



SCAN
GLOBAL LOGISTICS

TRANSGROUP
GLOBAL LOGISTICS

AEA SGLT Holding II LP

- Summary of the Q2 interim report 2017

Key market developments

Ocean freight

- We continue to see a strong demand and growth in the ocean of approx 7%. The expectation is +6% for the full year 2017 which is the strongest growth since 2011
- The Transpacific trade has had a strong quarter during Q2 2017. The import volumes from Asia to the US has grown 4.4% during the first half year of 2017
- The Asia-Europe trade was challenged by lack of space and a rate pressure during Q2 . The significant YoY volume and price per container increase (both east and west bound) experienced in Q1 has stabilized at a high level in Q2. The supply and demand balance remained in favor of the carriers capitalizing with constant high rates.
- The consolidation of the container carriers are continuing in 2017 and the number of top carriers are being reduced by mergers and acquisitions

Airfreight

- We continue seeing a strong global airfreight market for the second quarter (Q2) 2017. Worldwide Air Cargo in chargeable weight, increased by 10.4% for the first 6 months 2017 compared to the same period 2016 and this is the strongest growth seen since 2010
- In the same period the capacity in the market increased by approx. 4% and consequently we see increasing prices
- Planning and forecasting are crucial elements in navigating in this environment securing the cargo of existing customer to be handled, minimize lead times as well as having the customer understand the new price levels
- The outlook for the remaining part of 2017 is optimistic with a robust growth of +8% partly by new product launches from larger companies and with a more evenly spread demand Q3 to Q4 2017

Financial highlights

- The second quarter result of AEA SGLT Holding II LP resulted in USD 211.1 million in revenue and a ~17% increase vs. Q1 2017. EBITDA before special items amounted to USD 3.6 million
- The Swedish based company, Crosseurope, was acquired in June 2017 in order to strengthen the position in the Swedish road market
 - Crosseurope contributed by USD 4.5 million in revenue and USD 0.6 million in EBITDA
- The total Q2 gross profit was USD 30.6 million and the gross margin equals 14.5%
- The total SG&A costs of USD 27 million mainly comprises of salary related costs, travel and rent. The increase since Q1 is due to the acquisitions of Airlog and Crosseurope with full impact in Q2. TransGroup experienced an increase of USD 1.7 million since Q1 due to non-recurring advisory costs and the full impact of expanding the station network
- As per 30 June, the equity ratio was 32.3% and the consolidated net interest bearing debt amounted to USD 195 million resulting in a NIBD/EBITDA of 6.7x as per LTM Jun'17

TransGroup

- TransGroup experienced a strong growth in revenues compared to Q1 2017. The increase reflects a generally strong macro economic trend in the US as well as organic growth resulting in international growth particular within the corporate stations
- The strengthened US dollar seems not to have any material negative impact on the business

Scan Bidco

- The Scan Bidco Group did have positive revenue growth throughout Q2 2017 driven by higher volumes within all main products (Air , Ocean and Road). The general margin pressure in the market combined with a change in the sea carriers behaviour continued to have a significant impact on the Q2 2017 earnings, especially due to the increased sea freight rates on the core trade lanes since 2016. The Aid, Development and Projects (ADP) division experience increasing revenues compared to Q1 as well as a strengthen pipeline and no customer attrition
- The acquisition of Crosseurope was completed in June 2017 and effective as of 1 January 2017

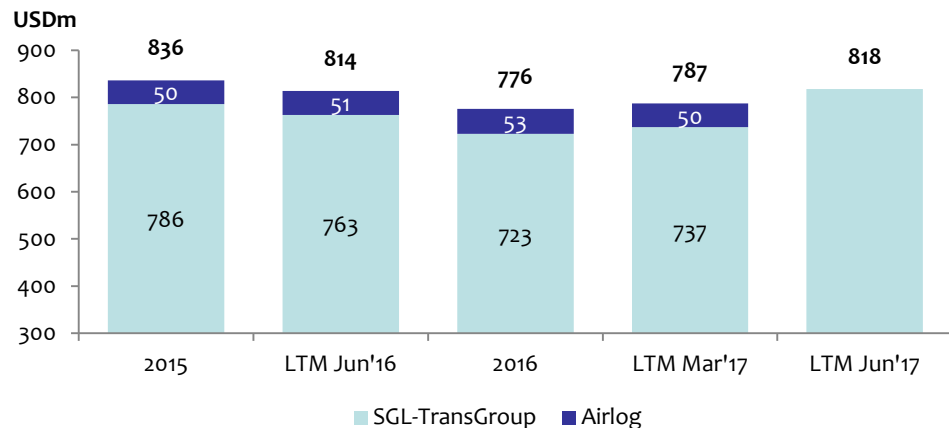
Key financials

USD '000	Q2 2017	Q1 2017	YTD 2017
Revenue	211,053	179,927	390,980
Cost of operation	-180,441	-151,989	-332,430
Gross profit	30,612	27,938	58,550
Other external expenses	-7,911	-5,646	-13,557
Staff costs	-19,109	-16,560	-35,669
EBITDA before special items	3,592	5,732	9,324
Depreciation of tangibles	-362	-303	-665
Amortisation of intangibles	-2,582	-2,547	-5,129
EBIT before special items	648	2,882	3,530
Special items	-364	0	-364
EBIT	284	2,882	3,166
Net financial items	-4,090	-3,900	-7,990
Result before tax	-3,806	-1,018	-4,824
Tax on profit	922	-223	699
Result of the period	-2,884	-1,241	-4,125

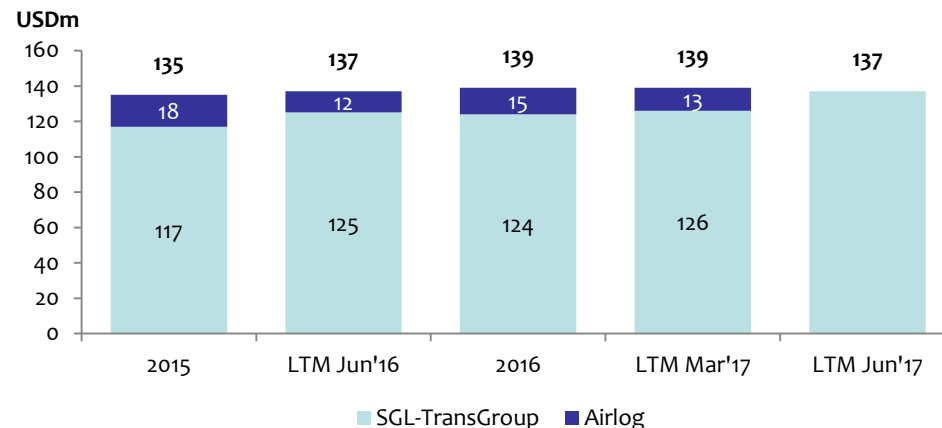
USDm	30 June 2017	31 March 2017
Net interest bearing debt	195	182
Net leverage	6.7x	5.8x

Pro forma development

Combined revenue development

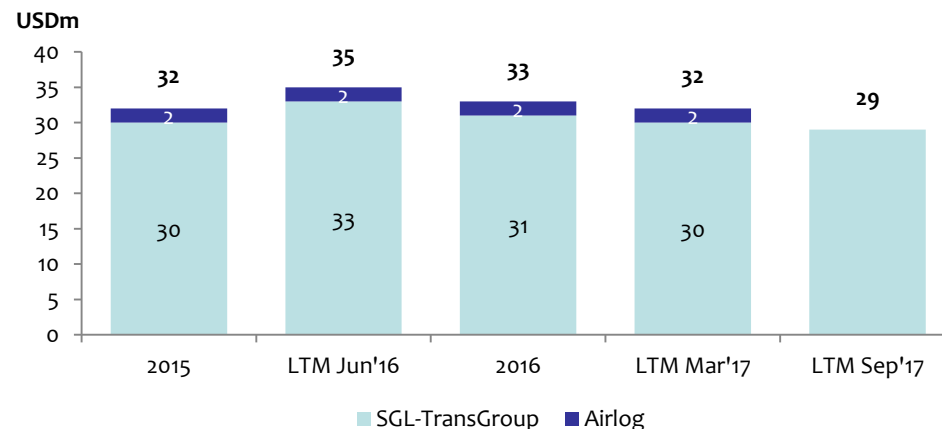


Combined gross profit development



- For 2016, TransGroup performed well on a year over year basis driven by an increase in air and ocean imports, while domestic shipments remained constant
- The Scan Bidco Group did have positive earnings trend throughout the H1 2016 driven by a strong performance from key entities. Specially during the latter part of H2 2016 the Scan Bidco Group experienced significant margin pressure due to the increased sea freight rates.
- Furthermore there was a decline in the ADP division mainly due to less volume from UNPD
- The EBITDA development shows the impact of the positive earnings trend in H1 2016 followed by a decline in projects sales and increasing margin pressure from higher sea freight rates
- On a pro forma level, the company generated revenues of USD 818m in LTM Jun'17, equal to a 5.4% increase over 2016. During the same period, adjusted EBITDA amounted to USD 29 million

Combined EBITDA development

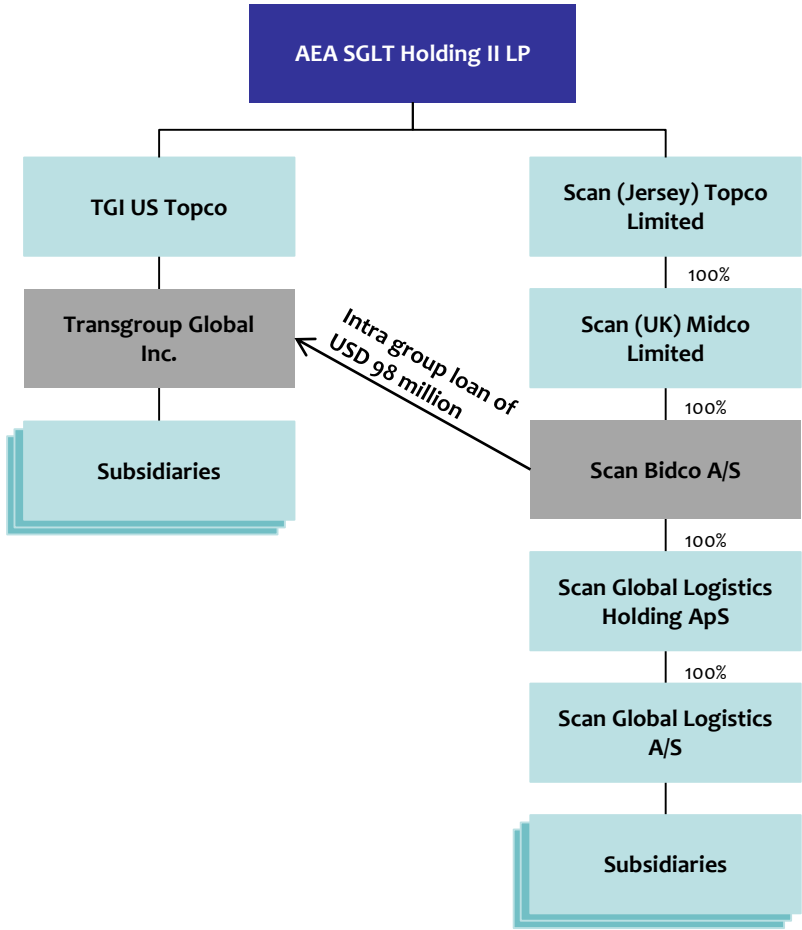


Integration process

Integration

- As part of our Strategy 2018 business plan, we have started several workstreams on global integration. These workstreams are focused on Finance, IT and Marketing
- Targets short term 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 during 2017. The exercise will be founded in insights from customers, market and employees

Group structure – AEA SGLT Holding II LP



Scan Bidco A/S is the Issuer of the outstanding bonds:

- ISIN: NO 0010768062
- ISIN: NO 0010768070