

# Scan Bidco A/S

Kirstinehøj 7, 2770 Kastrup  
CVR no. 37 52 10 43  
(Formation date 4 March 2016)

## Interim Financial Report Second quarter 2017

<b>Contents</b>	<b>Page</b>
Financial highlights	1
Company details	2
Legal entities in the Scan Bidco Group	3
Management's commentary	4
<b>Consolidated financial statements for the Scan Bidco Group</b>	
Consolidated income statement	6
Consolidated statement of comprehensive income	6
Consolidated balance sheet	7
Consolidated statement of changes in equity	9
Consolidated cash flow statement	10
<b>Notes to the consolidated financial statements</b>	
1 Segment information	11
2 Financial income	12
3 Cash & Liquidity	12
4 Receivable from Transgroup Global Inc. (TGI US Bidco Corp)	13
5 Bond debt	13
6 Investments in Group entities	14
7 Accounting policies	15
<hr/>	
<b>Financial statements for the Parent Company Scan Bidco A/S</b>	
Income statement	16
Statement of comprehensive income	16
Balance sheet	17
Statement of changes in equity	18
Cash flow statement	19
<b>Notes to the financial statements</b>	
1 Accounting policies	20
<hr/>	
Management's statement	21

**Financial highlights for the Scan Bidco Group**

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
<b>Key figures (in DKK thousands):</b>				
<b>Income statement</b>				
Revenue	846,602	0	1,582,932	0
<b>Gross profit</b>	<b>132,032</b>	<b>0</b>	<b>248,018</b>	<b>0</b>
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	7,458	0	16,996	0
Earnings Before Interest, Tax, Amortisation (EBITA) and special items	5,076	0	12,581	0
<b>Operating profit (EBIT) before special items</b>	<b>-1,424</b>	<b>0</b>	<b>-419</b>	<b>0</b>
Special items	-2,407	0	-2,407	0
Net financial expenses	-13,317	0	-26,588	0
<b>Profit/loss before tax</b>	<b>-17,148</b>	<b>0</b>	<b>-29,414</b>	<b>0</b>
<b>Profit/loss for the period</b>	<b>-16,576</b>	<b>0</b>	<b>-28,095</b>	<b>0</b>
<b>Cash flow</b>				
Cash flows from operating activities before special items and interest			-62,264	-7,811
Cash flows from operating activities			-95,597	-7,811
Investments in software			-4,575	0
Investments in property, plant and equipment			-4,254	0
Investments in Group entities			-175,147	0
<b>Cash flows from investing activities</b>			<b>-183,975</b>	<b>-12,932</b>
<b>Free Cash flow</b>			<b>-279,572</b>	<b>-20,743</b>
Cash flows from financing activities			106,914	561,851
<b>Cash flow for the period</b>			<b>-172,658</b>	<b>541,109</b>
<b>Financial position</b>				
Total equity			664,774	500
Equity attributable to parent company			665,081	500
Net interest bearing debt (NIBD)			644,566	116,206
Total assets			2,536,882	670,764
<b>Financial ratios in %</b>				
Gross margin*	15.6	0.0	15.7	0.0
EBITDA margin*	0.9	0.0	1.1	0.0
EBIT margin*	-0.2	0.0	0.0	0.0
Equity ratio	26.2	0.0	0.0	0.1
*before special items				
<b>Number of full time employees at period end</b>	876		876	

For definition of financial ratios please see note 6 Accounting policies.

## Company details

Name	:	<b>Scan Bidco A/S</b>
Address, Postal code, Town	:	Kirstinehøj 7, 2770 Kastrup, Denmark
CVR No.	:	37 52 10 43
Registered office	:	Tårnby (Copenhagen)
Financial year	:	1 January - 31 December
Website	:	<a href="http://www.scangl.com">www.scangl.com</a>
E-mail	:	<a href="mailto:headoffice@scangl.com">headoffice@scangl.com</a>
Telephone	:	(+45) 32 48 00 00
Contact details	:	Claes Brønsgaard Pedersen, Group CFO
Telephone	:	(+45) 32 48 00 00
Board of Directors	:	John Cozzi, Chairman Alan Wilkinson Todd Welsch
Executive Board	:	Todd Welsch
Parent company of Scan Bidco A/S	:	Scan (UK) Midco Limited
Ultimate owner	:	AEA SGLT Holding I LP
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/VAT no.	:	30 70 02 28

## Legal entities in the Scan Bidco Group

Company name	Country	Currency	Nominal capital	Ownership interest
Scan Bidco A/S				
Anpartsselskabet af 1. november 2006*	Denmark	DKK	6,355,600	100%
Nidovni HH ApS*	Denmark	DKK	18,598,000	100%
TTGR Holding ApS*	Denmark	DKK	500,000	100%
Scan Global Logistics Holding ApS*	Denmark	DKK	3,530,502	100%
Scan Global Logistics A/S	Denmark	DKK	1,902,000	100%
SGL Road ApS	Denmark	DKK	500,000	100%
SGL Road AB	Sweden	SEK	100,000	80%
ScanAm Global Logistics AB	Sweden	SEK	100,000	100%
Crosseurope AB	Sweden	SEK	100,000	100%
Airlog Group Holding AB*	Sweden	SEK	2,000,000	100%
Airlog Group Sweden AB	Sweden	SEK	2,000,000	100%
Airlog Group Denmark A/S	Denmark	DKK	500,000	100%
Pro Logistics i Helsingborg AB	Sweden	SEK	100,000	100%
AirLog Air Logistics AB	Sweden	SEK	100,000	100%
Airlog Group Express AB	Sweden	SEK	1,000,000	100%
Connect Logistics ApS	Denmark	DKK	50,000	100%
Airlog Group Fur OY	Finland	EUR	2,500	100%
Airlog Group AS	Norway	NOK	30,000	100%
Scan Global Logistics AS	Norway	NOK	150,000	100%
Scan Global Logistics (Finland) Oy	Finland	EUR	2,523	100%
Scan Global Logistics K.K.	Japan	JPY	15,000,000	100%
Scan Global Logistics Ltd.	China	USD	1,650,000	100%
Scan Global Logistics Ltd.	Hong Kong	HKD	500,000	100%
Connect Air (HK) Ltd.	Hong Kong	HKD	300,000	100%
Scan Global Logistics Ltd. (Branch)	Taiwan			100%
Scan Global Logistics Ltd.	Thailand	THB	5,000,000	100%
Scan Global Logistics Ltd.	Malaysia	MYR	2	100%
Connect Air (Malaysia) Ltd.	Malaysia	MYR	2	100%
Scan Global Logistics Pty. Ltd.	Australia	AUD	13	100%
Scan Global Logistics (Phil) Inc.	Philippines	PHP	4,000,000	40%
Scan Global Logistics Chile S.A.	Chile	CLP	179,872,000	100%
Scan Global Logistics (Vietnam) Ltd.	Vietnam	USD	100,000	100%
Scan Global Logistics Ltd.	Indonesia	IDR	252,015,000	100%
Scan Global Logistics Pte Ltd. (Singapore)	Singapore	SGD	100,000	100%

\*Holding companies.

## Management's commentary

Following the change of the ownership of Scan Global Logistics as of 2 August 2016, Scan Bidco A/S became the new Danish parent company of the SGL Group.

The purchase price for the SGL Group was paid through a share contribution, a capital increase and issuing of bonds.

As the first Scan Global Logistics activities in Scan Bidco A/S started as of 2 August 2016, then the comparison figures from the operation for 2016 will be included the future quarterly statements as from Q3 2017. However the balance sheet comparison figures as of 30 June 2016 do include the initial capital entries.

### **AEA SGLT Holding I LP**

The indirect owner of Scan Bidco A/S, AEA SGLT Holding I LP, did also acquire the US based freight forwarding company TransGroup as of 1 October 2016 and a part of the Bond loan within the Scan Bidco has been allocated to this acquisition and stated as a long term receivable of DKK 639 million.

### **Scan Bidco A/S**

The subsidiary company Scan Global Logistics A/S acquired the Swedish based company Crosseurope AB in Q2 effective January 2017 in order to strengthen the position in the Swedish Road market.

The full year revenue 2016 of Crosseurope was SEK 98 million (DKK 77 million)

### *Profit for the period*

The second quarter (Q2) 2017 consolidated financial statement describes operating results of the Scan Global Logistics A/S Group including the new ownership of Crosseurope.

The Q2 2017 revenue and EBITDA before special items comprise of DKK 847 million and DKK 7 million respectively.

The Q2 2017 revenue was DKK 110 million and 15% above Q1 2017 including Crosseurope that contributed by DKK 30 million.

The Scan Global Logistics A/S Group did have positive revenue growth throughout Q2 2017 driven by an increase in 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 total Q2 Gross profit was DKK 132 million and the gross margin equals 15.6%.

The net financial expenses of DKK 13 million in Q2 2017 mainly comprise interest on the bond debt. Please note that the interest income included the intercompany loan to Transgroup Global Inc. (the parent company of TransGroup). Please refer to note 2, 4 and 5 for further information.

## Management's commentary

### *Cash Flows*

The acquisition of the Airlog Group and Crosseurope during Q1 and Q2 generated a cash out flow from investing activities of DKK 175million.

This was financed through a capital increase of DKK 79 million and cash proceeds from issuing of bonds in Q4 2016 and partly by an intercompany loan of DKK 40 million in Q2.

Other investments comprise mainly software and IT equipment DKK 9 million in H1 2017.

Furthermore Scan Global Logistics A/S did acquire a non-controlling interest part in a subsidiary company value DKK 12 million.

The working capital did increase by DKK 76 million since December 2016 and primarily due to an increase in account receivables in Denmark and in the ADP Division.

### *Capital structure*

The equity attributable to the Parent company was DKK 665 million with an equity ratio of 26.2% as per 30 June 2017.

The equity was mainly affected by a capital increase of DKK 79 million due to the acquisition of the Airlog Group.

### *Net interest bearing debt (NIBD)*

Consolidated net interest bearing debt amounted to DKK 645 million. The debt is due to the acquisition of the SGL Group, the Airlog Group and Crosseurope.

The issued bonds of DKK 625 million and USD 100 million were listed on the Nasdaq Stock Exchange in Stockholm in June 2017.

(DKKt)		Group			
Notes	Consolidated income statement	Q2 2017	Q2 2016	YTD 2017	YTD 2016
1	Revenue	846,602	0	1,582,932	0
	Cost of operation	-714,570	0	-1,334,914	0
	<b>Gross profit</b>	<b>132,032</b>	<b>0</b>	<b>248,018</b>	<b>0</b>
	Other external expenses	-29,324	0	-53,124	0
	Staff costs	-95,249	0	-177,898	0
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>7,458</b>	<b>0</b>	<b>16,996</b>	<b>0</b>
	Depreciation of software and tangible assets	-2,383	0	-4,415	0
	<b>Earnings before Interest, Tax, Amortisation and special items</b>	<b>5,076</b>	<b>0</b>	<b>12,581</b>	<b>0</b>
	Amortisation of customer relations and trademarks	-6,500	0	-13,000	0
	<b>Operating profit before special items</b>	<b>-1,424</b>	<b>0</b>	<b>-419</b>	<b>0</b>
	Special items	-2,407	0	-2,407	0
	<b>Operating profit (EBIT)</b>	<b>-3,831</b>	<b>0</b>	<b>-2,826</b>	<b>0</b>
2	Financial income	3,616	0	77,627	0
	Financial expenses	-16,933	0	-104,215	0
	<b>Loss before tax</b>	<b>-17,148</b>	<b>0</b>	<b>-29,414</b>	<b>0</b>
	Tax on profit for the period	572	0	1,319	0
	<b>Loss for the period</b>	<b>-16,576</b>	<b>0</b>	<b>-28,095</b>	<b>0</b>
	<b>Total income for the year attributable to</b>				
	Owners of the parent	-16,828	0	-28,342	0
	Non-controlling interests	252	0	247	0
	<b>Total</b>	<b>-16,576</b>	<b>0</b>	<b>-28,095</b>	<b>0</b>

(DKKt)		Group			
	Consolidated statement of comprehensive income	Q2 2017	Q2 2016	YTD 2017	YTD 2016
	<b>Loss for the period</b>	<b>-16,576</b>	<b>0</b>	<b>-28,095</b>	<b>0</b>
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>				
	Exchange rate adjustment	-2,010	0	-1,474	0
	<b>Other comprehensive income, net of tax</b>	<b>-2,010</b>	<b>0</b>	<b>-1,474</b>	<b>0</b>
	<b>Total comprehensive income for the period</b>	<b>-18,586</b>	<b>0</b>	<b>-29,569</b>	<b>0</b>
	<b>Total comprehensive income for the year attributable to</b>				
	Owners of the parent	-18,838	0	-29,816	0
	Non-controlling interests	218	0	247	0
	<b>Total</b>	<b>-18,620</b>	<b>0</b>	<b>-29,569</b>	<b>0</b>

(DKKt)	Consolidated balance sheet		Group	
Notes	30.06.2017	30.06.2016	31.12.2016	
<b>ASSETS</b>				
	1,001,347	0	806,123	
Goodwill	232,750	0	243,300	
Customer relations	45,450	0	47,900	
Trademarks	12,634	0	9,746	
Software	<b>1,292,181</b>	<b>0</b>	<b>1,107,069</b>	
<b>Intangible assets</b>				
<b>Property, plant and equipment</b>	<b>13,543</b>	<b>0</b>	<b>12,017</b>	
	638,738	12,932	691,307	
4 Receivable from Transgroup Global Inc.	9,498	108,895	7,752	
Other receivables	3,040	0	3,186	
Deferred tax asset	<b>651,276</b>	<b>121,827</b>	<b>702,245</b>	
<b>Financial assets</b>				
<b>Total non-current assets</b>	<b>1,956,999</b>	<b>121,827</b>	<b>1,821,331</b>	
	493,407	0	397,932	
Trade receivables	847	0	739	
Receivables from group entities	2,847	0	2,131	
Income taxes receivable	32,408	7,829	20,678	
Other receivables	15,232	0	7,250	
Prepayments	35,142	541,108	176,811	
3 Cash and cash equivalents	<b>579,883</b>	<b>548,937</b>	<b>605,541</b>	
<b>Total current assets</b>				
<b>Total assets</b>	<b>2,536,882</b>	<b>670,764</b>	<b>2,426,872</b>	

(DKKt)				Group
Notes	Consolidated balance sheet	30.06.2017	30.06.2016	31.12.2016
	<b>EQUITY AND LIABILITIES</b>			
	Share capital	500	500	500
	Share premium	726,434	0	647,216
	Currency translation reserve	-2,117	0	-643
	Retained earnings	-59,736	0	-20,835
	<b>Equity attributable to parent company</b>	<b>665,081</b>	<b>500</b>	<b>626,238</b>
	Non-controlling interests	-307	0	996
	<b>Total Equity</b>	<b>664,774</b>	<b>500</b>	<b>627,234</b>
5	Bond debt	1,258,503	670,246	1,310,317
	Earn-out provision	11,700	0	0
	Deferred tax liability	56,822	0	59,682
	<b>Total non-current liabilities</b>	<b>1,327,025</b>	<b>670,246</b>	<b>1,369,999</b>
3	Bank debt	41,796	0	10,807
	Trade payables	344,109	0	322,112
	Payables to group entities	39,707	0	0
	Deferred income	27,447	0	22,191
	Corporation tax	9,004	0	7,203
	Other payables	83,021	18	67,326
	<b>Total current liabilities</b>	<b>545,084</b>	<b>18</b>	<b>429,639</b>
	<b>Total liabilities</b>	<b>1,872,109</b>	<b>670,264</b>	<b>1,799,638</b>
	<b>Total equity and liabilities</b>	<b>2,536,882</b>	<b>670,764</b>	<b>2,426,872</b>

(DKKt)	Consolidated statement of changes in equity							Group
	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Total equity	
<b>Equity at 1 January 2017</b>	500	647,216	-643	-20,835	626,238	996	627,234	
<b>Profit for the period</b>	0	0	0	-28,342	-28,342	247	-28,095	
Currency exchange adjustment	0	0	-1,474	0	-1,474	-34	-1,508	
<b>Other comprehensive income, net of tax</b>	0	0	-1,474	0	-1,474	-34	-1,508	
<b>Total comprehensive income for the period</b>	0	0	-1,474	-28,342	-29,816	213	-29,603	
Addition due to acquisition	0	0	0	0	0	0	0	
Purchase of non-controlling interests	0	0	0	-10,559	-10,559	-1,516	-12,075	
Capital increase by cash payment	0	79,218	0	0	79,218	0	79,218	
Capital increase by contribution in kind	0	0	0	0	0	0	0	
<b>Total transactions with owners</b>	0	79,218	0	-10,559	68,659	-1,516	67,143	
<b>Equity at 30 June 2017</b>	500	726,434	-2,117	-59,736	665,081	-307	664,774	

(DKKt) Notes	Consolidated cash flow statement	YTD 2017	Group YTD 2016
	Operating profit (EBIT) before special items	-419	0
	Depreciation, amortisation and impairment	17,415	0
	Special items	-2,407	
	Exchange rate adjustments	-1,085	0
	Change in working capital	-75,768	-7,811
	<b>Cash flows from operating activities before special items and interest</b>	<b>-62,264</b>	<b>-7,811</b>
	Interest received	25,809	0
	Interest paid	-51,867	0
	Tax paid	-7,274	0
	<b>Cash flows from operating activities</b>	<b>-95,597</b>	<b>-7,811</b>
	Purchase of software	-4,575	0
	Purchase of property, plant and equipment	-4,254	0
6	Investments in Group entities	-175,147	0
	Loan to Transgroup Global Inc.	0	-12,932
	<b>Cash flows from investing activities</b>	<b>-183,975</b>	<b>-12,932</b>
	<b>Free cash flow</b>	<b>-279,572</b>	<b>-20,743</b>
	Capital increase	79,218	500
	Purchase of non-controlling interest	-11,905	0
	Payments to/from group entities	39,601	0
	Proceeds from issuing of bonds	0	561,351
	Redemption of bond loan	0	0
	Redemption of other acquisition debt	0	0
	<b>Cash flows from financing activities</b>	<b>106,914</b>	<b>561,851</b>
	<b>Change in cash and cash equivalents</b>	<b>-172,658</b>	<b>541,109</b>
	<b>Cash and cash equivalents</b>		
	Cash and cash equivalents at the beginning of the period	166,004	0
	Change in cash and cash equivalents	-172,658	541,109
3	<b>Net cash and cash equivalents at 30 June</b>	<b>-6,654</b>	<b>541,109</b>

Note: The change in the short term credit facility (30,989) and cash (141,669) = -172,658

Note (DKKt)  
 1 Segment information

 Group  
 30.06.2017

	Air		Sea		Road		Solution		Total	
	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016
Revenue (services)	649,118	0	821,481	0	243,615	0	58,810	0	1,773,025	0
Intercompany revenue	-77,075	0	-85,480	0	-27,539	0	0	0	-190,094	0
Net revenue (services)	572,044	0	736,001	0	216,077	0	58,810	0	1,582,932	0
Cost of operation	-476,819	0	-627,446	0	-176,470	0	-54,178	0	-1,334,914	0
<b>Gross profit</b>	<b>95,225</b>	<b>0</b>	<b>108,554</b>	<b>0</b>	<b>39,606</b>	<b>0</b>	<b>4,633</b>	<b>0</b>	<b>248,018</b>	<b>0</b>

Segments are monitored at gross profit level. The four segments are all using the Group's capacity, including headquarter costs.

For purchases and sales between group entities, the same pricing principles are applied as to transactions with external partners (the arm's length principle).

Note	(DKKt)	Group
<b>2</b>	<b>Financial income</b>	<b>30.06.2017</b>
	Financial income from Transgroup Global Inc.	25,454
	Other financial income (primarily exchange gain on bond loan)	52,173
	<b>Total financial income</b>	<b>77,627</b>

<b>3</b>	<b>Cash &amp; Liquidity</b>	<b>30.06.2017</b>		
		<b>Net Cash (+ = deposit)</b>	<b>Credit facilities</b>	<b>Liquidity reserve</b>
	<b>Scan Bidco Group</b>	-6,654	88,911	82,257

The Scan Bidco Group holds net negative bank liquidity of DKK 6,654 thousand. Total financial reserves (net bank liquidity and credit facilities) aggregates to DKK 82,257 thousand.

Note (DKKt)		Group
4	<b>Receivable from Transgroup Global Inc.</b>	30.06.2017
	Principal, USD 98,019 thousand, interest rate 7.70%	638,738
	<b>Total receivable from Transgroup Global Inc.</b>	<b>638,738</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Receivable falling due between 1 and 5 years (2021)	196,731
	Receivable falling due after more than 5 years	663,329
	<b>Total non-current receivable from Transgroup Global Inc.</b>	<b>860,061</b>
	<b>Current portion of the receivable</b>	<b>49,183</b>
		<b>0</b>

\* Total cash flows including interest.

In connection with TGI US Bidco's (name changed to Transgroup Global Inc.) acquisition of TransGroup with acquisition effect from 1 October 2016, TGI US Bidco has borrowed USD 98 million from Scan Bidco A/S. Interest of 7.70% is paid quarterly and repayments are voluntary but the receivable has to be repaid in June 2022 at the latest.

If no repayments occur before June 2022 the cash flow will evolve as stated in the above note.

5	<b>Bond debt</b>	30.06.2017
	Issued bonds, DKK tranche, interest rate 6.80%	625,000
	Issued bonds, USD tranche USD 100 million, interest rate 7.70%	651,650
		<b>1,276,650</b>
	Capitalised loan costs	-18,147
	<b>Total bond debt</b>	<b>1,258,503</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Bond debt falling due between 1 and 5 years (2021)	370,708
	Bond debt falling due after more than 5 years	1,322,989
	<b>Total non-current financial liabilities</b>	<b>1,693,697</b>
	<b>Current portion of financial liabilities</b>	<b>92,677</b>
		<b>0</b>

\* Total cash flows including interest.

In 2016, Scan Bidco A/S issued senior secured callable bonds of DKK 625 million with an interest rate of 6.80% and USD 100 million with an interest rate of 7.70%. Borrowing costs of DKK 21 million are paid in 2016 and amortised until 2022.

Interest is paid quarterly and the bond debt has to be repaid in June 2022.

For the issued bond certain terms and conditions apply regarding negative pledge, redemption, change of control and incurrence test.

The company Bond was listed on the Nasdaq Stock Exchange in Stockholm in June 2017.

Note (DKKt)	Group
6 Investments in Group entities	YTD 2017
<b>Provisional fair value at date of acquisition:</b>	
<b>ASSETS</b>	
Software	0
Property, plant and equipment	370
Deferred tax asset	0
Non-current receivables	0
Trade receivables (Gross DKK 69,831. Bad debt provision DKK 402)	69,429
Income taxes receivable	1,097
Other receivables	3,750
Prepayments	4,837
Cash and cash equivalents	17,097
<b>Total assets</b>	<b>96,579</b>
<b>LIABILITIES</b>	
Bond debt	0
Trade payables	38,725
Deferred income	0
Corporation tax	8,061
Other payables	39,145
<b>Total liabilities</b>	<b>85,931</b>
Non-controlling interests' share of acquired net assets	0
<b>Acquired net assets</b>	<b>10,649</b>
Goodwill, trademarks and customer relations less of deferred tax	195,224
<b>Fair value of total consideration</b>	<b>205,873</b>
Earn-out provision	13,629
<b>Cash consideration</b>	<b>192,244</b>
Adjustment for cash and cash equivalents taken over	-17,097
<b>Cash consideration for the acquisitions</b>	<b>175,147</b>
Transaction costs for acquisitions	0
<b>Investments</b>	<b>175,147</b>

### Acquisition of Crosseurope and Airlog Group

In June 2017 Scan Global Logistics A/S did enter into an agreement to acquire 100% of the Swedish based freight forwarder Crosseurope AB. The Acquisition was effective 1 January 2017.

Crosseurope AB is a freight forwarder in Trelleborg, Sweden focusing on small to mid-sized customers. Crosseurope has since 1993 established a solid position in road freight in Sweden.

In 2016, Crosseurope AB generated sales of SEK 98 million.

Under the terms of the agreement, Scan Global Logistics acquired Crosseurope for a consideration of SEK 47.5 million. In addition, an earn-out agreement with a maximum of SEK 2.5 million has been concluded. Total consideration amounts to DKK 38 million plus transaction costs.

This is in addition to Scan Global Logistics A/S' acquisition of the Airlog Group (please see the interim financial report Q1 2017) for a consideration of SEK 200 million an earn-out with a maximum of SEK 15 million. Total consideration amounts to DKK 168 million plus transaction costs.

### Fair value of acquired net assets and recognised goodwill

The integration of the Crosseurope and Airlog Group is ongoing for which reason net assets and goodwill, trademarks and customer relations may be adjusted and off-balance sheet items may be recorded for up to 12 months from the date of acquisition in compliance with IFRS 3.

In connection with the acquisition of the Airlog Group, adjustments have been made to a number of the acquired net assets in compliance with the financial reporting requirements.

The carrying amount on the date of acquisition did not deviate materially from the fair value.

Recognised goodwill, trademarks and customer relations are non-deductible for tax purposes.

However there will be calculated deferred tax on trademarks and customer relations. There has not yet been made a calculation of the value of trademarks and customer relations.

As a consequence of this, there is also not recognised amortization of trademarks and customer relations for June 2017.

A preliminary calculation of trademarks and customer relations will be made during 2017 and hereby also a calculation of deferred tax.

### Earnings impact

The Crosseurope Q2 2017 revenue and EBITDA before special items comprise DKK 30 million and DKK 4 million, respectively, reported since the date of acquisition.

### Basis of preparation

The interim financial report has been prepared in accordance with IAS 34 on interim reporting as adopted by the European Union and Swedish disclosure requirements for interim financial reports of listed companies. The 2016 Financial report provide a full description of the accounting policies applied.

(DKKt)					Parent
Notes	Income statement	Q2 2017	Q2 2016	YTD 2017	YTD 2016
	Revenue	0	0	0	0
	Cost of operation	0	0	0	0
	<b>Gross profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Other external expenses	-1,318	0	-1,382	0
	Staff costs	0	0	0	0
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>-1,318</b>	<b>0</b>	<b>-1,382</b>	<b>0</b>
	Depreciation of intangible and tangible assets	0	0	0	0
	<b>Operating profit before special items</b>	<b>-1,318</b>	<b>0</b>	<b>-1,382</b>	<b>0</b>
	Special items	-707	0	-707	0
	<b>Operating profit (EBIT)</b>	<b>-2,025</b>	<b>0</b>	<b>-2,089</b>	<b>0</b>
	Income from investments in group entities	-9,832	0	-13,798	0
	Financial income	9,831	0	36,956	0
	Financial expenses	-14,802	0	-49,411	0
	<b>Loss before tax</b>	<b>-16,828</b>	<b>0</b>	<b>-28,342</b>	<b>0</b>
	Tax on loss for the period	0	0	0	0
	<b>Loss for the period</b>	<b>-16,828</b>	<b>0</b>	<b>-28,342</b>	<b>0</b>

(DKKt)					Parent
	Statement of comprehensive income	Q2 2017	Q2 2016	YTD 2017	YTD 2016
	<b>Loss for the period</b>	<b>-16,828</b>	<b>0</b>	<b>-28,342</b>	<b>0</b>
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>				
	Exchange rate adjustment	-2,076	0	-1,540	-643
	<b>Other comprehensive income, net of tax</b>	<b>-2,076</b>	<b>0</b>	<b>-1,540</b>	<b>-643</b>
	<b>Total comprehensive income for the period</b>	<b>-18,904</b>	<b>0</b>	<b>-29,882</b>	<b>-643</b>

(DKKt) Notes	Balance sheet	30.06.2017	30.06.2016	Parent 31.12.2016
<b>ASSETS</b>				
Investments in Group entities		1,009,382	0	907,690
Receivables from Group entities		355,505	0	297,931
Receivable from Transgroup Global Inc.		638,739	12,932	691,307
Other receivables		0	108,895	0
Deferred tax asset		0	0	0
<b>Financial assets</b>		<b>2,003,626</b>	<b>121,826</b>	<b>1,896,928</b>
<b>Total non-current assets</b>		<b>2,003,626</b>	<b>121,826</b>	<b>1,896,928</b>
Receivables from Group entities		3,419	0	3,497
Other receivables		2,565	7,829	447
Cash and cash equivalents		503	541,109	121,675
<b>Total current assets</b>		<b>6,487</b>	<b>548,938</b>	<b>125,619</b>
<b>Total assets</b>		<b>2,010,113</b>	<b>670,764</b>	<b>2,022,547</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		500	500	500
Share premium		726,434	0	647,216
Currency translation reserve		-2,117	0	-643
Reserve for net revaluation according to the equity method		0	0	2,734
Retained earnings		-52,946	0	-16,779
<b>Total Equity</b>		<b>671,871</b>	<b>500</b>	<b>633,028</b>
Bond debt		1,258,502	670,246	1,310,317
<b>Total non-current liabilities</b>		<b>1,258,502</b>	<b>670,246</b>	<b>1,310,317</b>
Corporation tax		245	0	246
Payables to group entities		77,671	0	77,671
Other payables		1,824	18	1,285
<b>Total current liabilities</b>		<b>79,740</b>	<b>18</b>	<b>79,202</b>
<b>Total liabilities</b>		<b>1,338,242</b>	<b>670,264</b>	<b>1,389,519</b>
<b>Total equity and liabilities</b>		<b>2,010,113</b>	<b>670,764</b>	<b>2,022,547</b>

(DKKt)	Share capital	Share premium	Currency translation reserve	Reserve equity method	Retained earnings	Total equity
<b>Statement of changes in equity</b>						
<b>Equity at 1 January 2017</b>	<b>500</b>	<b>647,216</b>	<b>-643</b>	<b>2,734</b>	<b>-16,779</b>	<b>633,028</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-13,798</b>	<b>-14,544</b>	<b>-28,342</b>
Currency exchange adjustment	0	0	-1,474	0	0	-1,474
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-1,474</b>	<b>0</b>	<b>0</b>	<b>-1,474</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-1,474</b>	<b>-13,798</b>	<b>-14,544</b>	<b>-29,816</b>
Purchase of non-controlling interests	0	0	0	-10,559	0	-10,559
Capital increase by cash payment	0	79,218	0	0	0	79,218
Capital increase by contribution in kind	0	0	0	0	0	0
<b>Total transactions with owners</b>	<b>0</b>	<b>79,218</b>	<b>0</b>	<b>-10,559</b>	<b>0</b>	<b>68,659</b>
<b>Transfer to Retained earnings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,623</b>	<b>-21,623</b>	<b>0</b>
<b>Equity at 30 June 2017</b>	<b>500</b>	<b>726,434</b>	<b>-2,117</b>	<b>0</b>	<b>-52,946</b>	<b>671,871</b>

(DKKt) Notes	Cash flow statement	YTD 2017	Parent YTD 2016
	Operating profit (EBIT) before special items	-1,382	0
	Depreciation, amortisation and impairment	0	0
	Exchange rate adjustments	323	0
	Change in working capital	-1,602	-7,811
	<b>Cash flows from operating activities before special items and interest</b>	<b>-2,661</b>	<b>-7,811</b>
	Special items paid	-707	0
	Interest received	35,570	0
	Interest paid	-47,574	0
	Tax received	0	0
	<b>Cash flows from operating activities</b>	<b>-15,372</b>	<b>-7,811</b>
	Capital increase in subsidiaries	-127,522	0
	Loan to Group entity, principal	-57,574	0
	Repayments from Group entity	78	0
	Loan to Transgroup Global Inc.	0	-12,932
	<b>Cash flows from investing activities</b>	<b>-185,018</b>	<b>-12,932</b>
	<b>Free cash flow</b>	<b>-200,390</b>	<b>-20,743</b>
	Capital increase	79,218	500
	Proceeds from issuing of bonds	0	561,351
	<b>Cash flows from financing activities</b>	<b>79,218</b>	<b>561,851</b>
	<b>Change in cash and cash equivalents</b>	<b>-121,172</b>	<b>541,109</b>
	<b>Cash and cash equivalents</b>		
	Cash and cash equivalents at the beginning of the period	121,675	0
	Change in cash and cash equivalents	-121,172	541,109
	<b>Cash and cash equivalents</b>	<b>503</b>	<b>541,109</b>

## Note

## 1 Accounting policies

The interim financial report has been prepared in accordance with IAS 34 on interim reporting as adopted by the European Union and Swedish disclosure requirements for interim financial reports of listed companies.

Further comments are:

### Income statement

#### Income from investments in Group entities

The item comprises the parent's proportionate share of such entities' profit after tax.

Further it comprises amortization (less of tax) of intangible assets identified at acquisition of the Group entity.

### Balance sheet

#### Investments in Group entities

Investments in subsidiaries are measured, using the equity method, at the parent's proportionate share of such entities' equity plus goodwill, customer relations and trademarks on consolidation and intra-group losses and less intra-group gains and negative goodwill, if any.

#### *Negative investments:*

Investments in entities whose net asset value is negative are measured at DKK 0, with the effect that the entity's proportionate share of a deficit on equity, if any, is set off against receivables from the investment in so far as the deficit is irrecoverable.

Amounts in excess thereof are recognised under 'Provisions' in so far as the parent has a legal or constructive obligation to cover the deficit.

Newly acquired and sold investments are recognised in the financial statements from the time of acquisition or until the time of sale, respectively.

The purchase method of accounting is applied to corporate takeovers as described under 'Consolidation' in the accounting policies for the Group.

## Management's statement

The Board of Directors and Executive Management have today considered and approved the interim financial report of Scan Bidco A/S for the first half year of 2017 ended June 2017.

The interim financial report has been prepared in accordance with IAS 34 on interim reporting as adopted by the European Union and Swedish disclosure requirements for interim financial reports of listed companies. The interim financial report has not been reviewed or audited by the company auditor.

In our opinion the the interim financial report give a true and fair view of Group's operation and financial position at 30 June 2017.

Further, in our opinion we find that the Management's commentary describes the significant risks and uncertainties faced by the Group.

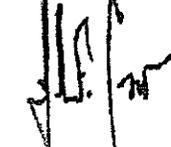
Kastrup, 31 August 2017

### Executive Management:



Todd Welsch

### Board of Directors:



John Cozzi  
Chairman



Alan Wilkinson



Todd Welsch