

# Scan Bidco A/S

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

## Interim Financial Report First quarter 2017

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 Financial income	11
2 Cash & Liquidity	11
3 Receivable from Transgroup Global Inc. (TGI US Bidco Corp)	12
4 Bond debt	12
5 Investments in Group entities	13
6 Accounting policies	15

---

**Financial statements for the Parent Company Scan Bidco A/S**

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

---

**Financial highlights for the Scan Bidco Group**

 Q1  
 2017

**Key figures (in DKK thousands):**
**Income statement**

Revenue	736,330
<b>Gross profit</b>	<b>115,986</b>
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>	<b>9,538</b>
<b>Earnings Before Interest, Tax, Amortisation (EBITA) and special items</b>	<b>7,505</b>
<b>Operating profit (EBIT) before special items</b>	<b>1,005</b>
Special items	0
Net financial expenses	-13,271
<b>Profit/loss before tax</b>	<b>-12,266</b>
<b>Profit/loss for the period</b>	<b>-11,519</b>

**Cash flow**

<b>Cash flows from operating activities before special items and interest</b>	<b>-48,729</b>
<b>Cash flows from operating activities</b>	<b>-62,936</b>
Investments in software	-1,599
Investments in property, plant and equipment	-2,068
Investments in Group entities	-147,669
<b>Cash flows from investing activities</b>	<b>-151,335</b>
<b>Free Cash flow</b>	<b>-214,271</b>
<b>Cash flows from financing activities</b>	<b>67,545</b>
<b>Cash flow for the period</b>	<b>-146,726</b>

**Financial position**

Total equity	683,394
Equity attributable to parent company	683,919
Net interest bearing debt (NIBD)	619,506
Total assets	2,540,917

**Financial ratios in %**

Gross margin*	15.8
EBITDA margin*	1.3
EBIT margin*	0.1
Equity ratio	26.9

\*before special items

**Number of full time employees at period end**

841

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	:	www.scangl.com
E-mail	:	headoffice@scangl.com
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 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%
ScanAm Global Logistics 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 of DKK 899 million was paid through a share contribution of DKK 198 million, 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.

### **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 682 million.

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

The subsidiary company Scan Global Logistics A/S acquired the Swedish based company Airlog Group effective March 2017 in order to strengthen the position in the Nordics and particular in Sweden.

#### *Profit for the period*

The first quarter 2017 consolidated financial statement describes operating results of the Scan Global Logistics A/S Group of the first 3 months of 2017 including one month of the new ownership of the Airlog Group.

The Q1 2017 revenue and EBITDA before special items comprise of DKK 736 million and DKK 10 million respectively.

The Airlog Group contributed by DKK 36 million in revenue and DKK 2 million in the EBITDA result and according to plan.

The Scan Global Logistics A/S Group did have positive earnings throughout the Q1 2017 driven by an increase in volumes. That is being in the key market segments within air and sea transports. However the general margin pressure in the market did have a significant impact on the Q1 2017 earnings, especially due to the increased sea freight rates that started in Q4 2016. The Aid, Development and Projects (ADP) division experience increasing activities, however a significant portion did not materialized in the Q1 2017 result and at a much the lower level than Q1 2016.

The total Q1 Gross profit was DKK 116 million and the gross margin equals 15.8%.

The net financial expenses of DKK 13 million in Q1 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 1, 3 and 4 for further information.

## Management's commentary

### *Cash Flows*

The acquisition of the Airlog Group generated a cash out flow from investing activities of DKK 148 million.

This was financed through a capital increase of DKK 79 million and cash proceeds from issuing of bonds in Q4 2016.

Other investments comprise mainly software and IT equipment DKK 4 million in Q1 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 59 million since December 2016 and primarily due to the account receivables in Denmark and in the ADP Division.

### *Capital structure*

The equity attributable to the Parent company was DKK 684 million with an equity ratio of 26.9% as per 31 March 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 620 million. The debt is due to the acquisition of the SGL Group and the Airlog Group.

The issued bonds of DKK 625 million and USD 100 million are expected to be listed on the Nasdaq Stock Exchange in Stockholm during the second quarter of 2017.

### **Proforma figures**

The Scan Global Logistics A/S Group has changed accounting policies from Danish GAAP to IFRS in connection with the acquisition in 2016.

Pro forma figures has been released and commented during 2016 as if the acquisition had been effective as from 1 January 2016.

2017 is the first year after this interim period and consequently no pro forma figures are reported of the full Scan Global Logistics A/S Group in Q1 2017.

However if the Airlog Group had been owned by the Scan Bidco Group effective 1 January 2017 the Airlog Group would have contributed DKK 101 million in revenue and DKK 4 million on the EBITDA level.

### **Events after the balance sheet date**

Peter Minor , CEO of the APAC region and member of the Executive Management, did resign in May 2017 .

(DKKt)		Group	
Notes	Consolidated income statement	Q1 2017	Q1 2016
	Revenue	736,330	0
	Cost of operation	-620,344	0
	<b>Gross profit</b>	<b>115,986</b>	<b>0</b>
	Other external expenses	-23,799	0
	Staff costs	-82,649	0
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>9,538</b>	<b>0</b>
	Depreciation of software and tangible assets	-2,032	0
	<b>Earnings before Interest, Tax, Amortisation and special items</b>	<b>7,505</b>	<b>0</b>
	Amortisation of customer relations and trademarks	-6,500	0
	<b>Operating profit before special items</b>	<b>1,005</b>	<b>0</b>
	Special items	0	0
	<b>Operating profit (EBIT)</b>	<b>1,005</b>	<b>0</b>
1	Financial income	22,193	0
	Financial expenses	-35,464	0
	<b>Loss before tax</b>	<b>-12,266</b>	<b>0</b>
	Tax on profit for the period	747	0
	<b>Loss for the period</b>	<b>-11,519</b>	<b>0</b>
	<b>Total income for the year attributable to</b>		
	Owners of the parent	-11,514	0
	Non-controlling interests	-5	0
	<b>Total</b>	<b>-11,519</b>	<b>0</b>

(DKKt)		Group	
Consolidated statement of comprehensive income		Q1 2016	Q1 2017
	<b>Loss for the period</b>	-11,519	0
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>		
	Exchange rate adjustment	536	0
	<b>Other comprehensive income, net of tax</b>	<b>536</b>	<b>0</b>
	<b>Total comprehensive income for the period</b>	<b>-10,983</b>	<b>0</b>
	<b>Total comprehensive income for the year attributable to</b>		
	Owners of the parent	-10,978	0
	Non-controlling interests	-5	0
	<b>Total</b>	<b>-10,983</b>	<b>0</b>

(DKKt)	Consolidated balance sheet			Group
Notes		31.03.2017	31.03.2016	31.12.2016
	<b>ASSETS</b>			
	Goodwill	963,387	0	806,123
	Customer relations	238,000	0	243,300
	Trademarks	46,700	0	47,900
	Software	10,519	0	9,746
	<b>Intangible assets</b>	<b>1,258,606</b>	<b>0</b>	<b>1,107,069</b>
	<b>Property, plant and equipment</b>	<b>13,152</b>	<b>0</b>	<b>12,017</b>
3	Receivable from Transgroup Global Inc.	681,936	0	691,307
	Other receivables	7,755	0	7,752
	Deferred tax asset	3,170	0	3,186
	<b>Financial assets</b>	<b>692,861</b>	<b>0</b>	<b>702,245</b>
	<b>Total non-current assets</b>	<b>1,964,619</b>	<b>0</b>	<b>1,821,331</b>
	Trade receivables	488,989	0	397,932
	Receivables from group entities	507	0	739
	Income taxes receivable	1,707	0	2,131
	Other receivables	22,932	0	20,678
	Prepayments	13,823	0	7,250
2	Cash and cash equivalents	48,340	500	176,811
	<b>Total current assets</b>	<b>576,298</b>	<b>500</b>	<b>605,541</b>
	<b>Total assets</b>	<b>2,540,917</b>	<b>500</b>	<b>2,426,872</b>

(DKKt) Notes	Consolidated balance sheet	31.03.2017	31.03.2016	Group 31.12.2016
<b>EQUITY AND LIABILITIES</b>				
	Share capital	500	500	500
	Share premium	726,434	0	647,216
	Currency translation reserve	-107	0	-643
	Retained earnings	-42,908	0	-20,835
	<b>Equity attributable to parent company</b>	<b>683,919</b>	<b>500</b>	<b>626,238</b>
	Non-controlling interests	-525	0	996
	<b>Total Equity</b>	<b>683,394</b>	<b>500</b>	<b>627,234</b>
4	Bond debt	1,301,665	0	1,310,317
	Earn-out provision	11,700	0	0
	Deferred tax liability	58,252	0	59,682
	<b>Total non-current liabilities</b>	<b>1,371,617</b>	<b>0</b>	<b>1,369,999</b>
2	Bank debt	29,062	0	10,807
	Trade payables	332,902	0	322,112
	Deferred income	30,453	0	22,191
	Corporation tax	13,647	0	7,203
	Other payables	79,842	0	67,326
	<b>Total current liabilities</b>	<b>485,906</b>	<b>0</b>	<b>429,639</b>
	<b>Total liabilities</b>	<b>1,857,523</b>	<b>0</b>	<b>1,799,638</b>
	<b>Total equity and liabilities</b>	<b>2,540,917</b>	<b>500</b>	<b>2,426,872</b>

(DKKt)	<b>Consolidated statement of changes in equity</b>						
	Share capital	Share premium	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Group Total equity
<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>
<b>Profit for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-11,514</b>	<b>-11,514</b>	<b>-5</b>	<b>-11,519</b>
Currency exchange adjustment	0	0	536	0	536	0	536
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>536</b>	<b>0</b>	<b>536</b>	<b>0</b>	<b>536</b>
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>536</b>	<b>-11,514</b>	<b>-10,978</b>	<b>-5</b>	<b>-10,983</b>
Addition due to acquisition	0	0	0	0	0	0	0
Purchase of non-controlling interests	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>	<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 March 2017</b>	<b>500</b>	<b>726,434</b>	<b>-107</b>	<b>-42,908</b>	<b>683,919</b>	<b>-525</b>	<b>683,394</b>

(DKKt)	Consolidated cash flow statement	Q1 2017	Group Q1 2016
Notes			
	Operating profit (EBIT) before special items	1,005	0
	Depreciation, amortisation and impairment	8,533	0
	Exchange rate adjustments	491	0
	Change in working capital	-58,757	0
	<b>Cash flows from operating activities before special items and interest</b>	<b>-48,729</b>	<b>0</b>
	Interest received	22,049	0
	Interest paid	-35,464	0
	Tax paid	-792	0
	<b>Cash flows from operating activities</b>	<b>-62,936</b>	<b>0</b>
	Purchase of software	-1,599	0
	Purchase of property, plant and equipment	-2,068	0
5	Investments in Group entities	-147,669	0
	Loan to Transgroup Global Inc.	0	0
	<b>Cash flows from investing activities</b>	<b>-151,335</b>	<b>0</b>
	<b>Free cash flow</b>	<b>-214,271</b>	<b>0</b>
	Capital increase	79,218	0
	Purchase of non-controlling interest	-11,905	0
	Payments to/from group entities	232	0
	<b>Cash flows from financing activities</b>	<b>67,545</b>	<b>0</b>
	<b>Change in cash and cash equivalents</b>	<b>-146,726</b>	<b>0</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	-146,726	0
2	<b>Cash and cash equivalents at 31 March</b>	<b>19,278</b>	<b>500</b>

Note	(DKKt)	Group
1	<b>Financial income</b>	<b>Q1 2017</b>
	Financial income from Transgroup Global Inc.	13,043
	Other financial income	9,150
	<b>Total financial income</b>	<b>22,193</b>

2	Cash & Liquidity	31.03.2017		
		Net Cash (+ = deposit)	Credit facilities	Liquidity reserve
	<b>Scan Bidco Group</b>	19,278	89,835	109,113

The Scan Bidco Group holds net positive bank liquidity of DKK 19,278 thousand. Total financial reserves (net bank liquidity and credit facilities) aggregates to DKK 109,113 thousand.

Note (DKKt)		Group
3	<b>Receivable from Transgroup Global Inc.</b>	<b>31.03.2017</b>
	Principal, USD 98,019 thousand, interest rate 7.70%	681,936
	<b>Total receivable from Transgroup Global Inc.</b>	<b>681,936</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Receivable falling due between 1 and 5 years (2021)	0
	Receivable falling due after more than 5 years	681,936
	<b>Total non-current receivable from Transgroup Global Inc.</b>	<b>681,936</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.

4	<b>Bond debt</b>	31.03.2017
	Issued bonds, DKK tranche, interest rate 6.80%	625,000
	Issued bonds, USD tranche USD 100 million, interest rate 7.70%	695,720
		<b>1,320,720</b>
	Capitalised loan costs	-19,055
	<b>Total bond debt</b>	<b>1,301,665</b>
		<b>Carrying amount</b>
	<b>Cash flow*</b>	
	Bond debt falling due between 1 and 5 years (2021)	0
	Bond debt falling due after more than 5 years	1,320,720
	<b>Total non-current financial liabilities</b>	<b>1,320,720</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 is expected to be listed on the Nasdaq Stock Exchange in Stockholm during the second quarter of 2017.

Note (DKKt)	Group
<b>5 Investments in Group entities</b>	<b>Q1 2017</b>
<b>Provisional fair value at date of acquisition:</b>	
<b>ASSETS</b>	
Property, plant and equipment	274
Trade receivables (Gross DKK 59,899. Bad debt provision DKK 402)	59,497
Income taxes receivable	937
Other receivables	2,661
Prepayments	2,225
Cash and cash equivalents	8,451
<b>Total assets</b>	<b>74,045</b>
<b>LIABILITIES</b>	
Trade payables	34,251
Corporation tax	7,930
Other payables	21,309
<b>Total liabilities</b>	<b>63,489</b>
Non-controlling interests' share of acquired net assets	0
<b>Acquired net assets</b>	<b>10,556</b>
Goodwill, trademarks and customer relations less of deferred tax	157,264
<b>Fair value of total consideration</b>	<b>167,820</b>
Earn-out provision	11,700
<b>Cash consideration</b>	<b>156,120</b>
Adjustment for cash and cash equivalents taken over	-8,451
<b>Cash consideration for the acquisition of the Airlog Group</b>	<b>147,669</b>
Transaction costs for acquisition of the Airlog Group	0
<b>Investment in Airlog Group</b>	<b>147,669</b>

### **Acquisition of the Airlog Group**

In November 2016 Scan Global Logistics A/S did enter into an agreement to acquire 100% of the Swedish based freight forwarder Airlog Group AB.

The acquisition was effective as of 6 March 2017.

Under the terms of the agreement, Scan Global Logistics acquired Airlog Group for a consideration of SEK 200 million. In addition, an earn-out agreement with a maximum of SEK 15 million has been concluded. Total consideration amounts to DKK 168 million plus transaction costs of DKK 4 million. The transaction costs have been expensed in 2016.

### **About the Airlog Group**

Airlog is a full-service freight forwarder with offices in Sweden and Denmark focusing on small to mid-sized customers. Airlog has 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 SEK 451 million.

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

The integration of the 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 March 2017.

A preliminary calculation of trademarks and customer relations will be made in Q2 and hereby also a calculation of deferred tax.

### **Earnings impact**

The Q1 2017 revenue and EBITDA before special items comprise DKK 36 million and DKK 2 million, respectively, reported since the date of acquisition.

On a pro forma basis, if the acquisition had been effective from on 1 January 2017 the Airlog Group would have contributed DKK 101 million to revenue and DKK 4 million to EBITDA. The integration of the Airlog business is successfully following the original plan.

**Basis of preparation**

The accounting policies applied are consistent with those applied in the fourth quarter 2016 interim Financial Report.

The fourth quarter 2016 Interim Financial Report provide a full description of the accounting policies applied.

(DKKt) Notes	Income statement	Q1 2017	Parent Q1 2016
	Revenue	0	0
	Cost of operation	0	0
	<b>Gross profit</b>	<b>0</b>	<b>0</b>
	Other external expenses	-64	0
	Staff costs	0	0
	<b>Earnings before Interest, Tax, Depreciation, Amortisation and special items</b>	<b>-64</b>	<b>0</b>
	Depreciation of intangible and tangible assets	0	0
	<b>Operating profit before special items</b>	<b>-64</b>	<b>0</b>
	Special items	0	0
	<b>Operating profit (EBIT)</b>	<b>-64</b>	<b>0</b>
	Income from investments in group entities	-3,966	0
	Financial income	27,125	0
	Financial expenses	-34,609	0
	<b>Loss before tax</b>	<b>-11,514</b>	<b>0</b>
	Tax on loss for the period	0	0
	<b>Loss for the period</b>	<b>-11,514</b>	<b>0</b>

(DKKt)	Statement of comprehensive income	Q1 2017	Parent Q1 2016
	<b>Loss for the period</b>	<b>-11,514</b>	<b>0</b>
	<i>Items that will be reclassified to income statement when certain conditions are met:</i>		
	Exchange rate adjustment	536	0
	<b>Other comprehensive income, net of tax</b>	<b>536</b>	<b>0</b>
	<b>Total comprehensive income for the period</b>	<b>-10,978</b>	<b>0</b>

(DKKt) Notes	Balance sheet	31.03.2017	Parent 31.03.2016
<b>ASSETS</b>			
Investments in Group entities		1,021,224	0
Receivables from Group entities		369,190	0
Receivable from Transgroup Global Inc.		681,936	0
<b>Financial assets</b>		<b>2,072,350</b>	<b>0</b>
<b>Total non-current assets</b>		<b>2,072,350</b>	<b>0</b>
Receivables from Group entities		3,079	0
Other receivables		1,033	0
Cash and cash equivalents		770	500
<b>Total current assets</b>		<b>4,882</b>	<b>500</b>
<b>Total assets</b>		<b>2,077,232</b>	<b>500</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		500	500
Share premium		726,434	0
Currency translation reserve		-107	0
Reserve for net revaluation according to the equity method		0	0
Retained earnings		-36,118	0
<b>Total Equity</b>		<b>690,709</b>	<b>500</b>
Bond debt		1,301,665	0
<b>Total non-current liabilities</b>		<b>1,301,665</b>	<b>0</b>
Corporation tax		246	0
Payables to group entities		83,459	0
Other payables		1,153	0
<b>Total current liabilities</b>		<b>84,858</b>	<b>0</b>
<b>Total liabilities</b>		<b>1,386,523</b>	<b>0</b>
<b>Total equity and liabilities</b>		<b>2,077,232</b>	<b>500</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 2016</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>-3,966</b>	<b>-7,548</b>	<b>-11,514</b>
Currency exchange adjustment	0	0	536	0	0	536
<b>Other comprehensive income, net of tax</b>	<b>0</b>	<b>0</b>	<b>536</b>	<b>0</b>	<b>0</b>	<b>536</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>536</b>	<b>-3,966</b>	<b>-7,548</b>	<b>-10,978</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>11,791</b>	<b>-11,791</b>	<b>0</b>
<b>Equity at 31 March 2017</b>	<b>500</b>	<b>726,434</b>	<b>-107</b>	<b>0</b>	<b>-36,118</b>	<b>690,709</b>

(DKKt) Notes	Cash flow statement	Q1 2017	Parent Q1 2016
	Operating profit (EBIT) before special items	-64	0
	Depreciation, amortisation and impairment	0	0
	Exchange rate adjustments	286	0
	Change in working capital	-718	0
	<b>Cash flows from operating activities before special items and interest</b>	<b>-496</b>	<b>0</b>
	Special items paid	0	0
	Interest received	17,278	0
	Interest paid	-24,330	0
	Tax received	0	0
	<b>Cash flows from operating activities</b>	<b>-7,548</b>	<b>0</b>
	Capital increase in subsidiaries	-127,522	0
	Loan to Group entity, principal	-71,259	0
	Repayments from Group entity	6,206	0
	<b>Cash flows from investing activities</b>	<b>-192,575</b>	<b>0</b>
	<b>Free cash flow</b>	<b>-200,123</b>	<b>0</b>
	Capital increase	79,218	0
	<b>Cash flows from financing activities</b>	<b>79,218</b>	<b>0</b>
	<b>Change in cash and cash equivalents</b>	<b>-120,905</b>	<b>0</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	-120,905	0
	<b>Cash and cash equivalents at 31 December</b>	<b>770</b>	<b>500</b>

## Note 1 Accounting policies

The accounting policies applied by the Parent company are consistent with those of the Group.  
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.