



SCAN
GLOBAL LOGISTICS

TRANSGROUP
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AEA SGLT Holding II LP

- Summary of the Q4 interim report 2017

Key market developments

Ocean, Air and Road freight market development*

- 2017 was a strong year for the global air freight market with around 12% growth
- The air freight market is estimated to continue to grow in 2018 by around 5-7% based on a combination of several research companies
- Global Sea freight Market is expected to increase by 3-5% in 2018 while the European trucking market is estimated to increase with 3-4% on the back of strong economies in key EU countries
- Generally, rates are expected to stabilize from the relative surges in 2017 in particular on the airfreight segment



Financial highlights

- AEA SGLT Holding II LP generated revenues of USD 220.4 million in the fourth quarter, which was 9% higher than in Q3
- Q4 gross profit was USD 31.2 million, equal to a gross margin of 14.2%. The weakening of the USD/DKK exchange rate during 2017 had a negative impact on gross profit, estimated at a minimum of USD 2.5 million
- EBITDA before special items of USD 5.7 million was some 7% over Q3
 - The EBITDA increase was driven by higher revenues but to some extent negatively impacted by higher operating expenses
- Net financial expenses was USD 3.3 million, which mainly comprised of interest on the bond
- As per end of December, the equity ratio was 30.7% and the consolidated net interest bearing debt amounted to USD 198 million resulting in a NIBD/EBITDA of 8.6x (on a pro forma level)
- The plan for year 2018 assumes continued positive development of revenues, gradually improving gross margins from re-negotiated contracts and full impact on the SG&A costs from the organisational changes made in SGL by the end of 2017 and further synergy according to plan from the acquisitions of Airlog and Crossurope.

TransGroup

- Overall TransGroup experienced 7.5% growth in revenues 2017 versus 2016 while Q4 2017 revenues showed a small increase over Q4 2016 and an increase in profits

Scan Bidco

- The Scan Global Logistics A/S Group have seen strong activity and revenue growth in Q4 driven by an increase in volumes within all main products (Air, Ocean and Road)
- The Aid, Development and Projects (ADP) division has experienced increased revenues compared to Q3 as well as a strengthened pipeline and no customer attrition, however at lower margins than in previous periods
- Q4 has been a transition period with renewals of contracts with some larger customers

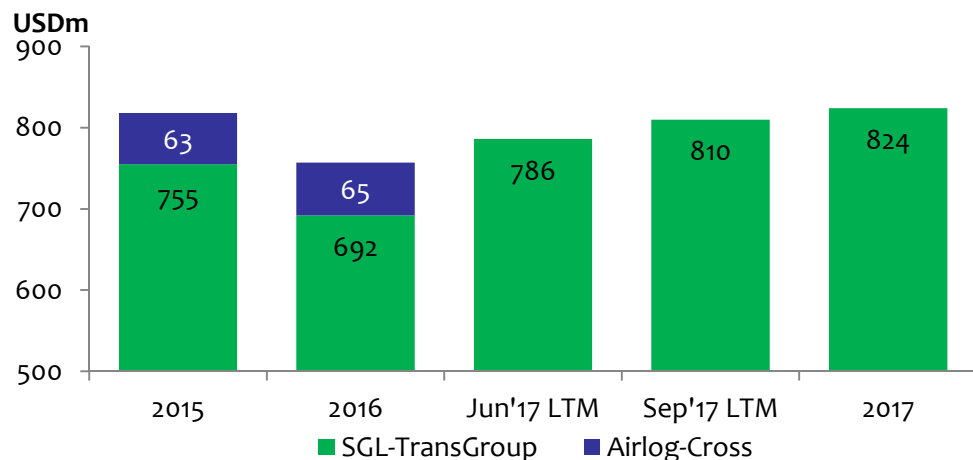
Key financials

USD '000	Q4 2017	Q3 2017	Q2 2017	Q1 2017	2017
Revenue	220,443	202,773	211,053	179,927	814,196
Cost of operation	-189,230	-172,802	-180,441	-151,989	-694,462
Gross profit	31,213	29,971	30,612	27,938	119,734
Other external expenses	-4,494	-3,895	-7,911	-5,646	-21,946
Staff costs	-21,022	-20,758	-19,109	-16,560	-77,449
EBITDA before special items	5,697	5,318	3,592	5,732	20,339
Depreciation of tangibles	-412	-340	-362	-303	-1,417
Amortisation of intangibles	-2,448	-1,665	-2,582	-2,547	-9,242
EBIT before special items	2,837	3,313	648	2,882	9,680
Special items	-2,805	-185	-364	0	-3,354
EBIT	32	3,128	284	2,882	6,326
Net financial items	-3,267	-3,827	-4,090	-3,900	-15,084
Result before tax	-3,235	-699	-3,806	-1,018	-8,758
Tax on profit	2,662	-841	922	-223	2,520
Result of the period	-573	-1,540	-2,884	-1,241	-6,238
Gross margin*	14.2 %	14.8 %	14.5 %	15.5 %	14.7 %
EBITDA margin*	2.6 %	2.6 %	1.7 %	3.2 %	2.5 %

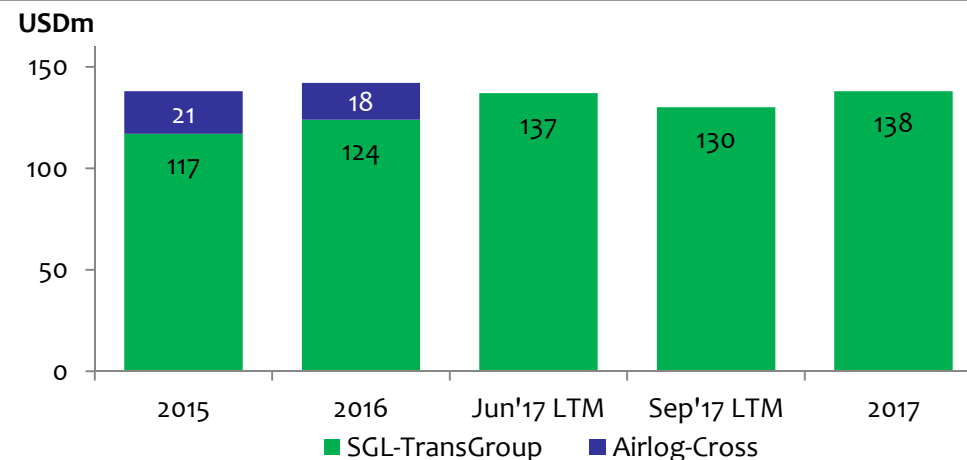
USDm	Dec. 2017	Sep. 2017	Jun. 2017	Mar. 2017
Net interest bearing debt	198	203	195	182
Net leverage	8.6x	8.2x	7.2x	5.8x

Pro forma development

Combined revenue development*

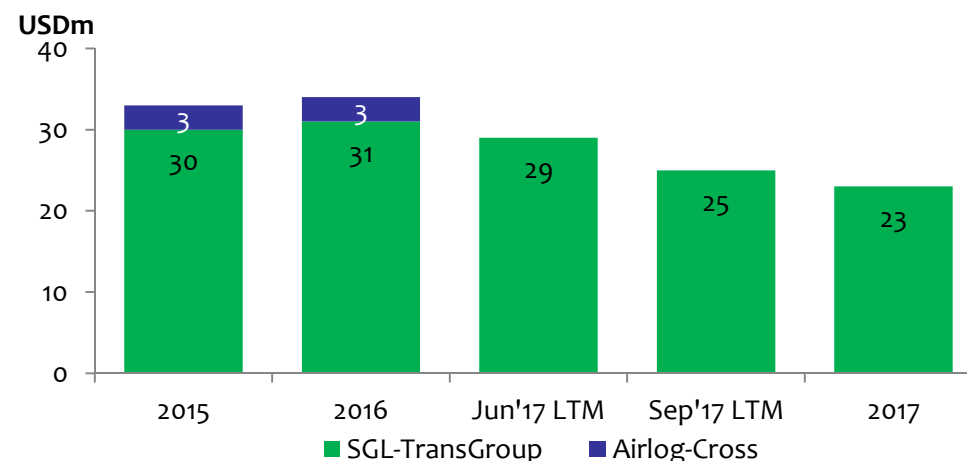


Combined gross profit development



- On a pro forma level, the company generated revenues of USD 824m in 2017 equal to a 1.7% increase over LTM Sep'17 and 19% over 2016
- 2017 gross profit amounted to USD 138 million compared to USD 130 million per end of September 2017
 - SGL experienced gross margin pressure throughout 2017 where especially Q4 was a transition period with renewals of contracts with larger customers. Furthermore the weakening of the USD/DKK exchange rate had a negative impact of USD 2.5m. TGL also experienced margin pressure in 2017 materializing in a slight decrease YoY
- The negative trend in LTM EBITDA continued in Q4 on the back of the declining gross margin
- Adjusted EBITDA amounted to USD 23 million in 2017, equal to a EBITDA margin of 2.8%
- EBITDA has been adjusted for non-recurring items in connection with the acquisitions

Combined EBITDA development



* The combined revenue is now adjusted to show the net consolidated revenue. Note: The pro forma figures illustrates the development if the acquisitions had been effective as from 1 January 2015 (excl. holding costs). From June 2017, the figures are shown on combined group level as the Airlog activities are integrated in the SGL business and Crosseurope is added. Please see the full interim report for more details.

Integration process

Integration

- As part of our strategy, we have started several work streams in a global integration. These work streams are focused on Finance, IT and Marketing
- The short term targets are to create one global finance organization to secure finance and business partnering for the business. Long term systems, toolboxes and process optimizations are priorities
- The IT roadmap is defined and agreed. System and tools will be amended to meet customers needs and integrated in the organization successively
- Global Marketing will start merging brands, i.e. logos, websites and external material. The exercise will be founded in insights from customers, market and employees.



Group structure – AEA SGLT Holding II LP

