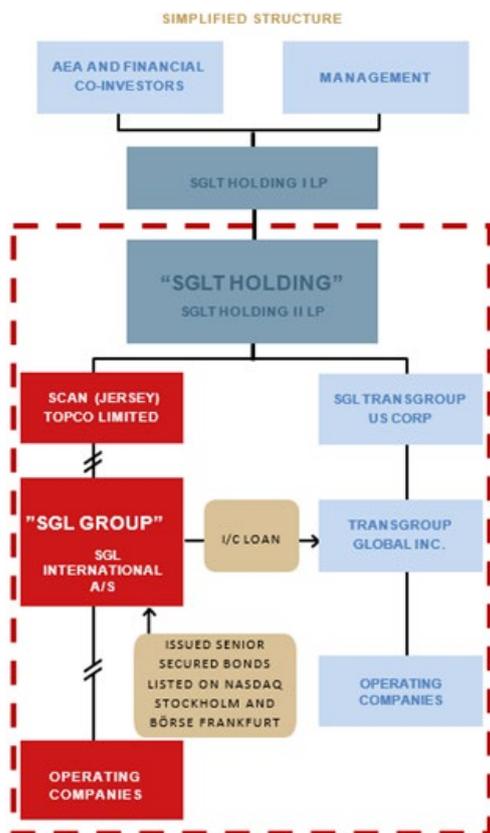


# **SGL International A/S**

# **INTERIM FINANCIAL REPORT**

**FIRST HALF YEAR OF 2021,  
Q2 2021**

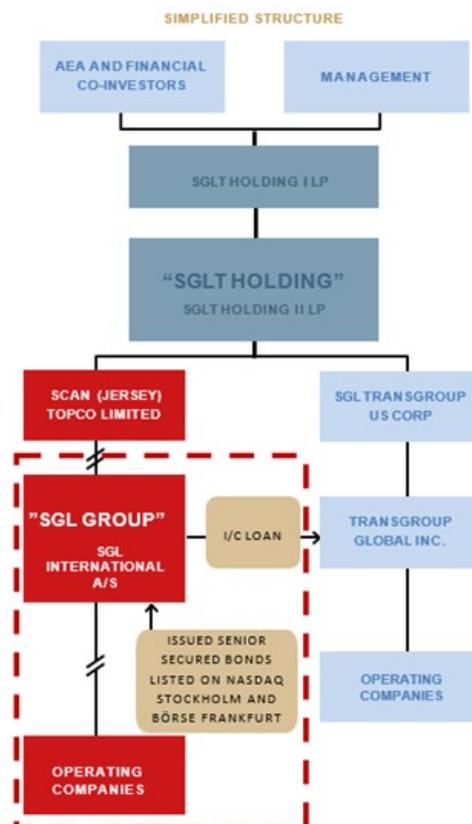


**SGLT HOLDING**

The figures contained in this section are comprised of the combined financial performance of SGL International A/S and TransGroup Global Inc., including their respective subsidiaries, constituting the combined group SGLT Holding II LP (“SGLT Holding”).

The figures for SGLT Holding are included because they highlight the performance to which attention should be given when understanding the current combined performance and predicting future combined performance supporting the issued senior secured bond through SGL International A/S.

Reporting currency for SGLT Holding is USD.



**SGL GROUP**

SGL International A/S (SGL Group), formerly SGL TransGroup International A/S, is owned by SGLT Holding II LP, and the ultimate owner is SGLT Holding I LP. SGL Group includes SGL International A/S and all its subsidiaries.

SGL International A/S (together with TransGroup Global Inc. and their respective subsidiaries) has issued senior secured floating-rate bonds with SGL International A/S as the issuer in an aggregate amount of EUR 250m within a total framework amount of EUR 315m and EUR 150m within a total framework of EUR 350m.

Reporting currency for SGL Group is DKK.

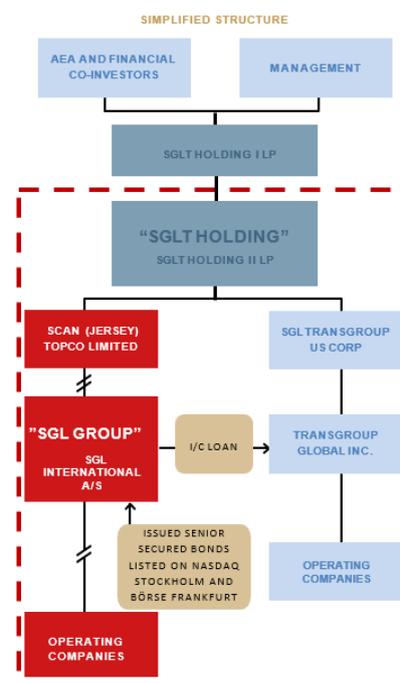
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# SGLT Holding

FIRST HALF YEAR OF 2021,  
Q2 2021



**» FINANCIAL HIGHLIGHTS**

USDm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Income statement</b>					
Revenue		468.8	291.5	849.5	555.9
Gross profit		69.7	49.9	124.4	94.3
EBITDA before special items		23.2	19.7	36.6	30.1
EBITDA before special items excluding IFRS 16 <sup>1</sup>		18.7	15.2	27.4	21.7
Operating profit (EBIT) before special items		14.2	9.2	18.6	12.3
Special items, net		-0.9	-3.4	-1.7	-5.4
Financial items, net		-12.4	-6.0	-14.5	-9.9
Profit/Loss before tax		0.9	-0.2	2.4	-3.0
Profit/Loss for the period		7.7	-0.9	2.7	-3.4
<b>Income statement (Business Performance)<sup>2</sup></b>					
Adjusted EBITDA <sup>3</sup>	1	19.2	15.8	28.6	22.9
<b>Cash Flow</b>					
Cash flows from operating activities before special items, interest and tax		-16.6	42.2	-27.9	30.0
Cash flows from operating activities		-26.9	34.1	-46.0	15.6
Cash flows from investing activities		-30.6	-2.2	-43.4	-11.1
Free cash flow		-57.5	32.0	-89.4	4.5
Cash flows from financing activities		103.6	-6.1	94.6	-10.9
Cash flow for the period		46.1	25.9	5.2	-6.4
<b>Financial position</b>					
				<b>30.06.2021</b>	<b>30.06.2020</b>
Total Equity				120.9	137.9
Equity attributable to parent company				117.2	134.9
Net interest bearing debt (NIBD)				394.3	279.2
Net interest bearing debt (NIBD) excluding IFRS 16 <sup>1</sup>				352.6	237.0
Total assets				805.4	597.4
<b>Financial ratios in %</b>					
Gross margin		14.9	17.1	14.6	17.0
EBITDA margin before special items		5.0	6.8	4.3	5.4
EBITDA margin before special items excluding IFRS 16 <sup>1</sup>		4.0	5.2	3.2	3.9
EBIT margin before special items		3.0	3.2	2.2	2.2
Equity ratio		15.0	23.1	15.0	23.1

1) EBITDA presented before applying the accounting of IFRS 16 Leases; costs related to leased assets have been recognized in the PL impacting the result negatively; 2) Business performance represents the underlying financial performance of SGLT Holding in the reporting period as results are adjusted for extraordinary items which are not in line with the ordinary course of business and other non-recurring items. Apart from this, there is no difference between business performance and IFRS results. 3) Excluding the impact of IFRS 16 Leases and before special items; ref. note 6.4 Financial definitions.

## »» FINANCIAL PERFORMANCE

In Q2 2021, SGLT Holding delivered its best quarterly financial result to date. The adjusted EBITDA, totaling USD 19.2 million and USD 28.6 million for H1 was achieved despite, but also because of, the continued impact of the COVID-19 pandemic on the global market.

Although activity is increasing, the consequences of COVID-19 remain a global challenge, not only impacting the general operation both internally and externally, but also putting pressure on global freight capacity and thus pushing freight rates upwards in many regions.

In order to protect profitability, SGLT Holding has continued its disciplined execution of COVID-19 cost saving initiatives and restructuring activities throughout Q2 2021; however, at the same time, adjusted to match operational capacity for the increased activity levels, which has driven an adjusted EBITDA result of 25% compared to first half year of 2020.

Further, SGLT Holding remained committed to its organic initiatives and acquisition strategy. Latest acquisitions include the Air & Ocean activities acquisition of Grupo Contenosa in Spain and acquisition of Chicago based Expedited Solutions, LLC, both acquired in April 2021.

### *Financial results for the period – First half year of 2021*

- »» Revenue amounted to USD 849.5 million for H1 of 2021, an increase of 53% compared to H1 of 2020, including positive impact of FX translation of approximately USD 33.6 million. Revenue increases throughout H1 was primarily driven by an exponential increase in freight rates globally due to capacity constraints – an aftereffect of COVID-19. Supporting this, the Shanghai Containerized index have risen continuously throughout Q1 and Q2 of 2021. The increase in activity levels was experienced across all regions, especially Air and Ocean activities in the Nordics, Asia Pacific and North America have been impacted.
- »» Gross profit amounted to USD 124.4 million for H1 of 2021; an increase of 32% compared to H1 2020, including positive impact FX translation of approximately USD 6.2 million. Increase in freight rates and capacity constraints during H1 of 2021 resulted in a drop in gross margins by 2% compared to same period last year.
- »» SG&A costs amounted to USD 87.7 million for H1 of 2021; impacted by FX translation of approximately USD 4.9 million, resulting in an increase by 37% compared to H1 of 2020. Excluding FX translation impact SG&A costs increased as expected constituting 10% of revenue, which is similar to the same period last year.
- »» Adjusted EBITDA amounted to USD 28.6 million for H1 of 2021; an increase of 25% compared to same period last year. The improved performance was driven both by organic growth and through acquisitions made.
- »» Special Items, net, amounted to USD 1.7 million for H1 of 2021 mainly driven by greenfield activities and M&A related costs.
- »» Financial items amounted to net expenses USD 14.5 million for H1 of 2021 an increase of 46% compared to same period last year. Net financial expenses mainly comprised of interest expenses on the bond debt and exchange rate differences. As a result of new bond debt, interest expenses increased during Q2, resulting in an overall increase in interest expenses of USD 3.1 million compared to Q1, including capitalised loan costs recognised in the income statement as well as an impact of IFRS 16 interest. FX translation affected negatively by USD 0.6 million for H1.

## »» FINANCIAL PERFORMANCE – CONT'D

- »» Cash flow from operating activities before special items, interest & tax is negative by DKK 16.6 million for Q2 2021 and DKK 27.9 million for the first half year of 2021; a development positively affected by EBIT, however offset by a significant use of cash from net working capital.

Due to COVID-19, market conditions have changed radically the past 6 months, where high activity levels have resulted in increased freight rates. Especially terms and conditions in the unusually strong ocean freight market have driven a significant increase in working capital utilization. SGL Holding is monitoring the market conditions closely and remains focused on cash collection to accommodate the impact on working capital.

- »» Capital structure: The equity attributable to the Parent company was USD 117.2 million. The total equity ratio was 15% as per 30 June 2021 compared to 23% as per 30 June 2020 and 19% as per 31 December 2020. The decreased equity ratio is driven by increased debt levels as a result of issuing new bond debt and further FX translation.
- »» Net Interest-Bearing Debt (NIBD) was USD 394.3 million and USD 352.6 million excluding lease liabilities as of 30 June 2021 (30 June 2020: USD 279.2 million and USD 237.0 million excluding lease liabilities). The increase was driven by the new issue of EUR 150 million senior secured fixed rate bonds. Bond debt was raised for acquisitions and general corporate purposes.
- »» Change in Net Working Capital was negative with USD 68.4 million for the first six months of 2021, mainly impacted by change in freight rates and payment terms in the Air & Ocean segments affected by the current market situation, but also impacted by changes in activity mix as Air & Ocean becomes a larger part of SGLT Holding. SGLT Holding is monitoring the market conditions closely and remains focused on terms and conditions in order to accommodate the impact on working capital.

## »» GROWTH STRATEGY & OUTLOOK

- »» In addition to growing the existing business, SGLT Holding continues to pursue its inorganic growth strategy, targeting acquisition opportunities with a good strategic fit to help scale the business, improve profitability, and drive deleveraging.
- »» As part of this strategy, SGLT Holding is evaluating debt financing alternatives, including subsequent or additional bond issues, to be able to execute upon a number of potential acquisitions in the near term.
- »» In July 2021, SGLT Holding continues to deliver a strong performance with a YTD EBITDA of USD 40m; an increase of 29% compared to the same period last year (USD 31m).
- »» NIBD excluding IFRS 16 Leases of USD 389.6m as of July 2021, indicating a Net Leverage Ratio of 6.2x against LTM July Adjusted EBITDA of USD 63.2m.
- »» Including acquisitions expected to be closed in the near term, SGLT Holding LTM Pro Forma Adjusted EBITDA is USD 79.9m for July 2021.
- »» For FY2021, SGLT Holding has updated its guidance for adjusted EBITDA to USD 75-80m (previously USD 70-75m).
- »» Taking into account certain acquisitions expected to be closed shortly, SGLT Holding FY2021 Pro Forma Adjusted EBITDA is forecasted to be approx. USD 95m.

**» INCOME STATEMENT**

USDm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue		468.8	291.5	849.5	555.9
Cost of operation		-399.1	-241.6	-725.2	-461.5
<b>Gross profit</b>		<b>69.7</b>	<b>49.9</b>	<b>124.3</b>	<b>94.4</b>
Other external expenses		-7.3	-6.2	-15.1	-12.8
Staff costs		-39.2	-23.9	-72.6	-51.4
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>	<b>1</b>	<b>23.2</b>	<b>19.7</b>	<b>36.6</b>	<b>30.2</b>
Amortisation and Depreciation		-9.0	-10.6	-18.0	-17.8
<b>Operating profit (EBIT) before special items</b>		<b>14.2</b>	<b>9.2</b>	<b>18.6</b>	<b>12.4</b>
Special items, net		-0.9	-3.4	-1.7	-5.4
Financial income		0.0	0.5	2.1	2.3
Financial expenses		-12.4	-6.5	-16.5	-12.3
<b>Profit/Loss before tax</b>		<b>0.9</b>	<b>-0.2</b>	<b>2.5</b>	<b>-3.0</b>
Tax for the period		6.8	-0.7	0.2	-0.4
<b>Profit/loss for the period</b>		<b>7.7</b>	<b>-0.9</b>	<b>2.7</b>	<b>-3.4</b>
<b>Total income for the period attributable to</b>					
Owners of the Parent Company		7.1	-1.0	1.1	-4.0
Non-controlling interests		0.6	0.1	1.6	0.6
<b>Total</b>		<b>7.7</b>	<b>-0.9</b>	<b>2.7</b>	<b>-3.4</b>

**» COMPREHENSIVE INCOME STATEMENT**

USDm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Profit/loss for the year</b>		<b>7.7</b>	<b>-0.9</b>	<b>2.7</b>	<b>-3.4</b>
<i>Items that may be reclassified to income statement when certain conditions are met:</i>					
Exchange rate adjustment		-1.6	2.1	-1.6	-1.6
<b>Total comprehensive income for the period</b>		<b>6.1</b>	<b>1.2</b>	<b>1.1</b>	<b>-5.0</b>
<b>Total comprehensive income for the year attributable to</b>					
Owners of the Parent Company		4.5	1.2	-0.1	-5.6
Non-controlling interests		1.6	0.0	1.2	0.6
<b>Total</b>		<b>6.1</b>	<b>1.2</b>	<b>1.1</b>	<b>-5.0</b>

**» BALANCE SHEET**

USDm	Note	30.06.2021	30.06.2020	31.12.2020
<b>ASSETS</b>				
Intangible assets		378.8	339.5	359.9
Right of use assets		38.0	39.7	46.8
Property, plant and equipment		8.9	8.0	8.1
Other receivables <i>long</i>		2.9	2.3	2.8
Deferred tax asset		1.8	0.2	1.7
<b>Total non-current assets</b>		<b>430.4</b>	<b>389.7</b>	<b>419.3</b>
Trade receivables		265.7	158.0	195.9
Income tax receivables		0.7	1.5	0.8
Receivables from related parties <i>short</i>		2.7	1.1	-2.0
Other receivables		15.7	2.9	6.0
Prepayments		9.6	7.9	4.8
Cash and cash equivalents	2	80.6	33.0	49.9
Assets held for sale <sup>1</sup>		0	3.3	0.0
<b>Total current assets</b>		<b>375.0</b>	<b>207.7</b>	<b>255.4</b>
<b>Total assets</b>		<b>805.4</b>	<b>597.4</b>	<b>674.7</b>

<sup>1</sup> Airlog Group Denmark A/S, Airlog Group Sweden AB, Airlog Group AS and Airlog Group Fur OY were classified as assets held for sale as of 30 June 2020.

**» BALANCE SHEET**

USDm	Note	30.06.2021	30.06.2020	31.12.2020
<b>EQUITY AND LIABILITIES</b>				
Partnership interest		186.2	186.2	186.2
Currency translation reserve		-1.8	-4.0	4.8
Retained earnings		-67.2	-47.3	-73.0
<b>Equity attributable to the Parent Company</b>		<b>117.2</b>	<b>134.9</b>	<b>118.0</b>
Non-controlling interests		3.7	3.0	3.9
<b>Total equity</b>		<b>120.9</b>	<b>137.9</b>	<b>121.9</b>
<b>Non-current liabilities</b>				
Bond debt	3	398.5	243.6	300.2
Lease Liabilities, Right of use assets <small>long</small>		27.9	28.4	34.8
Deferred tax liability		13.8	10.4	11.3
Other liabilities <small>long</small>		0.3	1.9	4.1
<b>Total non-current liabilities</b>		<b>440.5</b>	<b>284.3</b>	<b>350.4</b>
<b>Current liabilities</b>				
Bank debt	2	26.5	20.4	0.1
Lease Liabilities, Right of use assets <small>short</small>		13.8	13.7	15.2
Trade payables		160.1	92.5	145.6
Deferred income		15.4	11.1	16.4
Corporation tax		0.9	2.2	4.0
Other liabilities		27.3	33.5	21.1
Liabilities directly associated with assets classified as held for sale <sup>1</sup>		0	1.8	0
<b>Total current liabilities</b>		<b>244.0</b>	<b>175.2</b>	<b>202.4</b>
<b>Total liabilities</b>		<b>684.5</b>	<b>459.5</b>	<b>552.8</b>
<b>Total equity and liabilities</b>		<b>805.4</b>	<b>597.4</b>	<b>674.7</b>

<sup>1)</sup> Liabilities associated with assets classified as held for sale as of 30 June 2020 related to the sale of Airlog Group Denmark A/S, Airlog Group Sweden AB and Airlog Group Fur OY.

**» CASH FLOW STATEMENT**

USDm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating profit (EBIT) before special items		14.2	9.2	18.6	12.4
Depreciation and amortisation		9.0	10.6	18.0	17.8
Non-cash transactions		0.0	-4.3	0.0	-4.3
Exchange rate adjustments		1.6	-2.6	3.9	-0.6
Change in working capital		-41.5	29.3	-68.5	4.8
<b>Cash flows from operating activities before special items, interest and tax</b>		<b>-16.6</b>	<b>42.2</b>	<b>-28.0</b>	<b>30.1</b>
Special items, received		0.0	0.6	0.0	0.6
Special items, paid		-0.7	-1.6	-1.7	-3.3
Interest received		0.3	0	0.3	0.8
Interest paid		-7.9	-5.0	-13.3	-9.5
Tax paid		-2.0	-2.1	-3.4	-3.0
<b>Cash flows from operating activities</b>		<b>-26.9</b>	<b>34.1</b>	<b>-46.1</b>	<b>15.7</b>
Purchase of software and other intangible assets		-2.3	-1.0	-4.3	-2.1
Purchase of property, plant and equipment		-0.7	-0.5	-1.4	-1.1
Earn-out paid		-0.2	-0.2	-0.2	-0.2
Investments in Group entities		-27.4	-0.5	-37.5	-7.7
<b>Cash flows from investing activities</b>		<b>-30.6</b>	<b>-2.2</b>	<b>-43.4</b>	<b>-11.1</b>
<b>Free cash flow</b>		<b>-57.5</b>	<b>31.9</b>	<b>-89.5</b>	<b>4.6</b>
Dividend paid to non-controlling interests		-0.6	-0.1	-1.6	-0.9
Repayment of loan from related entities		3.3	0.0	-4.8	0.0
Proceeds from issuing bonds		109.6	0.0	109.6	0.0
Redemption of lease liabilities, Right of use assets		-8.6	-5.1	-8.6	-9.4
Redemption of other acquisition debt		0.0	-0.7	0.0	-0.7
<b>Cash flows from financing activities</b>		<b>103.6</b>	<b>-5.9</b>	<b>94.6</b>	<b>-11.0</b>
<b>Change in cash and cash equivalents</b>		<b>46.1</b>	<b>26.0</b>	<b>5.2</b>	<b>-6.4</b>
<b>Cash and cash equivalents</b>					
Cash and cash equivalents beginning of period		7.4	-13.3	49.8	19.1
Exchange rate adjustment of cash and cash equivalents		0.5	0.0	-1.0	0.0
Change in cash and cash equivalents		46.1	26.0	5.2	-6.4
<b>Cash and cash equivalents end of period</b>	2	<b>54.0</b>	<b>12.7</b>	<b>54.0</b>	<b>12.7</b>

**» CHANGES IN EQUITY**

USDm	Partnership interest	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non Controlling Interests	Total Equity
<b>Equity at 1 January 2021</b>	<b>186.2</b>	<b>4.8</b>	<b>-73.0</b>	<b>118.0</b>	<b>3.9</b>	<b>121.9</b>
<b>Profit/Loss for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.6</b>	<b>2.7</b>
Currency exchange adjustment	0.0	-1.1	0.0	-1.1	-0.5	-1.6
<b>Other comprehensive income, net of tax</b>	<b>0.0</b>	<b>-1.1</b>	<b>0.0</b>	<b>-1.1</b>	<b>-0.5</b>	<b>-1.6</b>
<b>Total comprehensive income, net of tax</b>	<b>0.0</b>	<b>-1.1</b>	<b>1.1</b>	<b>-0.1</b>	<b>1.2</b>	<b>1.1</b>
Purchase of non-controlling interests	0.0	0.0	-0.8	-0.8	0.0	-0.8
Dividend distributed, non-controlling interests	0.0	0.0	0.3	0.3	-1.6	-1.3
Transfer	0.0	0.0	-0.1	-0.1	0.1	0.0
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-1.5</b>	<b>-2.1</b>
<b>Equity at 30 June 2021</b>	<b>186.2</b>	<b>3.7</b>	<b>-72.5</b>	<b>117.2</b>	<b>3.7</b>	<b>120.9</b>

USDm	Share Capital	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non Controlling Interests	Total Equity
<b>Equity at 1 January 2020</b>	<b>186.2</b>	<b>-2.4</b>	<b>-43.3</b>	<b>140.5</b>	<b>3.0</b>	<b>143.5</b>
<b>Profit/Loss for the period</b>	<b>0.0</b>	<b>0.0</b>	<b>-4.0</b>	<b>-4.0</b>	<b>0.6</b>	<b>-3.4</b>
Currency exchange adjustment	0.0	-1.6	0.0	-1.6	0.0	-1.6
<b>Other comprehensive income, net of tax</b>	<b>0.0</b>	<b>-1.6</b>	<b>0.0</b>	<b>-1.6</b>	<b>0.0</b>	<b>-1.6</b>
<b>Total comprehensive income, net of tax</b>	<b>0.0</b>	<b>-1.6</b>	<b>-4.0</b>	<b>-5.6</b>	<b>0.6</b>	<b>-5.1</b>
Purchase of non-controlling interests	0.0	0.0	-0.1	-0.1	0.4	0.3
Dividend distributed, non-controlling interests	0.0	0.0	0.0	0.0	-0.9	-0.9
<b>Total transactions with owners</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.5</b>	<b>-0.7</b>
<b>Equity at 30 June 2020</b>	<b>186.2</b>	<b>-4.0</b>	<b>-47.4</b>	<b>134.8</b>	<b>3.1</b>	<b>137.9</b>

**» NOTES**
**NOTE 1 – ALTERNATIVE PERFORMANCE MEASURES**

USDm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<i>Adjusted EBITDA:</i>				
EBITDA before special items	23.2	19.7	36.6	30.1
IFRS 16 impact	-4.5	-4.5	-9.2	-8.4
Other adjustments*	0.5	0.6	1.2	1.2
<b>Adjusted EBITDA</b>	<b>19.2</b>	<b>15.8</b>	<b>28.6</b>	<b>22.9</b>

\*Adjustments for extraordinary items which are not in line with the ordinary course of business and other non-recurring items, such as Holding companies related costs and fees for Group services.

**NOTE 2 – CASH AND LIQUIDITY RESERVE**

USDm	30.06.2021	30.06.2020	31.12.2020
Cash and cash equivalents <sup>1</sup>	80.6	33.0	49.9
Bank debt	-26.5	-20.3	-0.1
<b>Net cash</b>	<b>54.1</b>	<b>12.7</b>	<b>49.8</b>
Credit facilities <sup>2</sup>	64.7	62.4	66.0
<b>Liquidity reserve</b>	<b>118.8</b>	<b>75.1</b>	<b>115.8</b>

<sup>1</sup>As per 30 June 2021 USDm 59.0 is held in Escrow as part of new bonds issued for the use of M&A. Will be released once M&A activities are completed.

<sup>2</sup>In July 2021 the credit facilities were increased to USD 73.6 million.

**NOTE 3 – BOND DEBT**

Please refer to Note 7 in SGL Group page 27.

**NOTE 4 – BUSINESS COMBINATIONS**
*Acquisition of Werner Global Logistics*

27 January 2021, SGLT Holding, through its wholly owned subsidiaries Transgroup Global Inc., Scan Global Logistics (Shanghai) Co., LTD, and SGL Transgroup De Mexico S.A. De C.V., entered into an agreement for the acquisition of Air and Ocean activities from Werner Global Logistics U.S. LLC, a North American based freight forwarding company, Werner Global Logistics (Shanghai) Co., LTD and Werner Global Logistics Mexico, S. De R.L. De C.V a Mexican based freight forwarding company. With the acquisition the Group will be able to serve its customers more effectively and grow its presence in Canada, the United States, China and Mexico for the benefit of its customers.

The acquisition price for the activities was USD 850 thousand and an additional earnout of maximum USD 1.65 million, financed through cash and cash equivalents.

**» NOTES – CONT'D**

Closing was 26 February 2021, from which date the activities are consolidated in the Group's financial statements.

SGLT Holding is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

*Acquisitions of shares in Atlanta based ATL LLC*

On 18 January 2021 SGLT Holding has through its wholly owned subsidiary Transgroup Express LLC acquired the remaining 49% minority shares in Trans ATL LLC. Acquisition price was approx. USD 1 million including an earn-out.

SGLT Holding is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

*Acquisitions of shares in Boston-based Precision Worldwide Logistics, Inc.*

On 31 March 2021 SGLT Holding has through its wholly owned subsidiary Transgroup Express LLC acquired 100% of shares in Boston-based Precision Worldwide Logistics, Inc. Precision Worldwide Logistics has been operating under the TransGroup umbrella for more than 20 years already and is a leader in apparel distribution, medical devices, high-tech, and manufacturing logistics. Acquisition price was USD 6.4 million.

SGLT Holding is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

*Acquisition of Grupo Contenosa (Spain)*

On 27 April 2021, the SGLT Holding has, through its wholly owned subsidiary, Scan Global Logistics A/S acquired Grupo Contenosa, a Spanish family-owned freight forwarding company. With the acquisition, the Group becomes a significant player in the Spanish third-party logistics market and enables the Group to grow its network and presence in Spain and Mexico. The Group gains access to new profitable niche markets and most importantly, the acquisition will bring additional human capital to a core Group country. With seven offices in Spain and Mexico, Grupo Contenosa generates yearly revenue above EUR 50 million. Acquisition price was USD 23.7 million.

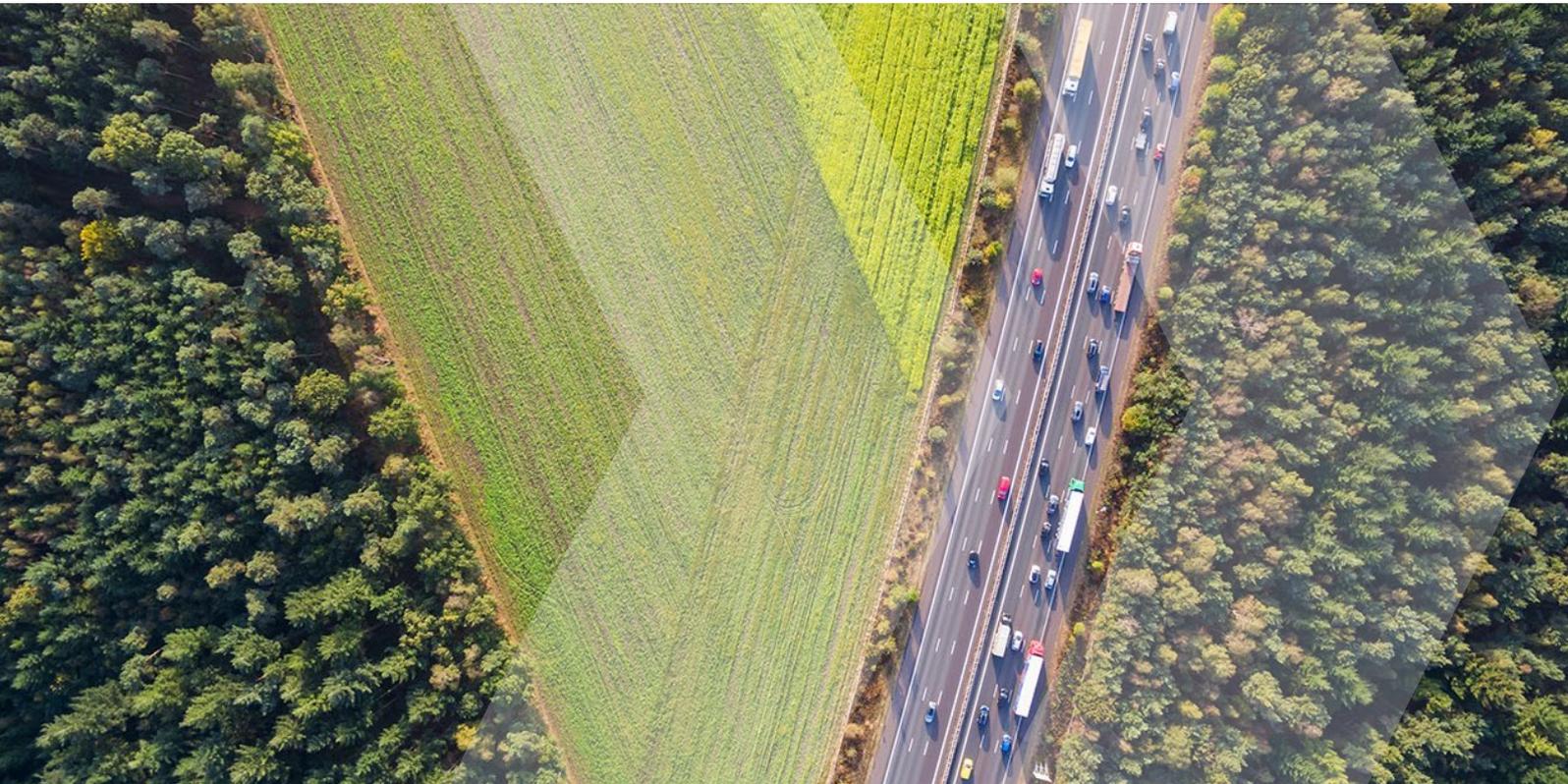
The acquisition of Grupo Contenosa was financed through the issue of new senior secured fixed-rate bonds. Closing was 27 April 2021, from which date the activities are consolidated in the Group's financial statements.

SGLT Holding is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

*Acquisitions of shares in Chicago-based Expedited Solutions, LLC*

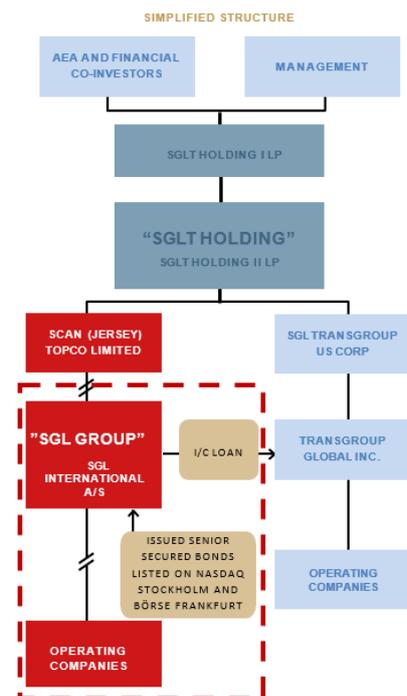
On 2 April 2021 SGLT Holding has through its wholly owned subsidiary Transgroup Express LLC acquired 80% of shares in the Chicago-based Expedited Solutions, LLC. Since 1996 the Chicago domestic office has operated under the TransGroup umbrella and been a leader in the North American market for TransGroup. Acquisition price was USD 6 million.

SGLT Holding is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.



# SGL GROUP

FIRST HALF YEAR OF 2021,  
Q2 2021



**» FINANCIAL HIGHLIGHTS**

DKKm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Income statement</b>					
Revenue		2,102.9	1,409.1	3,756.7	2,511.0
Gross profit		300.1	261.9	539.4	452.7
EBITDA before special items		96.7	119.9	155.7	154.7
EBITDA before special items excluding IFRS 16 <sup>1</sup>		74.4	99.9	109.6	111.7
Operating profit (EBIT) before special items		53.7	63.9	68.9	63.9
Special items, net		-4.3	-12.1	-8.3	-24.8
Financial items, net		-58.3	-15.3	-52.6	-26.7
Profit/Loss before tax		-8.9	36.6	8.0	12.4
Profit/Loss for the period		-10.4	32.7	0.5	10.4
<b>Cash Flow</b>					
Cash flows from operating activities before special items, interest and tax		-66.2	228.9	-206.2	133.7
Cash flows from operating activities		-54.9	39.5	-284.9	72.7
Cash flows from investing activities		-159.4	-11.3	-180.5	-71.3
Free cash flow		-214.3	28.3	-465.4	1.5
Cash flows from financing activities		651.9	-27.6	642.3	-47.6
Cash flow for the period		437.6	0.7	176.9	-46.1
<b>Financial position</b>				<b>30.06.2021</b>	<b>30.06.2020</b>
Total Equity				475.0	580.9
Equity attributable to parent company				471.5	574.8
Net interest bearing debt (NIBD)				1,673.1	1,135.9
Net interest bearing debt (NIBD) excluding IFRS 16				1,465.2	926.2
Total assets				4,584.9	3,341.6
<b>Financial ratios in %</b>					
Gross margin		14.3	18.6	14.4	18.0
EBITDA margin before special items		4.6	8.5	4.1	6.2
EBITDA margin before special items excluding IFRS 16 <sup>1</sup>		3.5	7.1	2.9	4.4
EBIT margin before special items		2.6	4.5	1.8	2.5
Equity ratio		10.4	17.4	10.4	17.4
<b>Other</b>					
Number of full time employees at period end		1,670	1,296	1,670	1,296

<sup>1)</sup> EBITDA presented before applying the accounting of IFRS 16 Leases; costs related to leased assets have been recognized in the PL impacting the result negatively.

## »» FINANCIAL PERFORMANCE

On an operational level, SGL Group delivered its best quarterly financial result to date. EBITDA before special items, excluding IFRS 16 accounting was DKK 109.6 million. This was despite the continued impact of the Covid-19 pandemic on the global market.

Although activity is increasing, especially for the Air & Ocean segment, the consequences of COVID-19 remain a global challenge, not only impacting the general operation both internally and externally, but also putting pressure on global freight capacity and thus pushing freight rates upwards in many regions. In turn, this puts pressure on cash flows.

To protect profitability, SGL Group has continued its disciplined execution of COVID-19 cost saving initiatives and restructuring activities throughout first half year of 2021, however at the same time adjusted to match operational capacity for the increased activity levels. EBITDA before special items and excluding IFRS 16 accounting has decreased slightly by 2.1% compared to first half year of 2020; this due to an exceptional good Q2 in 2020 caused by large volumes of PPE (Personal Protection Equipment) shipments to Asia.

Further, SGL Group remained committed to its organic initiatives and acquisition strategy. Latest acquisition includes the Air & Ocean activities of the enterprise Grupo Contenosa in Spain.

### *Financial results for the period – First Half Year 2021*

- »» Revenue amounted to DKK 3,756.7 million for H1 of 2021, an increase of 50% compared to same period last year. Revenue increases, throughout H1, was primarily driven by an exponential increase in freight rates globally due to capacity constraints – an aftereffect of COVID-19. Supporting this, the Shanghai Containerized index have risen continuously throughout Q1 and Q2 of 2021. The increase in activity levels was present across all regions but especially Air and Ocean activities in the Nordics, Asia Pacific and North America have been impacted.
- »» Gross profit amounted to DKK 539.4 million for H1 of 2021; an increase of 19% compared to same period last year. Increase in freight rates and capacity constraints during H1 of 2021 resulted in a drop in gross margins by 3.6-points compared to same period last year.
- »» SG&A costs amounted to DKK 383.6 million for H1 of 2021; an increase by 29% compared to same period last year. SG&A costs were 10.2% of the revenue, slightly below last year's level. The increase was coming from greenfield activities and acquisitions made over the course of the last twelve months resulting in e.g. increase in FTEs of 29% from 1296 in 2020 to 1670 in 2021.
- »» EBITDA before special items and excluding IFRS 16 accounting amounted to DKK 109.6 million; a decrease of 2% compared to same period last year. Performance for H1 2020 was unprecedented due to the effects of PPE shipments. However, for 2021 YTD EBITDA is in line with 2020 YTD levels.
- »» Depreciation and amortisation; DKK 86.8 million, a decrease of 4% compared to H1 2020. The decrease was driven by specific changes in asset mix in H1 2020.
- »» Special Items amounted to DKK 8.3 million for H1 of 2021; mainly driven by greenfield activities and M&A related costs.
- »» Net financial expenses, of DKK 52.6 million, was driven by unrealised currency exchange rate loss and interest expenses on the bond debt, including capitalised loan costs recognised in the income statement as well as the impact of IFRS 16 interest.

## »» FINANCIAL PERFORMANCE – CONT'D

- »» Cash flow from operating activities before special items, interest & tax is negative by DKK 66.3 million for Q2 2021 and DKK 206.3 million for the first half year of 2021; a development positively affected by EBIT, however offset by a significant use of cash from net working capital.

Due to COVID-19, market conditions have changed radically the past 6 months, where high activity levels have resulted in increased freight rates. Especially terms and conditions in the unusually strong ocean freight market have driven a significant increase in working capital utilization. SGL Group is monitoring the market conditions closely and remains focused on cash collection to accommodate the impact on working capital.

- »» Capital structure: The equity attributable to the Parent company was DKK 464.8 million. The total equity ratio was 10.1% as per 30 June 2021 compared to 17.4% as per 30 June 2020 and 13.3% as per 31 December 2020. The increased equity ratio is driven by increased debt levels as a result of issuing new bond debt and further FX translation.
- »» Net Interest-Bearing Debt (NIBD) was DKK 1,673.1 million and DKK 1,465.2 million excluding lease liabilities as of 30 June 2021 (30 June 2020: DKK 1,135.9 million and DDK 926.2 million excluding lease liabilities). The increase is caused by the new issue of EUR 150 million senior secured fixed rate bonds. Bond debt was raised for acquisitions and general corporate purposes.
- »» Change in Net Working Capital was negative with DKK 363.8 million for the first six months of 2021, mainly impacted by change in freight rates and payment terms in the Air & Ocean segments affected by the current market situation, but also impacted by changes in activity mix as Air & Ocean becomes a larger part of SGL Group. SGL Group is monitoring the market conditions closely and remains focused on terms and conditions, to accommodate the impact on the working capital.

## »» OUTLOOK

- »» During the second quarter of 2021, SGL Group has delivered a strong performance above previous expectations with a great momentum driven both organically and via M&A activities. We remain committed to finding new ways to make the world a little less complicated, even with continued market turbulence.

Based on the increased activity levels and visibility for the remainder of the year, SGL Group has updated the guidance on EBITDA before special items (excluding the impact of IFRS 16) and narrowed down the guidance on EBITDA margin before special items (excluding the impact of IFRS 16).

- Estimated EBITDA before special items (excluding the impact of IFRS 16) is expected to be in the range of DKK 320 to 350 million. Full year outlook for 2021 previously announced in the Annual report 2020 was in the range of DKK 270 million to DKK 300 million.
- SGL Group still expects to achieve an EBITDA margin before special items (excluding the impact of IFRS 16) within the range of 3.5% to 4.5%; however, due to the pressure on capacity and the subsequently inflated rate levels, SGL Group expects the margin to be in the lower end of the range.
- The targets are based on the assumptions of stable global economic development and assumes exchange rates remain the same as the time of initial outlook.

**»» INCOME STATEMENT**

DKKm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Revenue	1	2,102.9	1,409.1	3,756.7	2,511.0
Cost of operation	1	-1,802.8	-1,147.2	-3,217.3	-2,058.3
<b>Gross profit</b>		<b>300.1</b>	<b>261.9</b>	<b>539.4</b>	<b>452.7</b>
Other external expenses		-29.8	-24.0	-62.3	-54.1
Staff costs		-173.6	-118.0	-321.3	-243.9
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>		<b>96.7</b>	<b>119.9</b>	<b>155.7</b>	<b>154.7</b>
Amortisations and Depreciations		-43.0	-56.0	-86.8	-90.8
<b>Operating profit (EBIT) before special items</b>		<b>53.7</b>	<b>63.9</b>	<b>68.9</b>	<b>63.9</b>
Special items, net	2	-4.3	-12.1	-8.3	-24.8
Financial income	3	17.6	20.1	57.5	49.7
Financial expenses	3	-75.9	-35.3	-110.1	-76.4
<b>Profit/Loss before tax</b>		<b>-8.9</b>	<b>36.6</b>	<b>8.0</b>	<b>12.4</b>
Tax for the period		-1.5	-3.9	-7.5	-2.0
<b>Profit/loss for the period</b>		<b>-10.4</b>	<b>32.7</b>	<b>0.5</b>	<b>10.4</b>
<b>Total income for the period attributable to</b>					
Owners of the Parent Company		-10.0	33.2	1.4	11.0
Non-controlling interests		-0.4	-0.5	-0.9	-0.6
<b>Total</b>		<b>-10.4</b>	<b>32.7</b>	<b>0.5</b>	<b>10.4</b>

**»» COMPREHENSIVE INCOME STATEMENT**

DKKm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
<b>Profit/loss for the period</b>		<b>-10.4</b>	<b>32.7</b>	<b>0.5</b>	<b>10.4</b>
<i>Items that may be reclassified to income statement when certain conditions are met:</i>					
Exchange rate adjustment		7.0	0.2	8.6	-4.3
<b>Total comprehensive income for the period</b>		<b>-3.4</b>	<b>32.9</b>	<b>9.1</b>	<b>6.1</b>
<b>Total comprehensive income for the year attributable to</b>					
Owners of the Parent Company		-1.4	33.5	11.6	6.7
Non-controlling interests		-2.0	-0.6	-2.5	-0.6
<b>Total</b>		<b>-3.4</b>	<b>32.9</b>	<b>9.1</b>	<b>6.1</b>

**» BALANCE SHEET**

DKKm	Note	30.06.2021	30.06.2020	31.12.2020
<b>ASSETS</b>				
Intangible assets	4	1,573.7	1,447.8	1,451.5
Right of use assets		191.1	197.5	230.5
Property, plant and equipment		36.0	34.2	31.5
Receivables from related parties	5	715.7	695.5	694.7
Other receivables <small>long</small>		16.0	13.7	15.0
Deferred tax asset		11.3	2.3	10.6
<b>Total non-current assets</b>		<b>2,543.8</b>	<b>2,391.0</b>	<b>2,433.8</b>
Trade receivables		1,408.3	741.9	803.7
Income tax receivables		4.4	9.3	4.2
Other receivables		72.5	24.3	29.4
Prepayments		26.3	31.6	23.7
Cash and cash equivalents	6	529.6	122.2	186.8
Assets held for sale <sup>1</sup>		0	21.3	0
<b>Total current assets</b>		<b>2,041.1</b>	<b>950.6</b>	<b>1,047.8</b>
<b>Total assets</b>		<b>4,584.9</b>	<b>3,341.6</b>	<b>3,481.6</b>

<sup>1</sup> Airlog Group Denmark A/S, Airlog Group Sweden AB, Airlog Group AS and Airlog Group Fur OY were classified as assets held for sale as of 30 June 2020.

**» BALANCE SHEET**

DKKkm	Note	30.06.2021	30.06.2020	31.12.2020
<b>EQUITY AND LIABILITIES</b>				
Shared capital		0.5	0.5	0.5
Share premium		2.8	2.8	2.8
Currency translation reserve		-20.3	-29.5	-30.6
Retained earnings		488.5	601.0	487.1
<b>Equity attributable to the Parent Company</b>		<b>471.5</b>	<b>574.8</b>	<b>459.8</b>
Non-controlling interests		3.5	6.1	6.1
<b>Total equity</b>		<b>475.0</b>	<b>580.9</b>	<b>465.9</b>
<b>Non-current liabilities</b>				
Bond debt	7	2,506.6	1,638.9	1,833.0
Lease Liabilities, Right of use assets <small>long</small>		138.5	135.4	169.4
Deferred tax liability		81.6	59.5	59.2
Other liabilities <small>long</small>		19.9	12.7	24.8
<b>Total non-current liabilities</b>		<b>2,746.6</b>	<b>1,846.5</b>	<b>2,086.4</b>
<b>Current liabilities</b>				
Bank debt	6	166.0	82.0	0.3
Lease Liabilities, Right of use assets <small>short</small>		69.4	74.3	75.0
Trade payables		943.1	498.9	668.6
Deferred income		47.4	49.4	56.1
Corporation tax		5.6	14.6	24.2
Other liabilities		131.8	183.3	105.1
Liabilities directly associated with assets classified as held for sale <sup>1</sup>		0	11.8	0
<b>Total current liabilities</b>		<b>1,363.3</b>	<b>914.3</b>	<b>929.3</b>
<b>Total liabilities</b>		<b>4,109.9</b>	<b>2,760.8</b>	<b>3,015.7</b>
<b>Total equity and liabilities</b>		<b>4,584.9</b>	<b>3,341.7</b>	<b>3,481.6</b>

<sup>1)</sup> Liabilities associated with assets classified as held for sale as of 30 June 2020 related to the sale of Airlog Group Denmark A/S, Airlog Group Sweden AB and Airlog Group Fur OY.

**» CASH FLOW STATEMENT**

DKKm	Note	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Operating profit (EBIT) before special items		53.7	63.9	68.9	63.9
Depreciation and amortisation		43.0	56.0	86.8	90.8
Non-cash transactions		0.0	10.3	0	-13.0
Exchange rate adjustments		3.3	-16.5	1.6	-4.8
Change in working capital		-209.3	59.2	-363.7	-3.2
<b>Cash flows from operating activities before special items, interest and tax</b>		<b>-109.3</b>	<b>172.9</b>	<b>-206.3</b>	<b>133.7</b>
Special items, received		0.0	3.9	0	3.9
Special items, paid		-3.1	-6.1	-8.3	-16.7
Interest received	3	17.6	24.7	33.6	30.1
Interest paid	3	-48.1	-29.0	-82.6	-58.8
Tax paid		-12.8	-13.4	-21.3	-19.5
<b>Cash flows from operating activities</b>		<b>-155.7</b>	<b>153.0</b>	<b>-285.0</b>	<b>72.7</b>
Purchase of software and other intangible assets		-13.2	-5.1	-25.5	-12.3
Purchase of property, plant and equipment		-2.2	-2.2	-5.1	-5.6
Earn-out paid		-1.5	-3.9	-1.5	-3.9
Investments in Group entities	8	-142.5	0.0	-148.4	-49.4
<b>Cash flows from investing activities</b>		<b>-159.4</b>	<b>-11.3</b>	<b>-180.5</b>	<b>-71.3</b>
<b>Free cash flow</b>		<b>-315.1</b>	<b>141.7</b>	<b>-465.5</b>	<b>1.5</b>
Repayment of loan from related entities		12.6	0.0	3.0	0
Proceeds from issuing bonds		685.5	0.0	685.5	0
Redemption of lease liabilities, Right of use assets		-46.2	-23.0	-46.2	-43.0
Redemption of other acquisition debt		0.0	-4.6	0	-4.6
<b>Cash flows from financing activities</b>		<b>651.9</b>	<b>-27.6</b>	<b>642.3</b>	<b>-47.6</b>
<b>Change in cash and cash equivalents</b>		<b>336.8</b>	<b>114.2</b>	<b>176.8</b>	<b>-46.1</b>
<b>Cash and cash equivalents</b>					
Cash and cash equivalents beginning of period		26.8	-74.0	186.8	86.3
Change in cash and cash equivalents		336.8	114.2	176.8	-46.1
<b>Cash and cash equivalents end of period</b>	6	<b>363.6</b>	<b>40.2</b>	<b>363.6</b>	<b>40.2</b>

**»» CHANGES IN EQUITY**

DKKm	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non Controlling Interests	Total Equity
<b>Equity at 1 January 2021</b>	0.5	2.8	-30.6	487.1	459.8	6.1	465.9
<b>Profit/Loss for the period</b>	0.0	0.0	0.0	1.4	1.4	-0.9	0.5
Currency exchange adjustment	0.0	0.0	10.2	0.0	10.2	-1.6	8.6
<b>Other comprehensive income, net of tax</b>	0.0	0.0	10.2	0.0	10.2	-1.6	8.6
<b>Total comprehensive income, net of tax</b>	0.0	0.0	10.2	1.4	11.6	-2.5	9.1
<b>Equity at 30 June 2021</b>	0.5	2.8	-20.3	488.6	471.4	3.5	475.0

DKKm	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non Controlling Interests	Total Equity
<b>Equity at 1 January 2020</b>	0.5	2.8	-25.1	590.0	568.1	6.7	574.8
<b>Profit/Loss for the period</b>	0.0	0.0	0.0	11.0	11.0	-0.6	10.4
Currency exchange adjustment	0.0	0.0	-4.3	0.0	-4.3	0.0	-4.3
<b>Other comprehensive income, net of tax</b>	0.0	0.0	-4.3	0.0	-4.3	0.0	-4.3
<b>Total comprehensive income, net of tax</b>	0.0	0.0	-4.3	11.0	6.7	-0.6	6.1
<b>Equity at 30 June 2020</b>	0.5	2.8	-29.5	601.0	574.8	6.1	580.9

**» NOTES**
**NOTE 1 – SEGMENT INFORMATION**

DKKm	Air		Ocean		Road		Solution		Total	
	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020	YTD 2021	YTD 2020
Revenue (services)	2,122.1	1,799.5	2,484.4	981.8	399.0	340.4	92.3	79.8	5,097.8	3,201.5
Intercompany revenue	-647.8	-578.5	-685.7	-93.2	-4.1	-18.9	-3.5	0.0	-1,341.1	-690.5
Net revenue (services)	1,474.3	1,221.0	1,798.7	888.6	394.9	321.5	88.8	79.8	3,756.7	2,511.0
Cost of operation	-1,256.3	-1,012.4	-1,562.2	-745.9	-329.6	-256.7	-69.2	-43.3	-3,217.3	-2,058.3
<b>Gross profit</b>	<b>218.0</b>	<b>208.6</b>	<b>236.5</b>	<b>142.7</b>	<b>65.3</b>	<b>64.8</b>	<b>19.5</b>	<b>36.5</b>	<b>539.4</b>	<b>452.7</b>
Sales, distribution and administration costs, not allocated to segments									-383.7	-298.0
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>									<b>155.7</b>	<b>154.7</b>
Depreciation and amortisation									-86.8	-90.8
<b>Operating profit (EBIT) before special items</b>									<b>68.9</b>	<b>63.9</b>
Special items, net									-8.3	-24.8
Financial items, net									-52.6	-26.7
<b>Profit/Loss before tax</b>									<b>8.0</b>	<b>12.4</b>

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

It is not possible to allocate costs below gross profit to the four segments identified, as these costs serve all segments.

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 2 – SPECIAL ITEMS, NET**

DKKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
COVID-19 activities <sup>1</sup>	0.0	14.3	0.9	21.2
M&A activities <sup>2</sup> and Green field activities <sup>3</sup>	4.3	0.7	7.4	6.2
Gain on disposed entities, Airlog companies	0.0	-7.6	0	-7.6
Other cost	0.0	4.8	0	5.1
<b>Total special items, net</b>	<b>4.3</b>	<b>12.1</b>	<b>8.3</b>	<b>24.8</b>

1) Activities caused by COVID-19, mainly related to cost related to idle assets and staff sent home

2) M&A activities mainly related to Group Contenosa (Spain)

3) Mainly related to Greenfield activities in France

**» NOTES – CONT'D**
**NOTE 3 – FINANCIAL ITEMS**

DKKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Financial income from related parties	17.6	20.1	33.6	33.9
Exchange rate gains	0.0	0.0	23.9	15.8
<b>Total financial income</b>	<b>17.6</b>	<b>20.1</b>	<b>57.5</b>	<b>49.7</b>
DKKm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Interest expenses	20.3	-0.1	21.5	4.1
Lease interest expenses	4.1	3.9	8.5	7.2
Bond interest expenses	29.7	29.4	61.1	55.9
Amortisation of capitalised loan costs	2.6	0.8	4.4	2.1
Exchange rate losses	19.2	1.3	14.6	7.1
<b>Total financial expenses</b>	<b>75.9</b>	<b>35.3</b>	<b>110.1</b>	<b>76.4</b>

**NOTE 4 – GOODWILL, CUSTOMER RELATIONS, TRADEMARKS AND OTHER INTANGIBLE ASSETS**

DKKm	Air		Ocean		Road		Solution		Total	
	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020	Q2 2021	Q2 2020
Balance at 1 January	618.8	637.3	693.6	633.8	56.4	53.4	3.9	4.1	1,372.8	1,328.5
Exchange rate adjustments	-0.7	-1.2	1.3	-1.5	-0.2	-0.3	0.0	0.0	0.4	-3.0
Additions from acquisitions	0.4	1.2	141.0	79.0	0.0	3.9	0.0	0.0	141.4	84.2
Additions 2021	0.0	0.6	0.0	0.6	0.0	0.0	0.0	0.0	0.0	1.1
Amortisation during the year	-11.5	-17.3	-10.9	-12.3	-1.6	-1.6	-0.1	-0.1	-24.1	-31.3
<b>Balance at 30 June</b>	<b>606.9</b>	<b>620.5</b>	<b>825.0</b>	<b>699.5</b>	<b>54.6</b>	<b>55.4</b>	<b>3.8</b>	<b>4.0</b>	<b>1,490.4</b>	<b>1,379.5</b>
Software									83.3	68.3
<b>Total Intangible Assets</b>									<b>1,573.7</b>	<b>1,447.8</b>

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

The core business of SGL Group is within the Air and Ocean segments, whereas the Road and Solution business units are relatively small in a Group context and are primarily within a limited geographical area (Denmark and Sweden). The project business of SGL Group is also within the Air and Ocean segments. Consequently, goodwill, customer relations, trademarks and other intangible assets are primarily allocated to the Air and Ocean segments.

**» NOTES – CONT'D**
**NOTE 5 – RECEIVABLES FROM RELATED PARTY**

DKKm		30.06.2021	30.06.2020	31.12.2020
<b>Total receivable from Transgroup Global Inc.</b>				
		<b>715.7</b>	<b>695.5</b>	<b>694.7</b>
	Cash flow <sup>1</sup>	Carrying amount	Carrying amount	Carrying amount
Receivable falling due between 1 and 5 years	902.1	715.7	695.5	694.7
<b>Total non-current receivable from Transgroup Global Inc.</b>	<b>965.2</b>	<b>715.7</b>	<b>695.5</b>	<b>694.7</b>
<b>Current receivable Transgroup Global Inc.</b>	<b>63.1</b>			

<sup>1</sup> Total cash flows including interest

**NOTE 6 – CASH AND LIQUIDITY RESERVE**

DKKm		30.06.2021	30.06.2020	31.12.2020
Cash and cash equivalents <sup>1</sup>		529.6	122.2	186.8
Bank debt		-166.0	-82.0	-0.3
<b>Net cash</b>		<b>363.6</b>	<b>40.2</b>	<b>186.5</b>
Credit facilities <sup>2</sup>		248.4	178.8	248.2
<b>Liquidity reserve</b>		<b>612.0</b>	<b>219.0</b>	<b>434.7</b>

<sup>1</sup>As per 30 June 2021 DKKm 368 is held in Escrow as part of new bonds issued for the use of M&A. Will be released once M&A activities are completed.

<sup>2</sup>In July 2021 the credit facilities were increased to DKK 300 million and extended to 31<sup>st</sup> August 2022.

**» NOTES – CONT'D**
**NOTE 7 – BOND DEBT**

DKKm		30.06.2021	30.06.2020	31.12.2020
Issued bonds, EUR 250 million, interest rate 6.75% <sup>1,3</sup>		1,859.1	1,661.9	1,859.9
Issued bonds, EUR 150 million, interest rate 7.75% <sup>2</sup>		1,115.4	0.0	0.0
Bonds held by SGL Group <sup>3</sup>		-429.9	0.0	0.0
Capitalised loan costs		-38.0	-23.0	-26.9
<b>Total bond debt</b>		<b>2,506.6</b>	<b>1,638.9</b>	<b>1,833.0</b>
	Cash flow <sup>4</sup>	Carrying amount	Carrying amount	Carrying amount
Total Bond debt <sup>5</sup>	3,731.7	2,974.5	1,661.9	1,859.9
<b>Total non-current financial liabilities</b>	<b>3,516.8</b>	<b>2,974.5</b>	<b>1,661.9</b>	<b>1,859.8</b>
<b>Current portion of financial liabilities</b>	<b>214.9</b>			

<sup>1</sup> At June 2021, issued bonds were EUR 250 million.

<sup>2</sup> At June 2021, issued bonds were EUR 150 million.

<sup>3</sup> At 30 June 2021 SGL Group held EUR 57.8 million of Bond 6.75%. The net nominal value of bond (6.75%) debt is EUR 192.2 million (DKK 1,429.1 million).

<sup>4</sup> Total cash flows including interest.

<sup>5</sup> Total cash flows excluding bonds held by SGL Group is DKK 3,203.1 million.

The fair value of the issued bonds with ISIN SE0013101219 were EUR 252.5 million, totalling DKK 1,877.6 million, based on quoted bond rates of 101.00 at Börse Frankfurt on 30 June 2021.

The fair value of the issued bonds with ISIN SE0015810759 were EUR 154.5 million, totalling DKK 1,148.9 million, based on quoted bond rates of 103.0 at Börse Frankfurt on 30 June 2021.

**NOTE 8 – BUSINESS COMBINATIONS**
*Acquisitions of activities from Werner Global Logistics (Shanghai) Co. Ltd.*

On 27 January 2021, through its wholly owned subsidiary Scan Global Logistics (Shanghai) Co. Ltd., SGL Group has entered into an agreement for the acquisition of Air and Ocean activities from Werner Global Logistics (Shanghai) Co. Ltd. a Chinese based freight forwarding company. With the acquisition, SGL Group will be able to serve its customers more effectively and grow its presence in China.

The acquisition is part of SGLT Holding's acquisition of the activities in Werner Global Logistics U.S. LLC, Werner Global Logistics (Shanghai) Co. Ltd., and Werner Global Logistics Mexico S. De R.L. De C.V. Refer to page 10 for further information. The acquisition price for the three business activities was USD 850 thousand and an additional earn-out of maximum USD 1,650 million. Cash and cash equivalents financed the acquisitions.

Closing was 26 February 2021, from which date the activities are consolidated in the Group's financial statements.

SGL Group is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

**» NOTES – CONT'D***Acquisitions of Grupo Contenosa*

On 27 April 2021, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S, acquired Grupo Contenosa, a Spanish family-owned freight forwarding company. With the acquisition, the Group becomes a significant player in the Spanish third-party logistics market and enables the Group to grow its network and presence in Spain and Mexico. The Group gains access to new profitable niche markets and most importantly, the acquisition will bring additional human capital to a core Group country.

With seven offices in Spain and Mexico, Grupo Contenosa generates yearly revenue above EUR 50 million.

Acquisition price was USD 23.7 million.

The acquisition of Grupo Contenosa was financed through the issue of new senior secured fixed-rate bonds. Closing was 27 April 2021, from which date the activities are consolidated in the Group's financial statements.

SGL Group is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

**NOTE 9 – ACCOUNTING POLICIES***General*

The interim financial report, comprising the consolidated financial statement, 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.

*New accounting regulation adopted in 2021*

SGL Group has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 30 June 2021 as adopted by the European Union.

All amendments to the International Financial Reporting Standards (IFRS) effective for the financial period have been implemented as basis for preparing the consolidated financial statements and notes to the statements.

None of the implementations have had any material impact on the statements or notes presented.

*New accounting regulation not yet adopted*

The IASB has issued a number of new standards and amendments not yet in effect and therefore not relevant for the preparation of the interim consolidated financial statements. SGL Group expects to implement these standards when they take effect.

**» NOTES – CONT'D**

The following amendment is relevant for SGL Group, but is currently not expected to have a significant impact on the financial statements when implemented:

- Amendments to IAS 1, Classification of Liabilities as Current or Non-Current, including deferral of effective date (issued 23 January 2020/15 July 2020, effective date 1 January 2022/1 January 2023).
- Amendment to IAS 37, Onerous Contracts - Cost of Fulfilling a Contract (issued 14 May 2020, effective date 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2020, IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued 14 May 2020, effective date 1 January 2022)
- Covid-19-Related Rent Concessions - Amendment to IFRS 16 (issued 28 May 2020, effective date 1 January 2023)

*Material accounting estimates*

In connection with the preparation of the interim report, Management makes material accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of SGL Group's assets and liabilities for accounting purposes. There are no significant changes in the material estimates from the assessments presented in SGL International A/S' Annual Report 2020.

## » MANAGEMENT'S STATEMENT

The Board of Directors and Executive Management have today considered and approved the interim financial report of SGL International A/S (page 16 to 30) for the period 1 January to 30 June 2021.

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 interim financial report gives a true and fair view of the SGL Group's assets and liabilities and financial position on 30 June 2021 and operations and cash flow for the period 1 January - 30 June 2021.

Further, in our opinion we find that the management commentary contains a true and fair statement of the development in the Group's 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 SGL Group.

Kastrup, 31 August 2021

### Executive Management

\_\_\_\_\_  
Allan Dyrgaard Melgaard

\_\_\_\_\_  
Claes Brønsgaard Pedersen

### Board of Directors:

\_\_\_\_\_  
Henrik von Sydow *Chairman*

\_\_\_\_\_  
Allan Dyrgaard Melgaard

\_\_\_\_\_  
Claes Brønsgaard Pedersen

\_\_\_\_\_  
Thomas Thellufsen Nørgaard

\_\_\_\_\_  
Jørgen Agerbro Jessen