

# Scan Bidco A/S

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

## Interim Financial Report Fourth quarter 2017

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Financial highlights for the Scan Bidco Group	Q4 2017	Q4 2016	YTD 2017	YTD 2016
<b>Key figures (in DKK thousands):</b>				
<b>Income statement</b>				
Revenue	947,480	768,358	3,391,185	1,250,824
<b>Gross profit</b>	<b>126,502</b>	<b>109,521</b>	<b>505,887</b>	<b>193,998</b>
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	-47	17,007	30,035	36,321
Earnings Before Interest, Tax, Amortisation (EBITA) and special items	-2,430	14,067	21,139	31,786
<b>Operating profit (EBIT) before special items</b>	<b>-12,298</b>	<b>3,267</b>	<b>-8,229</b>	<b>20,986</b>
Special items	-18,247	-3,770	-21,822	-11,018
<b>Operating profit (EBIT) after special items</b>	<b>-25,629</b>	<b>-503</b>	<b>-25,135</b>	<b>9,968</b>
Net financial expenses	-12,900	-11,179	-50,677	-29,225
<b>Profit/loss before tax</b>	<b>-38,529</b>	<b>-11,682</b>	<b>-75,812</b>	<b>-19,257</b>
<b>Profit/loss for the period</b>	<b>-27,768</b>	<b>-11,157</b>	<b>-65,275</b>	<b>-20,625</b>
<b>Cash flow</b>				
Cash flows from operating activities before special items, interest & tax			1,728	26,580
Cash flows from operating activities			-75,023	-3,688
Cash flows from investing activities			-191,709	-1,177,958
<b>Free Cash flow</b>			<b>-266,732</b>	<b>-1,181,646</b>
Cash flows from financing activities			136,773	1,347,150
<b>Cash flow for the period</b>			<b>-129,959</b>	<b>165,504</b>
<b>Financial position</b>				
Total equity			609,917	627,234
Equity attributable to parent company			609,605	626,238
Net interest bearing debt (NIBD)			685,126	472,969
Total assets			2,577,894	2,426,872
<b>Financial ratios in %</b>				
Gross margin	13.4	14.3	14.9	15.5
EBITDA margin	0.0	2.2	0.9	2.9
EBIT margin*	-1.3	0.4	-0.2	1.7
EBIT margin	-2.7	-0.1	-0.7	0.8
Equity ratio			23.7	25.8
*before special items				
<b>Number of full time employees at period end</b>	<b>925</b>	<b>733</b>	<b>925</b>	<b>733</b>

## 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	:	www.scangl.com
E-mail	:	headoffice@scangl.com
Telephone	:	(+45) 32 48 00 00
Contact person	:	Claes Brønsgaard Pedersen, Group CFO
Telephone	:	(+45) 32 48 00 00
Board of Directors	:	Henrik von Sydow, Chairman John Cozzi 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 Helmuths 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%
Airlog Group Denmark A/S	Denmark	DKK	500,000	100%
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%
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 were included the quarterly statements as from Q3 2017.

### **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 608 million.

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

#### *Profit for the period*

The fourth quarter (Q4) 2017 consolidated financial statement describes operating results of the Scan Global Logistics A/S Group including the new ownership of Airlog and Crosseurope acquired in H1 2017.

The Q4 2017 revenue comprise of DKK 947 million and with a break-even EBITDA result before special items. The Q4 2017 revenue was 10% above Q3 2017 equal to DKK 86 million .

The Scan Global Logistics A/S Group had positive revenue growth throughout Q4 2017 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.

The total Q4 Gross Profit was DKK 127 million representing a Gross Margin of 13.4%.

The weakening of the USD/DKK exchange rate during 2017 had a significant negative impact on the yearly Gross Profit and margin, estimated at minimum DKK 15 million.

The net financial expenses of DKK -13 million in Q4 2017 mainly comprise of 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 4 and 5 for further information.

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 of the organizational changes made by the end of 2017.

Despite the disappointing results in 2017, no impairment has been identified for intangible assets due to the expected future positive outlook.

## 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 177 million.

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

Other investments comprise mainly software and IT equipment DKK 14 million during the year 2017.

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

The working capital increased by DKK 24 million since December 2016 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 609 million with an equity ratio of 23.7% as per 31 December 2017.

The equity was mainly affected by a capital increase of DKK 79 million due to the acquisition of the Airlog Group. By the year end 2017 the total liquidity reserve was equal to DKK 185 million and hence well in line with the covenant.

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

Consolidated net interest bearing debt amounted to DKK 685 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	Q4 2017	Q4 2016	YTD 2017	YTD 2016
1	Revenue	947,480	768,358	3,391,185	1,250,824
1	Cost of operation	-820,978	-658,837	-2,885,298	-1,056,826
	<b>Gross profit</b>	<b>126,502</b>	<b>109,521</b>	<b>505,887</b>	<b>193,998</b>
	Other external expenses	-30,295	-20,874	-110,073	-35,064
	Staff costs	-96,254	-71,640	-365,779	-122,613
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>-47</b>	<b>17,007</b>	<b>30,035</b>	<b>36,321</b>
	Depreciation of software and tangible assets	-2,383	-2,940	-8,896	-4,535
	<b>Earnings before Interest, Tax, Amortisation and special items</b>	<b>-2,430</b>	<b>14,067</b>	<b>21,139</b>	<b>31,786</b>
	Amortisation of customer relations and trademarks	-9,868	-10,800	-29,368	-10,800
	<b>Operating profit before special items</b>	<b>-12,298</b>	<b>3,267</b>	<b>-8,229</b>	<b>20,986</b>
3	Special items, income	4,916	0	4,916	0
3	Special items, cost	-18,247	-3,770	-21,822	-11,018
	<b>Operating profit (EBIT)</b>	<b>-25,629</b>	<b>-503</b>	<b>-25,135</b>	<b>9,968</b>
4	Financial income	11,277	44,907	133,386	53,174
5	Financial expenses	-24,177	-56,086	-184,063	-82,399
	<b>Loss before tax</b>	<b>-38,529</b>	<b>-11,682</b>	<b>-75,812</b>	<b>-19,257</b>
	Tax on profit for the period	10,761	525	10,537	-1,368
	<b>Loss for the period</b>	<b>-27,768</b>	<b>-11,157</b>	<b>-65,275</b>	<b>-20,625</b>
	<b>Total income for the year attributable to</b>				
	Owners of the parent	-28,112	-11,504	-66,150	-20,835
	Non-controlling interests	344	347	875	210
	<b>Total</b>	<b>-27,768</b>	<b>-11,157</b>	<b>-65,275</b>	<b>-20,625</b>

(DKKt)		Group			
	Consolidated statement of comprehensive income	Q4 2017	Q4 2016	YTD 2017	YTD 2016
	<b>Loss for the period</b>	<b>-27,768</b>	<b>-11,157</b>	<b>-65,275</b>	<b>-20,625</b>
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>				
	Exchange rate adjustment	-16,969	-790	-19,185	-608
	<b>Other comprehensive income, net of tax</b>	<b>-16,969</b>	<b>-790</b>	<b>-19,185</b>	<b>-608</b>
	<b>Total comprehensive income for the period</b>	<b>-44,737</b>	<b>-11,947</b>	<b>-84,460</b>	<b>-21,233</b>
	<b>Total comprehensive income for the year attributable to</b>				
	Owners of the parent	-45,038	-12,334	-85,292	-21,478
	Non-controlling interests	301	387	832	245
	<b>Total</b>	<b>-44,737</b>	<b>-11,947</b>	<b>-84,460</b>	<b>-21,233</b>

(DKKt)		Group	
Notes	Consolidated balance sheet	31.12.2017	31.12.2016
	<b>ASSETS</b>		
2	Goodwill	953,620	806,123
2	Customer relations	257,601	243,300
2	Trademarks	46,885	47,900
	Software	12,071	9,746
	<b>Intangible assets</b>	<b>1,270,177</b>	<b>1,107,069</b>
	<b>Property, plant and equipment</b>	<b>15,728</b>	<b>12,017</b>
7	Receivable from Transgroup Global Inc.	608,473	691,307
	Other receivables	8,135	7,752
	Deferred tax asset	5,203	3,186
	<b>Financial assets</b>	<b>621,811</b>	<b>702,245</b>
	<b>Total non-current assets</b>	<b>1,907,716</b>	<b>1,821,331</b>
	Trade receivables	559,320	397,932
	Receivables from group entities	3,050	739
	Income taxes receivable	1,817	2,131
	Other receivables	22,442	20,678
	Prepayments	9,930	7,250
6	Cash and cash equivalents	73,619	176,811
	<b>Total current assets</b>	<b>670,178</b>	<b>605,541</b>
	<b>Total assets</b>	<b>2,577,894</b>	<b>2,426,872</b>

(DKKt)	<b>Consolidated balance sheet</b>		Group
Notes	31.12.2017	31.12.2016	31.12.2016
	<b>EQUITY AND LIABILITIES</b>		
	500	500	
	726,434	647,216	
	-19,785	-643	
	-97,544	-20,835	
	<b>609,605</b>	<b>626,238</b>	
	312	996	
	<b>609,917</b>	<b>627,234</b>	
8	1,229,436	1,310,317	
	2,825	0	
	53,112	59,682	
	<b>1,285,373</b>	<b>1,369,999</b>	
6	37,574	10,807	
	5,888	0	
	446,224	322,112	
	83,874	0	
	19,530	22,191	
	13,271	7,203	
	76,244	67,326	
	<b>682,605</b>	<b>429,639</b>	
	<b>1,967,978</b>	<b>1,799,638</b>	
	<b>2,577,894</b>	<b>2,426,872</b>	

(DKKt)	Consolidated statement of changes in equity						
	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Group Total equity
<b>Equity at 1 January 2017</b>	<b>500</b>	<b>647,216</b>	<b>-643</b>	<b>-20,835</b>	<b>626,238</b>	<b>996</b>	<b>627,234</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-66,150</b>	<b>-66,150</b>	<b>875</b>	<b>-65,275</b>
Currency exchange adjustment	0	0	-19,142	0	-19,142	-43	-19,185
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-19,142</b>	<b>0</b>	<b>-19,142</b>	<b>-43</b>	<b>-19,185</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-19,142</b>	<b>-66,150</b>	<b>-85,292</b>	<b>832</b>	<b>-84,460</b>
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
<b>Total transactions with owners</b>	<b>0</b>	<b>79,218</b>	<b>0</b>	<b>-10,559</b>	<b>68,659</b>	<b>-1,516</b>	<b>67,143</b>
<b>Equity at 31 December 2017</b>	<b>500</b>	<b>726,434</b>	<b>-19,785</b>	<b>-97,544</b>	<b>609,605</b>	<b>312</b>	<b>609,917</b>

(DKKt)	Consolidated statement of changes in equity						
	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Group Total equity
<b>Equity at 4 March 2016</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>500</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-20,835</b>	<b>-20,835</b>	<b>210</b>	<b>-20,625</b>
Currency exchange adjustment	0	0	-643	0	-643	35	-608
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-643</b>	<b>0</b>	<b>-643</b>	<b>35</b>	<b>-608</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>-643</b>	<b>-20,835</b>	<b>-21,478</b>	<b>245</b>	<b>-21,233</b>
Addition due to acquisition	0	0	0	0	0	751	751
Capital increase by cash payment	0	448,790	0	0	448,790	0	448,790
Capital increase by contribution in kind	0	198,426	0	0	198,426	0	198,426
<b>Total transactions with owners</b>	<b>0</b>	<b>647,216</b>	<b>0</b>	<b>0</b>	<b>647,216</b>	<b>751</b>	<b>647,967</b>
<b>Equity at 31 December 2016</b>	<b>500</b>	<b>647,216</b>	<b>-643</b>	<b>-20,835</b>	<b>626,238</b>	<b>996</b>	<b>627,234</b>

(DKKt)	Group	
Notes	YTD 2017	YTD 2016
<b>Consolidated cash flow statement</b>		
	-8,229	20,986
Operating profit (EBIT) before special items	38,264	15,335
Depreciation, amortisation and impairment	-4,256	-3,255
Exchange rate adjustments	-24,051	-6,486
Change in working capital	<b>1,728</b>	<b>26,580</b>
<b>Cash flows from operating activities before special items, interest &amp; tax</b>		
Special items	-19,822	0
Interest received	48,915	13,298
Interest paid	-97,598	-39,851
Tax paid	-8,246	-3,715
<b>Cash flows from operating activities</b>	<b>-75,023</b>	<b>-3,688</b>
	-5,931	-1,884
Purchase of software	-8,631	-485
Purchase of property, plant and equipment	-175,147	-510,178
9 Investments in group entities	-2,000	-11,018
Special items, transactions cost acquisitions	0	-654,393
Loan to/from Transgroup Global Inc.	<b>-191,709</b>	<b>-1,177,958</b>
<b>Cash flows from investing activities</b>		
<b>Free cash flow</b>	<b>-266,732</b>	<b>-1,181,646</b>
	79,218	448,790
Capital increase	81,561	0
Loan to/from Transgroup Global Inc.	-11,905	0
Purchase of non-controlling interest	0	1,271,208
Proceeds from issuing of bonds	0	-360,500
Redemption of bond loan	-12,101	-12,348
Redemption of other acquisition debt	<b>136,773</b>	<b>1,347,150</b>
<b>Cash flows from financing activities</b>		
<b>Change in cash and cash equivalents</b>	<b>-129,959</b>	<b>165,504</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	166,004	500
Change in cash and cash equivalents	-129,959	165,504
6 <b>Net cash and cash equivalents at 31 December</b>	<b>36,045</b>	<b>166,004</b>

\*Special items regarding investments

Note (DKKt)	Group									
1 Segment information	31.12.2017									
	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)	1,486,123	551,115	1,697,006	621,854	549,112	157,785	129,923	55,925	3,862,165	1,386,679
Intercompany revenue	-272,137	-84,910	-147,862	-36,401	-48,606	-13,521	-2,375	-1,023	-470,980	-135,855
Net revenue (services)	1,213,986	466,205	1,549,144	585,453	500,506	144,264	127,548	54,902	3,391,185	1,250,824
Cost of operation	-1,015,938	-388,709	-1,339,372	-494,664	-414,034	-121,903	-115,955	-51,550	-2,885,298	-1,056,826
<b>Gross profit</b>	<b>198,049</b>	<b>77,496</b>	<b>209,772</b>	<b>90,789</b>	<b>86,472</b>	<b>22,361</b>	<b>11,593</b>	<b>3,352</b>	<b>505,887</b>	<b>193,998</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				
2 Goodwill, customer relations and trademarks	31.12.2017				
	Air	Sea	Road	Solution	Total
Balance at 31 December 2016	432,929	649,394	10,568	4,432	1,097,323
Exchange rate adjustment	-8,018	-6,714	-366	-39	-15,138
Additions 2017	133,281	30,366	41,642	0	205,289
Amortisation during the year	-11,874	-15,755	-1,634	-105	-29,368
<b>Balance at 31 December 2017</b>	<b>546,318</b>	<b>657,291</b>	<b>50,210</b>	<b>4,288</b>	<b>1,258,106</b>

It is not possible reliable to allocate assets (excluding goodwill, trademarks and customer relations) and liabilities to the four segments identified, as these assets and liabilities serve all segments.

The core business of the SGL Group is within the Air and Sea segments, whereas the Road and Solutions business areas are relatively small in a group context and within a limited geographical area (Denmark & Sweden). The project business of the SGL Group is also within the Air and Sea segments. Consequently, goodwill, customer relations and trademarks are primarily allocated to the Air and Sea segments.

Note	(DKKt)	Group
<b>3</b>	<b>Special items</b>	<b>YTD 2017</b>
	Restructuring cost (Redundancy cost for personel and closing of offices)	-19,822
	Transaction costs in connection with the acquisition of Airlog and Crosseurope	-2,000
		<b>-21,822</b>
	Adjustment earn-out business combination	4,916
	<b>Total special items</b>	<b>-16,906</b>

Note	(DKKt)	Group
<b>4</b>	<b>Financial income</b>	<b>YTD 2017</b>
	Financial income from Transgroup Global Inc.	49,196
	Other financial income (primarily exchange gain on bond loan)	84,190
	<b>Total financial income</b>	<b>133,386</b>

Note	(DKKt)	Group
<b>5</b>	<b>Financial expenses</b>	<b>YTD 2017</b>
	Financial expenses	-96,730
	Other financial expenses (primarily exchange gain on loan to Transgroup Global Inc.)	-87,333
	<b>Total financial income</b>	<b>-184,063</b>

<b>6</b>	<b>Cash &amp; Liquidity</b>	<b>31.12.2017</b>		
		<b>Net Cash (+ = deposit)</b>	<b>Credit facilities</b>	<b>Liquidity reserve</b>
	<b>Scan Bidco Group</b>	36,045	148,476	184,521

The Scan Bidco Group holds net bank liquidity of DKK 36,045 thousand. Total financial reserves (net bank liquidity and credit facilities) aggregates to DKK 184,521 thousand.

Note (DKKt)		31.12.2017
<b>7</b>	<b>Receivable from Transgroup Global Inc.</b>	
	Principal, USD 98,019 thousand, interest rate 7.70%	608,473
	<b>Total receivable from Transgroup Global Inc.</b>	<b>608,473</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Receivable falling due between 1 and 5 years (2022)	608,473
	Receivable falling due after more than 5 years	0
	<b>Total non-current receivable from Transgroup Global Inc.</b>	<b>608,473</b>
	<b>Current portion of the receivable</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.

8	Bond debt	31.12.2017
	Issued bonds, DKK tranche, interest rate 6.80%	625,000
	Issued bonds, USD tranche USD 100 million, interest rate 7.70%	620,770
		<b>1,245,770</b>
	Capitalised loan costs	-16,334
	<b>Total bond debt</b>	<b>1,229,436</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Bond debt falling due between 1 and 5 years (2022)	1,245,770
	Bond debt falling due after more than 5 years	0
	<b>Total non-current financial liabilities</b>	<b>1,245,770</b>
	<b>Current portion of financial liabilities</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)	Airlog Group	Crosseurope	Group
9	Investments in group entities	Holding AB	AB	YTD 2017
<b>Provisional fair value at date of acquisition:</b>				
<b>ASSETS</b>				
	Property, plant and equipment	274	96	370
	Trade receivables (Gross DKK 69,831. Bad debt provision DKK 402)	59,045	9,931	68,977
	Income taxes receivable	937	160	1,097
	Other receivables	2,661	1,089	3,750
	Prepayments	2,225	2,612	4,837
	Cash and cash equivalents	8,451	8,646	17,097
	<b>Total assets</b>	<b>73,593</b>	<b>22,535</b>	<b>96,127</b>
<b>LIABILITIES</b>				
	Trade payables	34,251	4,474	38,725
	Corporation tax	7,930	131	8,061
	Other payables	21,309	17,836	39,145
	<b>Total liabilities</b>	<b>63,489</b>	<b>22,442</b>	<b>85,931</b>
	Non-controlling interests' share of acquired net assets	0	0	0
	<b>Acquired net assets</b>	<b>10,104</b>	<b>93</b>	<b>10,197</b>
	Goodwill	136,690	24,902	161,592
	Customer relations	23,540	15,737	39,277
	Trademarks	3,418	1,003	4,421
	Deferred tax on customer relations and trademarks	-5,931	-3,683	-9,614
	<b>Fair value of total consideration</b>	<b>167,821</b>	<b>38,052</b>	<b>205,873</b>
	Earn-out provision	11,701	1,929	13,629
	<b>Cash consideration</b>	<b>156,120</b>	<b>36,124</b>	<b>192,244</b>
	Adjustment for cash and cash equivalents taken over	-8,451	-8,646	-17,097
	<b>Cash consideration for the acquisitions</b>	<b>147,669</b>	<b>27,477</b>	<b>175,147</b>
	Transaction costs for acquisitions in 2017	150	1,850	2,000
	<b>Investments in group entities</b>	<b>147,819</b>	<b>29,327</b>	<b>177,147</b>

## 9 Investments in group entities

### Acquisition of Airlog Group AB

Scan Global Logistics A/S has on the 6 of March 2017 acquired 100% of the shares in Swedish based freight forwarder Airlog Group AB.

The acquisition is made in order to strengthen Scan Global Logistic Group position especially in the air segment. Airlog is a full-service freight forwarder with offices in Sweden and Denmark focusing on small to mid-sized customers. Airlog had established a solid position in air and ocean freight in Denmark and Sweden by leveraging its extensive network of global partners.

In 2016, Airlog generated sales of DKK 360 million (SEK 451 million) and a profit after tax of DKK 3 million (SEK 4 million).

After the acquisition the Swedish and Danish Airlog traditional freight forwarding activity has been fully integrated in the Scan Global Logistic freight forwarding activity. Therefore, is not possible to disclose financial information regarding the specific Airlog activity after the acquisition, including information regarding the Airlog performance recognized in the Scan Global Logistic consolidation after acquisition.

Under the terms of the agreement, the Airlog Group was acquired for a total cash consideration of SEK 200 million. In addition, an earn-out with a maximum of SEK 15 million has been agreed. At the date of the transaction it is expected that the earn-out will be paid 100%. Total consideration amounts to DKK 168 million.

Transaction cost amounts to DKK 4.4 million, which has been expensed and recognized as special items amounting to DKK 4.2 million in 2016 and DKK 0.2 million in 2017.

The earn out will be paid based on certain conditions regarding target for gross profit for the acquired Airlog agent business. Final calculation and payment of the earn out will be paid after end of the financial year 2017 and 2018 respectively.

Based on events in Q4 2017 a subsequent measurement of the earn out has been made. This measurement has resulted in a reduced contingent liability and recognition of a special item (income) amounting to DKK 4.9 million.

Acquired net assets before identification of intangible assets including goodwill amounts to DKK 10 million. The Airlog carrying amount on the date of acquisition did not deviate materially from the fair market value.

Intangible assets of trademark and customer relations have been identified. A royalty cash flow model has been used for calculation a fair market value of trademark. A customer attrition model has been used for calculation of the fair market value of customer relations. The purchase price allocation has been finalized in Q4 2017.

After recognition of identified assets and liabilities at fair value, goodwill has been recognized at an amount of DKK 136.7 million. Goodwill represents the values of the expected significant cost synergies and other synergies from combining the two businesses including value of the Airlog Group employees and related knowhow. Goodwill are non-deductible for tax purposes.

## 9 Investments in group entities

### Acquisition of Crosseurope Aktiebolag

Scan Global Logistics A/S on 29 of June 2017 acquired 100% of the shares in the Swedish based freight forwarder Crosseurope AB.

The acquisition was made in order to strengthen Scan Global Logistic Group's position especially in the road segment.

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

In 2016, Crosseurope generated sales of DKK 77 million (SEK 98 million) and a profit after tax of DKK 5.6 million (SEK 7 million).

Under the terms of the agreement, Crosseurope was acquired for a total cash consideration of SEK 47.5 million. In addition, an earn-out agreement with a maximum of SEK 2.5 million has been agreed. At the date of acquisition, it is expected that the earn out will be paid 100%. Total amounts hereafter amount to DKK 38 million.

Payment of the earn out is based on conditions that certain Crosseurope AB customers will generate a certain level of revenue in 2017.

Transaction cost amounts to DKK 1.9 million, which has been expensed and recognized as special items in 2017.

Revenue and result for Crosseurope AB for 2017, has on a proforma basis been calculated to an amount of respectively DKK 83 million and DKK 7.5 million. Crosseurope revenue and result have been consolidated into the Scan Bidco Group consolidation with DKK 83 million and DKK 7.5 million.

Acquired net assets before identification of intangible assets including goodwill amounts to DKK 0.1 million. The Crosseurope carrying amount at the date of acquisition did not deviate materially from the fair market value.

Intangible assets of trademark and customer relations have been identified. A royalty cash flow model has been used for calculation a fair market value of trademark. A customer relation attrition model has been used for calculation of the fair market value of customer relations.

The purchase price allocation has been finalized in Q4 2017.

After recognition of identified assets and liabilities at fair value, goodwill has been recognized at an amount of DKK 24,9 million. Goodwill represents the values of the expected cost synergies and other synergies from combining the two businesses including takeover of the Crosseurope employees and related knowhow. Goodwill is non-deductible for tax purposes.

## Note

**10 Accounting policies****Basis of preparation**

The interim financial report, comprising the consolidated financial statement and financial statement for the parent, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union and Swedish disclosure requirements for interim reports of listed companies.

Accounting policy are unchanged compared to the consolidated financial statement and financial statement for the parent 2016, to which reference are made.

The consolidated financial statement and the financial statement of the parent for 2016 provide a full description of the accounting policy applied.

Scan Bidco has implemented those standards and interpretations, which will enter into force in EU for 2017. None of these standards and interpretations has had any effect on recognition and measurement in 2017 or is expected to have any effect in the future.

(DKKt)		Q4 2017	Q4 2016	YTD 2017	Parent YTD 2016
Notes	<b>Income statement</b>				
	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	-284	-210	-2,286	-210
	Staff costs	0	0	0	0
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>-284</b>	<b>-210</b>	<b>-2,286</b>	<b>-210</b>
	Depreciation of intangible and tangible assets	0	0	0	0
	<b>Operating profit before special items</b>	<b>-284</b>	<b>-210</b>	<b>-2,286</b>	<b>-210</b>
	Special items	-211	7,248	-918	0
	<b>Operating profit (EBIT)</b>	<b>-495</b>	<b>7,038</b>	<b>-3,204</b>	<b>-210</b>
	Income from investments in group entities	-26,231	-6,023	-41,656	2,734
	Financial income	18,890	49,509	155,247	60,723
	Financial expenses	-22,849	-55,447	-179,654	-80,234
	<b>Loss before tax</b>	<b>-30,685</b>	<b>-4,923</b>	<b>-69,267</b>	<b>-16,987</b>
	Tax on loss for the period	3,117	209	3,117	2,942
	<b>Loss for the period</b>	<b>-27,568</b>	<b>-4,714</b>	<b>-66,150</b>	<b>-14,045</b>

(DKKt)		Q4 2017	Q4 2016	YTD 2017	Parent YTD 2016
	<b>Statement of comprehensive income</b>				
	<b>Loss for the period</b>	<b>-27,568</b>	<b>-4,714</b>	<b>-66,150</b>	<b>-14,045</b>
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>				
	Exchange rate adjustment	-16,926	-830	-19,142	-643
	<b>Other comprehensive income, net of tax</b>	<b>-16,926</b>	<b>-830</b>	<b>-19,142</b>	<b>-643</b>
	<b>Total comprehensive income for the period</b>	<b>-44,494</b>	<b>-5,544</b>	<b>-85,292</b>	<b>-14,688</b>

(DKKt) Notes	Balance sheet	31.12.2017	Parent 31.12.2016
<b>ASSETS</b>			
Investments in Group entities		963,830	907,690
Receivables from Group entities		400,229	297,931
Receivable from Transgroup Global Inc.		608,473	691,307
Deferred tax asset		3,117	0
<b>Financial assets</b>		<b>1,975,649</b>	<b>1,896,928</b>
<b>Total non-current assets</b>		<b>1,975,649</b>	<b>1,896,928</b>
Receivables from Group entities		5,622	3,497
Other receivables		911	447
Cash and cash equivalents		237	121,675
<b>Total current assets</b>		<b>6,770</b>	<b>125,619</b>
<b>Total assets</b>		<b>1,982,419</b>	<b>2,022,547</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		500	500
Share premium		726,434	647,216
Currency translation reserve		-19,785	-643
Reserve for net revaluation according to the equity method		0	2,734
Retained earnings		-90,754	-16,779
<b>Total Equity</b>		<b>616,395</b>	<b>633,028</b>
Bond debt		1,229,437	1,310,317
<b>Total non-current liabilities</b>		<b>1,229,437</b>	<b>1,310,317</b>
Corporation tax		0	246
Payables to Transgroup Global Inc.		83,874	0
Payables to Scan Global Logistics Holding ApS		51,739	77,671
Other payables		974	1,285
<b>Total current liabilities</b>		<b>136,587</b>	<b>79,202</b>
<b>Total liabilities</b>		<b>1,366,024</b>	<b>1,389,519</b>
<b>Total equity and liabilities</b>		<b>1,982,419</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 31 December 2016</b>	<b>500</b>	<b>647,216</b>	<b>-643</b>	<b>2,734</b>	<b>-23,569</b>	<b>626,238</b>
Capitalised transactions cost from 2016	0	0	0	0	6,790	6,790
<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>-41,656</b>	<b>-24,494</b>	<b>-66,150</b>
Currency exchange adjustment	0	0	-19,142	0	0	-19,142
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-19,142</b>	<b>0</b>	<b>0</b>	<b>-19,142</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-19,142</b>	<b>-41,656</b>	<b>-24,494</b>	<b>-85,292</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>49,481</b>	<b>-49,481</b>	<b>0</b>
<b>Equity at 31 December 2017</b>	<b>500</b>	<b>726,434</b>	<b>-19,785</b>	<b>0</b>	<b>-90,754</b>	<b>616,395</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 4 March 2016</b>	<b>500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,734</b>	<b>-23,569</b>	<b>-20,835</b>
Currency exchange adjustment	0	0	-643	0	0	-643
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>-643</b>	<b>0</b>	<b>0</b>	<b>-643</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>-643</b>	<b>2,734</b>	<b>-23,569</b>	<b>-21,478</b>
Capital increase by cash payment	0	448,790	0	0	0	448,790
Capital increase by contribution in kind	0	198,426	0	0	0	198,426
<b>Total transactions with owners</b>	<b>0</b>	<b>647,216</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>647,216</b>
<b>Equity at 31 December 2016</b>	<b>500</b>	<b>647,216</b>	<b>-643</b>	<b>2,734</b>	<b>-23,569</b>	<b>626,238</b>

(DKKt) Notes	Cash flow statement	YTD 2017	Parent YTD 2016
	Operating profit (EBIT) before special items	-2,286	-210
	Depreciation, amortisation and impairment	0	0
	Exchange rate adjustments	348	-1,540
	Change in working capital	-775	-385
	<b>Cash flows from operating activities before special items, interest &amp; tax</b>	<b>-2,713</b>	<b>-2,135</b>
	Special items paid	-918	0
	Interest received	70,413	20,689
	Interest paid	-93,189	-36,165
	Tax paid/received	-246	3,187
	<b>Cash flows from operating activities</b>	<b>-26,653</b>	<b>-14,424</b>
	Capital increase in subsidiaries	-127,522	0
	Investments in group entities	0	-700,383
	Transaction costs for acquisitions	0	-6,790
	Loan to Group entity, principal	-102,298	-297,931
	Repayments to/from Group entity	-28,057	75,098
	Loan/repayment to/from Transgroup Global Inc.	0	-654,393
	<b>Cash flows from investing activities</b>	<b>-257,877</b>	<b>-1,584,399</b>
	<b>Free cash flow</b>	<b>-284,530</b>	<b>-1,598,823</b>
	Capital increase	79,218	448,790
	Loan/repayment to/from Transgroup Global Inc.	83,874	0
	Proceeds from issuing of bonds	0	1,271,208
	<b>Cash flows from financing activities</b>	<b>163,092</b>	<b>1,719,998</b>
	<b>Change in cash and cash equivalents</b>	<b>-121,438</b>	<b>121,175</b>
	<b>Cash and cash equivalents</b>		
	Cash and cash equivalents at the beginning of the period	121,675	500
	Change in cash and cash equivalents	-121,438	121,175
	<b>Cash and cash equivalents</b>	<b>237</b>	<b>121,675</b>

## 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 fourth quarter of 2017 ended December 2017.

The interim financial report has been prepared in accordance with IAS 34 interim financial 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 and Parents assets and liabilities and financial position at 31 December 2017 and operations and cash flow for the period 1. January - 31. December 2017.

Futher, in our opinion we find that the management commentary contains a true and fair statement of the development in the Groups and Parents activities and financial situation, the result for the period and financial position and that the Management's commentary describes the significant risks and uncertainties faced by the Group and Parent.

Kastrup, 28 February 2017

### Executive Management:

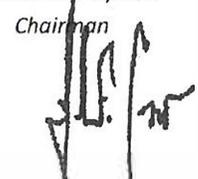


Todd Welsch

### Board of Directors:



Henrik von Sydow  
Chairman



John Cozzi



Alan Wilkinson



Todd Welsch