330	-3,076,851
Additions for the year	82,725	69,388,359	2,279,377	47,678,110
Disposals for the year	0	-58,797,775	-438,088	-2,406,278
Re-classification on leased assets disposal	0	6,639,925	-2,403,725	-4,236,200
Cost at 31 December 2016	16,411,124	507,087,428	17,319,273	178,682,011
Revaluations at 1 January 2016	0	1,328,914	0	0
Reversal for the year of revaluation of assets sold	0	-67,715	0	0
Revaluations at 31 December 2016	0	1,261,199	0	0
Impairment losses and depreciation at 1 January 2016	8,833,838	47,046,083	13,241,190	8,822,055
Exchange adjustment	0	-424,296	-404,407	-287,101
Depreciation for the year	579,873	11,896,607	1,540,094	6,726,812
Reversal of impairment and depreciation of sold assets	0	-2,451,390	-287,661	-809,455
Re-classification on leased assets - additions	0	643,554	-433,364	-210,190
Impairment losses and depreciation at 31 December 2016	9,413,711	56,710,558	13,655,852	14,242,121
Carrying amount at 31 December 2016	6,997,413	451,638,069	3,663,421	164,439,890

NOTES

7 TANGIBLE ASSETS (continued)

Group

Parent Company

	Land and buildings	Operating Equipment	Other fixtures and fittings, tools and equipment	Leased operating equipment
Cost at 1 January 2016	13,723,439	304,440,767	7,113,430	7,000,845
Additions for the year	82,725	68,524,582	1,338,055	3,456,276
Disposals for the year	0	-52,664,010	-438,088	-980,000
Cost at 31 December 2016	13,806,164	320,301,339	8,013,397	9,477,121
Revaluations at 1 January 2016	0	1,328,914	0	0
Reversal for the year of revaluation of assets sold	0	-67,715	0	0
Revaluations at 31 December 2016	0	1,261,199	0	0
Impairment losses and depreciation at 1 January 2016	8,833,838	33,891,647	5,784,609	2,382,989
Depreciation for the year	579,873	7,078,629	577,934	1,867,669
Reversal of impairment and depreciation of sold assets	0	-2,185,512	-287,661	-776,000
Impairment losses and depreciation at 31 December 2016	9,413,711	38,784,764	6,074,882	3,474,658
Carrying amount at 31 December 2016	4,392,453	282,777,774	1,938,515	6,002,463

NOTES

	Parent Company	
	2016	2015
	DKK	TDKK
8 INVESTMENTS IN SUBSIDIARIES		
Cost at 1 January 2016	32,926,351	31,987
Additions for the year	7,046	940
Disposals for the year	-27,178	0
Cost at 31 December 2016	32,906,219	32,927
Revaluations at 1 January 2016	-32,926,351	-407
Negative net asset value, at 1 January 2016	-1,185,594	0
Exchange adjustment	-1,733,686	778
Net profit/loss for the year	459,337	371
Amortisation of goodwill	-2,130,036	-2,017
Change in intercompany profit on inventories	1,426,646	-32,838
Equity investments with negative net asset value transferred to provisions	3,183,465	1,186
Revaluations at 31 December 2016	-32,906,219	-32,927
Carrying amount at 31 December 2016	0	0

Parent Company
Investments in subsidiaries are specified as follows:

Navn	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
TITAN Containers Ltd	United Kingdom	100%	13,114,541	792,362
TITAN Containers Romania SRL	Romania	100%	1,329,046	49,837
T-Tainer AB	Sweden	90%	1,330,145	92,897
TITAN Containers Poland sp.zoo	Poland	100%	43,214	15,399
TITAN Konteyners San. ve Tica.s.	Turkey	100%	-2,701,294	-1,636,101
Avon Site Trans Ltd	United Kingdom	100%	2,289,838	0
TITAN Containers International A/S	Denmark	100%	1,323,751	-188,790
TITAN Containers NZ Ltd	New Zealand	100%	1,207,432	1,087,920
Techriva SA	Uruguay	100%	57,307	30,709
TITAN Container North America, LLC	America	100%	284,698	143,047

NOTES

	Group		Parent Company	
	2016	2015	2016	2015
	DKK	TDKK	DKK	TDKK
9 INVESTMENTS IN ASSOCIATES				
Cost at 1 January 2016	1,234,704	1,235	1,234,704	1,235
Cost at 31 December 2016	1,234,704	1,235	1,234,704	1,235
Revaluations at 1 January 2016	-500,390	-228	-500,390	-228
Exchange adjustment	467	0	467	0
Net profit/loss for the year	-113,855	-124	-113,855	-124
Amortisation of goodwill	-148,212	-149	-148,212	-149
Revaluations at 31 December 2016	-761,990	-501	-761,990	-501
Carrying amount at 31 December 2016	472,714	734	472,714	734

Group
Investments in associates are specified as follows:

Name	Place of registered office	Votes and ownership	Equity	Net profit/loss for the year
TITAN Containers España SL	Spain	50%	-388,482	-227,710

NOTES

10 FIXED ASSET INVESTMENTS

Group

	Deposits
Cost at 1 January 2016	318,467
Exchange adjustment	-12,047
Additions for the year	462,670
Disposals for the year	-5,000
Cost at 31 December 2016	764,090
Carrying amount at 31 December 2016	764,090

10 FIXED ASSET INVESTMENTS (continued)

Parent Company

	Deposits
Cost at 1 January 2016	204,073
Cost at 31 December 2016	204,073
Carrying amount at 31 December 2016	204,073

11 PREPAYMENTS

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

NOTES

12 EQUITY

The share capital consists of:

500 shares of DKK 1,000	500,000
	500,000

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

	Group		Parent Company	
	2016	2015	2016	2015
	DKK	TDKK	DKK	TDKK
13 PROVISION FOR DEFERRED TAX				
Provision for deferred tax at 1 January 2016	27,711,045	25,493	34,909,000	32,663
Deferred tax on equity transactions	0	-268	0	-268
Provision in year	4,011,379	2,514	4,787,313	2,514
Provision for deferred tax at 31 December 2016	31,722,424	27,739	39,696,313	34,909

NOTES

14 LONG TERM DEBT

Group	Debt at 1 January 2016	Debt at 31 December 2016	Payment within 1 year	Debt after 5 years
Banks	373,329,609	317,450,755	313,880,078	760,463
Lease obligations	97,702,338	117,740,277	28,255,524	0
	471,031,947	435,191,032	342,135,602	760,463

Parent Company	Debt at 1 January 2016	Debt at 31 December 2016	Payment within 1 year	Debt after 5 years
Banks	171,249,229	167,933,689	165,334,795	267,798
Lease obligations	4,757,282	5,147,638	1,722,711	0
	176,006,511	173,081,327	167,057,506	267,798

15 DEFERRED INCOME

Prepayments comprise prepayments received concerning income in subsequent reporting years and elimination of intercompany profit in excess of the carrying value of investment in group enterprises.

16 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 2016 and withholding tax on interest, royalties and dividends falling due on or after 1 July 2012.

Other contingent liabilities
Lease obligations (operating leases) due within 5 years: TDKK 29,994.

NOTES

17 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 85,890 which gives pledge in the Company's operating equipment, which accountable value at 31 December 2016 amounts to TDKK 284,716. As security for credit institute engagement TDKK 225.000 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 3,218 pledges are given in land and property, whose accountable value at 31 December 2016 amounts to TDKK 4,392.

TITAN Containers Ltd

As collateral for current account with foreign credit institute, £ 85,738 security is placed in property and other property, plant and equipment.As collateral for entered lease contracts with a remaining obligation at 31 December 2016 of £ 2,065,589 security is placed in property, plant and equipment. Security for lease contracts is also placed by TITAN Containers A/S.

18 RELATED PARTIES AND OWNERSHIP

Controlling interest

The Company's share capital is owned 100 % by:
TITAN Sales & Management Holding ApS
Græstedvej 36, Sletelte
3200 Helsinge

Consolidated financial statements

The Company is included in the group annual report of TITAN Sales & Managent Holding ApS

19 FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

Audit fees are not disclosed with reference to section 96(3) of the Danish Financial Statement Act. The fee is specified in the consolidated financial statements for TITAN Sales & Managent Holding ApS