

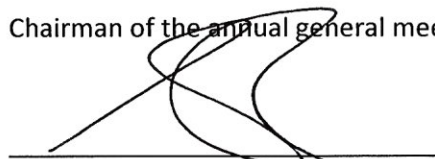
Scan Global Logistics Holding ApS

Kirstinehøj 7, 2770 Kastrup
CVR no. 30 17 74 60

Annual Report 2016

Approved at the annual general meeting of shareholders on 6 June 2017.

Chairman of the annual general meeting:



Claes Brønsgaard Pedersen

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Company details

Name	:	Scan Global Logistics Holding ApS
Address, Postal code, Town	:	Kirstinehøj 7, 2770 Kastrup
CVR No.	:	30 17 74 60
Registered office	:	Tårnby (Copenhagen)
Financial year	:	1 January - 31 December
Website	:	www.scangl.com
E-mail	:	headoffice@scangl.com
Telephone	:	(+45) 32 48 00 00
Board of Directors	:	Jesper Nielsen, Chairman Claes Brønsgaard Pedersen, Deputy chairman Jørgen Agerbro Jessen Allan Dyrgaard Melgaard
Executive Board	:	Jesper Nielsen
Bankers	:	Jyske Bank A/S
Auditors	:	Ernst & Young, Godkendt Revisionspartnerselskab
Address, Postal code, Town	:	Osvold Helmuhs Vej 4, P O Box 250, 2000 Frederiksberg, Denmark
CVR no.	:	30 70 02 28

Management's review

In 2016 AEA investors and Co-investors together with TTGR Holdings shareholders (former owned 24% of SGL Holding) in joint co-operation through a new established company Scan Bidco A/S acquired 100% of the shares in Scan Global Logistics Holding ApS.

The new parent company Scan Bidco A/S has published an Annual Report for 2016 which includes consolidated financial statements for the Group.

Further the operating Group, Scan Global Logistics A/S has published an Annual Report for 2016 which also includes consolidated financial statements for the Group.

The Annual Reports are available on cvr.dk and on the web-site: scangl.com.

Scan Global Logistics Holding ApS has applied the exemption provisions in § 112 of the Danish Financial Statements Act on the omission of consolidated financial statements, as this is prepared in the parent company Scan Bidco A/S.

The Annual Report of Scan Global Logistics Holding ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards class B enterprises.

The Company's business review

The Company's purpose is to own investments in the SGL Group.

Financial review

Investment in group entities:

In 2016 the shares in Scan Global Logistics ApS was sold for a consideration of DKK 900 million.

Adjusted for net debt in Scan Global Logistics Holding ApS the fair value of the investment in the SGL Group was DKK 1,148 million at the time of acquisition 2 August 2016.

The cost and carrying amount of the investment in SGL Group as of 31 December 2016 is DKK 668 million.

Therefore there is no indication of the need for impairment of the investment.

Bond loan:

A redemption of the bond loan of DKK 350 million (DKK 375 million less of own bonds DKK 25 million), was done in August 2016 and instead the financing is now through an intercompany loan received from Scan Bidco A/S.

The redemption was above par, thereby a loss of DKK 10,5 million was expensed in the income statement.

The new parent company, Scan Bidco A/S, has issued a new bond loan to finance the acquisition.

Management's review (continued)

Incentive schemes:

In 2016, all schemes related to the warrant programme for key employees was exercised at company exit 1 August 2016.

467,502 shares were issued whereby the equity increased by DKK 65 million.

Please see the note on staff costs in the Annual Report for Scan Global Logistics A/S for further information.

Income statement:

A dividend of DKK 120 million was received from the SGL Group during 2016.

Profit for the year was DKK 68 million. Corrected for above redemption loss of DKK 10,5 million the profit would have been DKK 58 million, which is in line with expectations.

In 2015 profit for the year was DKK 245 million. Corrected for reversal of write down on investment in group entity the profit was DKK 27 million.

Profit for the year 2017 is expected to be positive.

Equity and equity ratio:

As at 31 December 2016 the company's equity was DKK 483 million (2015: DKK 350 million) corresponding to an equity ratio of 59% (2015: 46%).

Recognition and measurement uncertainties

Regarding the measurement 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.

Post balance sheet events

During November 2016 Scan Global Logistics A/S signed an agreement to acquire 100% of the shares in the Swedish-based company Airlog Group Holding AB in order to strengthen the position in the Nordics and particular in Sweden. Approval from the Danish competition authorities was obtained in January 2017 and the acquisition took effect on 6 March 2017.

Under the terms of the agreement, Scan Global Logistics A/S acquired Airlog Group Holding AB for a consideration of SEK 200 million. In addition an earn-out agreement with a maximum of SEK 15 million has been concluded.

To finance the acquisition of DKK 168 million a capital increase of DKK 127 million was made in March 2017 from Scan Bidco A/S through Scan Global Logistics Holding ApS to Scan Global Logistics A/S and DKK 71 million in intercompany loan from Scan Bidco A/S was lent to Scan Global Logistics A/S.

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

Statement by the Board

Statement by the Board of Directors and the Executive 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 - 31 December 2016.

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


In our opinion, the 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 Company's operations for the financial year 1 January - 31 December 2016.

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, 6 June 2017

Executive Board:



Jesper Nielsen

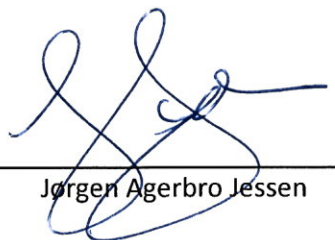
Board of Directors:



Jesper Nielsen
Chairman



Claes Brønsgaard Pedersen
Deputy chairman



Jørgen Agerbro Jessen



Allan Dyrgaard Melgaard

To the shareholders of Scan Global Logistics Holding ApS

Opinion

We have audited the financial statements of Scan Global Logistics Holding ApS for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the 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 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and 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 financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 financial statements unless Management either intends to liquidate 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on our procedures, we conclude that the Management's review is in accordance with the 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 the Management's review.

Copenhagen, 6 June 2017

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Eskild N. Jakobsen
State Authorised Public Accountant



Allan Nørgaard
State Authorised Public Accountant

Income statement

(DKKt)		2016	2015
Notes			
	Other external expenses	-16,118	-3,533
	Gross profit	-16,118	-3,533
3	Staff costs	0	0
	Operating profit	-16,118	-3,533
	Income from investments in Group entities	120,000	252,503
4	Financial income	2,440	23,910
5	Financial expenses	-43,349	-29,999
	Profit before tax	62,973	242,881
6	Tax for the year	5,367	1,988
	Profit for the year	68,340	244,869
Recommended appropriation of the profit for the year			
	Retained earnings	68,340	244,869
	Total	68,340	244,869

(DKKt)			
Notes	ASSETS	2016	2015
	Fixed assets		
7	Investments in Group entities	667,503	667,503
	Total financial assets	667,503	667,503
	Total fixed assets	667,503	667,503
	Current assets		
	Receivable from Scan Global Logistics A/S	80,000	80,000
	Receivables from group entities	77,671	0
	Deferred tax assets	0	3,757
	Other receivables	249	241
	Total receivables	157,920	83,998
	Cash	477	2,943
	Total current assets	158,397	86,941
	Total assets	825,900	754,444

(DKKt)			
Notes	Equity and liabilities	2016	2015
	Equity		
8	Share capital	3,531	3,063
	Retained earnings	479,761	346,527
	Total equity	483,292	349,590
	Liabilities		
	Payable to Scan Bidco A/S	297,931	0
	Bond debt	0	341,370
9	Long-term liabilities	297,931	341,370
	Payables to group entities	43,893	58,503
	Income taxes payable	573	4,881
	Other payables	211	100
	Short-term liabilities	44,677	63,484
	Total liabilities	342,608	404,854
	Total equity and liabilities	825,900	754,444

Statement of changes in equity

(DKKt)		Share capital	Retained earnings	Total
2016	Equity at 1 January 2016	3,063	346,527	349,590
	Warrants issued, payments received	0	136	136
	Warrants exercised, payments received	468	64,758	65,226
	Profit for the year, cf. appropriation of profit	0	68,340	68,340
	Equity at 31 December 2016	3,531	479,761	483,292
2015	Equity at 1 January 2015	3,063	100,861	103,924
	Warrants issued, payments received	0	797	797
	Profit for the year, cf. appropriation of profit	0	244,869	244,869
	Equity at 31 December 2015	3,063	346,527	349,590

The Annual Report of 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.

The company has applied the exemption provisions in § 112 of the Danish Financial Statements Act on the omission of consolidated financial statements, as this is prepared in the parent company Scan Bidco A/S.

Change in accounting policies

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. The following has been changed as a consequence of the implementation:

Before 2016 dividend received from group entities was recognised in the income statement in so far as the dividend did not exceed the accumulated earnings in the group entity in the period of ownership. As from 2016 the full dividend received from group entities is recognised in the income statement regardless of prior year earnings.

The amendment act has no impact on the comparative figures for the financial year 2015.

Besides, from above the financial statements have been prepared based on the same accounting policies as last year.

Reporting currency

The financial statements are presented in Danish kroner and all values are rounded to the nearest thousand, except when otherwise indicated.

Income statement

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to administration and audit fees, etc.

Income from investments in Group entities

The item comprises writedowns and reversal of writedowns and dividend received from group 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

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The parent company and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Investments in Group entities

Investments in group entities are measured at cost.

If the cost exceeds the recoverable value, the cost is written down to this lower value.

Writedowns to a lower value and reversals hereof are taken to the income statement.

Impairment of fixed assets

Every year, investments in group entities are reviewed for impairment.

Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows.

The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value.

Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired.

Provisions are made to the lower of the net realisable value and the carrying amount.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Corporation tax*Income taxes payable:*

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Deferred tax:

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax is measured according to the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

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 net realisable value.

Note

2 Recognition and measurement uncertainties (DKKt)
2016: Investment in group entities:

In 2016 the shares in Scan Global Logistics ApS was sold for a consideration of DKK 900 million.

Adjusted for net debt in Scan Global Logistics Holding ApS the fair value of the investment in the SGL Group was DKK 1,148 million at the time of acquisition 2 August 2016.

The cost and carrying amount of the investment in SGL Group as of 31 December 2016 is DKK 668 million.

Therefore there is no indication of the need for impairment of the investment.

2015: Impairment test of investment:

Scan Global Logistics Holding ApS has recognised investment in Scan Global Logistics A/S at cost of DKK 668 million.

The parent company has prepared an impairment test of the recognised investment in Scan Global Logistics A/S.

The most significant assumptions for this are:

- In the calculation a WACC of 10% has been applied.
- A budget period of 7 years with a subsequent terminal period is applied.
- An expectation has been applied in which Scan Global Logistics A/S is expected to grow with the expected annual market growth of 2% from 2020 and forward.
- An increase in EBITDA margins to 3.5% - 3.7%.

Notes to the Income statement

Note	(DKKt)	2016	2015
3	Staff costs		

	Number	Number
Average number of employees	0	0
Remuneration to members of management:		
Executive Board	0	0
Board of Directors	0	0
Total	0	0

Share-based payments:

The purpose of Scan Global Logistics Holding ApS' share-based payment schemes is to motivate and retain employees and management and to encourage common goals for employees, management and shareholders.

All schemes issued are exercisable through share settlement only (equity-settled schemes).

2016:

In 2016, all schemes related to the warrant programme for key employees was exercised at company exit 1 August 2016.

467,502 shares were issued whereby the equity increased by DKK 65 million.

2015:

Warrant programme established in 2015:

The programme was offered to the Executive Board and senior management.

The warrants provided the warrant holders with the right to subscribe for a total of up to DKK 179,271 B-shares, each with a nominal value of DKK 1.

The warrant holders could subscribe for warrants until 1 October 2015. Payment for the warrants is recognised under equity.

At 31 December 2015, the programme comprised 179,271 warrants.

Notes to the Income statement

Note	(DKKt)	2016	2015
4	Financial income		
	Interest income from group entities	2,440	1,244
	Gain on loans	0	22,500
	Other interest income	0	166
	Total financial income	2,440	23,910

5	Financial expenses	2016	2015
	Interest expenses to group entities	8,820	1,576
	Other interest expenses	34,529	28,423
	Total financial expenses	43,349	29,999

6	Tax for the year	2016	2015
	Current tax on profit for the year (income)	9,124	5,267
	Change in deferred tax for the year (expense)	-3,757	-3,279
	Total tax for the year (income)	5,367	1,988

Notes to the Balance sheet

Note	(DKKt)	2016	2015
7	Investments in group entities		
Cost			
	Cost at 1 January	667,503	667,503
	Cost at 31 December	667,503	667,503
Impairment losses			
	Impairment losses at 1 January	0	217,503
	Other adjustments, investments	0	-217,503
	Impairment losses at 31 December	0	0
	Carrying amount at 31 December	667,503	667,503

Please see Note 2 Recognition and measurement uncertainties for a description of judgements made.

Subsidiaries	Domicile	Interest (%)	Equity	Profit/loss
Scan Global Logistics A/S	Tårnby	100	58,404	38,743

Notes to the Balance sheet

Note	(DKKt)	2016	2015
8	Share capital		
<i>The parent's share capital of DKK 3,063 thousand comprises:</i>			
	1,638,024 A-shares of DKK 1,00 each	1,638	1,530
	1,892,811 B-shares of DKK 1,00 each	1,893	1,533
	Total share capital	3,531	3,063

In 2016 the share capital was increased from DKK 3,063 thousand by DKK 468 thousand to DKK 3,531 thousand.

In 2011 the share capital was increased from DKK 1,520 thousand by DKK 1,543 thousand to DKK 3,063 thousand.

9	Long-term liabilities	2016	2015
	Falling due between 1 and 5 years	0	341,370
	Falling due after more than 5 years	297,931	0
	Total long-term liabilities	297,931	341,370
	Current portion of long-term liabilities	0	0

A redemption of the bond loan of DKK 350 million (DKK 375 million less of own bonds DKK 25 million), was done in August 2016 and instead the financing is now through an intercompany loan received from Scan Bidco A/S.

The redemption was above par, thereby a loss of DKK 10,5 million was expensed in the income statement together with prior years capitalised loan costs of DKK 9 million.

The new parent company Scan Bidco A/S has issued a new bond loan to finance the acquisition. The intercompany interest rate is 7.7% and the interest is paid quarterly. The intercompany debt has to be repaid in 2022.

10	Security for loans	2016	2015
As security for bond debt in Scan Bidco the Company have placed assets as security.			
<i>Breakdown of the security and the carrying amount:</i>			
	Receivables from group entities as security for bond debt	80,000	80,000
	Total carrying amount and security	80,000	80,000

In 2015 the shares in the subsidiary Scan Global Logistics A/S were pledged as security for bond debt in the parent company Scan Global Logistics Holding ApS.

In 2016 the shares in Scan Global Logistics A/S is now pledged as security for bond debt in Scan Bidco A/S, as well as the shares in Scan Global Logistics Holding ApS.

Supplementary notes

Note (DKKt) 11 **Contingent liabilities and other financial obligations**

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

As of 2 August 2016 the new parent company Scan Bidco A/S became management company and further 3 companies were included in the joint taxation.

12 **Related parties**

2016:	<i>Information about related parties with a controlling interest:</i>		Basis for control
	Related Party	Domicile	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 ApS (owned by ApS af 1. november 2006)	Denmark	PI*
	Scan Bidco A/S (direct and indirect owner of the Company)	Denmark	100%
	*PI: Participating interest		
	<i>Ultimate owner with controlling interest:</i>		
	AEA SGLT Holding I LP (all financial rights)	Denmark	100%
2015:	<i>Information about related parties with a controlling interest:</i>		Basis for control
	Related Party	Domicile	control
	MMG ApS	Denmark	PI*
	TTGR Holding ApS	Denmark	PI*
	Anpartsselskabet af 1. november 2006	Denmark	PI*
	Nidovni HH A/S	Denmark	PI*
	<i>Ultimate owner with controlling interest:</i>		
	BWB Partners P/S	Denmark	PI*
	*PI: Participating interest		