

Scan Global Logistics Holding ApS

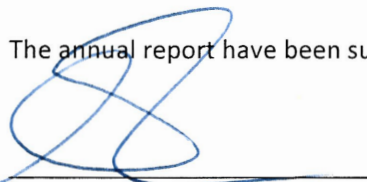
Kirstinehøj 7, 2770 Kastrup

Company reg. no. 30 17 74 60

Annual report

2017

The annual report have been submitted and approved by the general meeting on the 6 June 2018.



Claes Brønsgaard Pedersen
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Statement By the Board

The board of directors and the Executive Board have today discussed and approved the annual report of Scan Global Logistics Holding ApS for the financial year 1 January to 31 December 2017.

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

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Kastrup,

Executive Board

Allan Dyrgaard Melgaard

Board of Directors

Jørgen Agerbro Jessen
Chairman

Thomas Thellufsen Nørgaard

Claes Brønsgaard Pedersen
Deputy chairman

Allan Dyrgaard Melgaard

Independent auditor's report

To the shareholder of Scan Global Logistics Holding ApS

Opinion

We have audited the annual accounts of Scan Global Logistics Holding ApS for the financial year 1 January to 31 December 2017, which comprise profit and loss account, balance sheet, statement of changes in equity and notes, including accounting policies used. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts".

Independence

We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the 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 annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 6 June 2018

Ernst & Young

Godkendt Revisionspartnerselskab

State Authorised Public Accountant
Company reg. no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant
MNE no.: mne26797

Allan Nørgaard
State Authorised Public Accountant
MNE no.: mne35501

Company data

The company

Scan Global Logistics Holding ApS
Kirstinehøj 7
2770 Kastrup

Phone (+45) 32 48 00 00
Web site www.scangl.com
E-mail headoffice@scangl.com

Company reg. no. 30 17 74 60
Established: 1 January 2007
Domicile: Tårnby (Copenhagen)
Financial year: 1 January - 31 December

Board of directors

Jørgen Agerbro Jessen, Chairman
Claes Brønsgaard Pedersen, Deputy chairman
Allan Dyrgaard Melgaard
Thomas Thellufsen Nørgaard

Executive board

Allan Dyrgaard Melgaard

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Osvold Helmuths Vej 4, P O BoX 250, 2000 Frederiksberg, Denmark

Bankers

Jyske Bank A/S

Management's review

The Company's business review

The Company's purpose is to own investments in the Scan Global Logistics Group.

Uncertainties as to recognition or measurement

Due to the loss in Scan Global Logistics A/S an impairment test was performed. The impairment test has not resulted in any impairment of the investment in Scan Global Logistics A/S.

Regarding other measurements of assets and liabilities, reference is made to the section on accounting policies. Management does not find there are any special circumstances for which allowance should be made when assessing the Company's financial position other than those made in the Annual Report.

Development in activities and financial matters

Loss for the year was DKK 14 million. In 2016 the profit for the year was DKK 68 million. The management consider the result as expected.

Events subsequent to the financial year

No significant events have occurred subsequent to the financial year-end.

Profit and loss account 1 January - 31 December

DKK thousand.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Other external expenses	-102	-16.118
Gross profit	-102	-16.118
Staff costs	0	0
Operating profit	-102	-16.118
Income from investments in Group entities	0	120.000
2 Financial income	2.433	2.440
3 Financial expenses	-18.401	-43.349
Profit before tax	-16.070	62.973
4 Tax for the year	2.034	5.367
Profit for the year	-14.036	68.340
Recommended appropriation of the profit for the year		
Retained earnings	0	68.340
Allocated from results brought forward	-14.036	0
Total	-14.036	68.340

Balance sheet 31 December

DKK thousand.

Assets			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Fixed assets			
5+10	Investments in Group entities	767.511	667.503
	Total financial assets	767.511	667.503
	Total fixed assets	767.511	667.503
Current assets			
10	Receivables from Scan Global Logistics A/S	80.000	80.000
	Receivables from group entities	51.700	77.671
	Deferred tax assets	2.034	0
	Other receivables	20	249
	Total receivables	133.754	157.920
	Cash	475	477
	Total current assets	134.229	158.397
	Total assets	901.740	825.900

Balance sheet 31 December

DKK thousand.

Equity and liabilities			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Equity			
6	Share capital	3.531	3.531
7	Share premium account	0	0
8	Retained earnings	593.247	479.761
	Total equity	<u>596.778</u>	<u>483.292</u>
Liabilities			
9	Payable to Scan Bidco A/S	297.931	297.931
	Long-term liabilities in total	<u>297.931</u>	<u>297.931</u>
	Trade creditors	247	0
	Payable to group entities	6.626	43.893
	Income taxes payable	0	573
	Other payables	158	211
	Short-term liabilities	<u>7.031</u>	<u>44.677</u>
	Total liabilities	<u>304.962</u>	<u>342.608</u>
	Total equity and liabilities	<u>901.740</u>	<u>825.900</u>
1	Uncertainties concerning recognition and measurement		
10	Mortgage and securities		
11	Contingencies		
12	Information about related parties with a controlling interest:		

Statement of changes in equity

DKK thousand.

	<u>Share capital</u>	<u>Share premium account</u>	<u>Results brought forward</u>	<u>Total</u>
Equity at 1 January 2016	3.063	0	346.527	349.590
Warrants issued, payments received	0	0	136	136
Capital increase	468	0	64.758	65.226
Profit for the year, cf. appropriation of profit	<u>0</u>	<u>0</u>	<u>68.340</u>	<u>68.340</u>
Equity at 1 January 2017	3.531	0	479.761	483.292
Capital increase	0	127.522	0	127.522
Transferred to results brought forward	0	-127.522	127.522	0
Profit for the year, cf. appropriation of profit	<u>0</u>	<u>0</u>	<u>-14.036</u>	<u>-14.036</u>
Equity at 31 December 2017	<u>3.531</u>	<u>0</u>	<u>593.247</u>	<u>596.778</u>

Notes

DKK thousand.

1. Uncertainties concerning recognition and measurement

2017

Due to the loss in Scan Global Logistics A/S an impairment test was performed. The impairment test has not resulted in any impairment of the investment in Scan Global Logistics A/S.

Regarding other measurements of assets and liabilities, reference is made to the section on accounting policies. Management does not find there are any special circumstances for which allowance should be made when assessing the Company's financial position other than those made in the Annual Report.

	<u>2017</u>	<u>2016</u>
2. Financial income		
Interest income from group entities	2.433	2.440
	<u>2.433</u>	<u>2.440</u>
3. Financial expenses		
Interest expenses to group entities	18.391	8.820
Other financial costs	10	34.529
	<u>18.401</u>	<u>43.349</u>
4. Tax for the year		
Current tax on profit for the year (income)	0	-9.124
Changes in deferred tax for the year	-2.034	3.757
	<u>-2.034</u>	<u>-5.367</u>

Notes

DKK thousand.

	<u>31/12 2017</u>	<u>31/12 2016</u>
5. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2017	667.503	667.503
Additions during the year	154.653	0
Disposals during the year	<u>-54.645</u>	<u>0</u>
Cost 31 December 2017	<u>767.511</u>	<u>667.503</u>
Book value 31 December 2017	<u>767.511</u>	<u>667.503</u>

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year
Scan Global Logistics A/S, Tårnby	100 %	192.822	-6.146

6. Share capital

Share capital 1 January 2017	3.531	3.063
Capital increase	<u>0</u>	<u>468</u>
Total	<u>3.531</u>	<u>3.531</u>

The share capital consists of DKkt 1,638 A-shares, each with a nominal value of DKK 1,00 and DKkt 1,893 B-shares, each with a nominal value of DKK 1,00.

In 2017 the share capital was increased from DKK 3,530,835 by DKK 2 to DKK 3,530,837.

In 2016 the share capital was increased from DKK 3,063,333 by DKK 467,502 to DKK 3,530,835.

7. Share premium account

Capital increase	127.522	0
Transferred to results brought forward	<u>-127.522</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>

Notes

DKK thousand.

	<u>31/12 2017</u>	<u>31/12 2016</u>
8. Results brought forward		
Results brought forward 1 January 2017	479.761	346.527
Profit for the year, cf. approproation of profit	-14.036	68.340
Capital increase	127.522	0
Warrants issued, payments received	0	136
Warrants excercised, payments received	<u>0</u>	<u>64.758</u>
Total	<u>593.247</u>	<u>479.761</u>
9. Payable to group enterprises		
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Payable to group enterprises in total	<u>297.931</u>	<u>297.931</u>
Share of liabilities due after 5 years	<u>297.931</u>	<u>297.931</u>

A redemption of the bond loan of DKK 350 million (DKK 375 million less of own bonds DKK 25 million), was made in August 2016. The company is now financed through an intercompany loan received from the parent company Scan Bidco A/S. The parent company, Scan Bidco A/S has issued a new bond loan to finance the acquisition of Scan Global Logistics Group in 2016. The intercompany interest rate is 7.7% and the interest is paid quarterly. The intercompany debt has to be repaid in 2022.

10. Mortgage and securities

As security for bond debt in Scan Bidco A/S the Company have placed assets as security. Breakdown of the security and the carrying amount:

Receivables from group entities as security for bond debt	80.000	80.000
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The shares in Scan Global Logistics A/S with a carrying amount of DKK 767.511 thousand is pledged as security for bond debt in Scan Bidco A/S, as well as the shares in Scan Global Logistics Holding ApS.

Notes

DKK thousand.

11. Contingencies

Joint taxation

Scan Bidco A/S, company reg. no 37521043 being the administration company, is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

12. Information about related parties with a controlling interest: (2016 and 2017)

Related party	Domicile	Basis for control
TTGR Holding ApS (owned by Scan Bidco A/S)	Denmark	PI*
Anpartsselskabet af 1. november 2006 (owned by Scan Bidco A/S)	Denmark	PI*
Nidovni HH A/S (owned by ApS af 1. november 2006)	Denmark	PI*
Scan Bidco A/S (direct and indirect owner of the Company)	Denmark	100 %

Ultimate owner with controlling interest

AEA SGLT Holding LP I (all financial rights)	Cayman Islands	PI*
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*Participating interest

2016

Related party	Domicile	Basis for control
TTGR Holding ApS (owned by Scan Bidco A/S)	Denmark	PI*
Anpartsselskabet af 1. november 2006 (owned by Scan Bidco A/S)	Denmark	PI*
Nidovni HH A/S (owned by ApS af 1. november 2006)	Denmark	PI*
Scan Bidco A/S (direct and indirect owner of the Company)	Denmark	100 %

Ultimate owner with controlling interest

AEA SGLT Holding I LP (all financial rights)	Cayman Islands	100%
----------------------------------------------	----------------	------

*Participating interest

Accounting policies

The Annual Report for Scan Global Logistics Holding ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Scan Global Logistics Holding ApS and its group enterprises are included in the consolidated annual accounts for Scan Bidco A/S, Kirstinehøj 7, 2770 Kastrup, CVR nr. 37521043.

Profit and loss

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Income from investments in Group entities

The items comprises writedowns and reversal of writedowns and dividend received from goup entities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period.

The items comprise interest income and expenses, also from group entities, exchange gains and losses, losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Balance sheet

Financial fixed assets

Equity investments in Group entities

Equity investments in Group entities are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Other securities and equity investments

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. In order to meet expected losses, writedown takes place at the net realisable value.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Scan Global Logistics Holding ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry forward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by settlement in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of borrowing costs incurred.

Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.