SGLT Holding I LP

Financial Report

2021

Contents

Financial highlights	2021	2020
(in USD millions)		
Income statement		
Revenue	2,274	1,210
Gross profit	333	203
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	128	65
Operating profit (EBIT) before special items	85	28
Special items, net	-12	-17
Net financial expenses	-37	-35
Profit/loss before tax	36	-24
Profit/loss for the period	21	-27
Income statement (Business performance)*		
Adjusted EBITDA	112	50
Cash flow		
Cash flows from operating activities before special items and interest	-106	83
Cash flows from operating activities	-148	44
Investments in intangible assets	-7	-6
Investments in property, plant and equipment	-7	-2
Investments in Group entities	-70	-10
Cash flows from investing activities	-84	-20
Free Cash flow	-232	24
Cash flows from financing activities	253	7
Cash flow for the period	21	31
Financial position		
Total equity	186	136
Equity attributable to parent company	179	132
Net interest bearing debt (NIBD)	500	307
Net interest bearing debt (NIBD) excl. lease liabilities (IFRS 16)	445	257
Net interest bearing debt (NIBD) excl. lease liabilities (IFRS 16) and PIK note****	401	257
Total assets	1,138	694
Financial ratios in %**		
Gross margin***	14.6	16.8
EBITDA margin***	5.6	5.3
Adjusted EBITDA margin	4.9	4.2
EBIT margin***	3.7	2.3
Equity ratio	16.3	19.6
Leverage ratio	3.9	4.7
Other		
Number of full-time employees and the end of the period	2,322	1,819

* Business performance represents the underlying financial performance of the Group 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, excluding the impact of IFRS 16 Leases. Apart from this, there is no difference between business performance and IFRS results.

** For definition of financial ratios please see note 1 Accounting policies page 30.

*** before special items

**** PIK note: Payment-in-kind

Company details

Name	:	**SGLT Holding I LP**
Place of business and registered office	:	c/o Maples Corporate Services Limited, PO Box 309, Ugland House, South Church Street, George Tower, KY 1-1104, Cayman Islands.
Financial year	:	1 January - 31 December
Website	:	www.scangl.com
E-mail	:	headoffice@scangl.com
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Directors	:	Tom Gartland (Chairman) John Cozzi Alan Wilkinson Matthew Bowen Bates Rachel Kumar Gregory Vernoy Ronnie J. Lee Allan Melgaard Jørgen Agerbro Jessen Henrik von Sydow
Bankers	:	Jyske Bank A/S JP Morgan Chase & Co.
Auditors	:	EY Godkendt Revisionspartnerselskab
Address, Postal code, Town	:	Dirch Passers Allé 36, P O Box 250, 2000 Frederiksberg, Denmark
CVR/VAT no.	:	30 70 02 28

Legal entities

Company name	Country/state	Economic ownership interest
AEA Investors Small Business Fund III LP	Cayman Islands	
SGLT Holding I LP	Cayman Islands	100%
SGLT Holding:		
SGLT Holding II LP	Cayman Islands	100%
Scan (Jersey) Topco Limited	Jersey	100%
Scan (UK) Midco Limited	United Kingdom	100%
SGL Transgroup US Corp:		
SGLT TransGroup US Corp	Delaware	100%
Transgroup Global Inc.	Delaware	100%
Trans LAX, LLC	California, US	50%
TGLOMA, LLC	California, US	100%
Transfair North America International Freight Services, LLC	Washington, US	100%
ORD ICO, LLC	Illinois, US	100%
TRANS ICO, LLC	New Jersey, US	50%
TGLPHL, LLC	Pennsylvania, US	100%
TRANS BOS. LLC	Washington, US	100%
ICO SFO, LLC	USA	50%
Transgroup Express, LLC	Washington, US	100%
Trans MCO	Florida, US	51%
Transdomestic LAX, LLC	California, US	100%
Trans MCO, LLC	Florida, US	51%
TGLEWR, LLC	New Jersey, US	100%
TRANS IAH, LLC	Texas, US	100%
Translogic Technologies, LLC	Washington, US	100%
TRANS-MIA, LLC	Florida, US	61%
TRANS ATL, LLC	Georgia, US	51%
Cargo Connections NC, LLC	North Carolina, US	51%
CNA TRANS, LLC	Nevada, US	50%
Transgroup DFW	Texas, US	100%
TGLNCL, LLC	Florida, US	51%
New Bison, LLC	Washington, US	60%
MDX Global Logistics, LLC	Washington, US	100%
TransGroup Canada Logistics, Inc.	Canada	100%
TGLORD, LLC	Illinios, US	80%
Trans Sea Land S.A. CV	Mexico	100%
SGL Transgroup de Mexico S.A. DE CV	Mexico	100%
SGL Group:		
SGL International A/S	Denmark	100%
Scan Global Logistics A/S	Denmark	100%
SGL Express A/S	Denmark	100%
SGL Road ApS	Denmark	100%
Scan Global Logistics AB	Sweden	100%
SGL Road AB	Sweden	100%
Scan Global Logistics GmbH	Germany	100%
SGL Fulfillment & Distribution A/S	Denmark	100%
Sp/f Scan Global Logistics Faroe I.	Faroe Island	100%
Scan Global Logistics Greenland ApS	Greenland	100%
Scan Global Logistics Iceland ehf.	Iceland	100%
Scan Global Logistics GmbH	Austria	100%
Scan Global Logistics N.V.	Belgium	100%
Scan Global Logistics B.V.	Netherlands	100%
Scan Global Logistics Spain S.L	Spain	100%
Contenosa, S.A.U	Spain	100%
Conmar Lines, S.L.U	Spain	100%
Neypemar Barcelona, S.L.U	Spain	100%
Contenosa Canaries, S.L	Spain	100%
SGL Express Holding AB	Sweden	100%

Legal entities

Company name	Country/state	Economic ownership interest
SGL Express AB	Sweden	100%
Scan Global Logistics AS	Norway	100%
Scan Global Logistics (Finland) Oy	Finland	100%
Scan Global Logistics SAS	France	100%
Scan Global Logistics Sp. z o.o	Poland	100%
Scan Global Logistics s.r.o.	Czech Republic	100%
Scan Global Logistics K.K.	Japan	100%
Scan Global Logistics (Shanghai) Co. Ltd	China	100%
Scan Global Logistics (Wuxi)Co. Ltd.	China	100%
Scan Global Logistics Ltd. (Hong Kong)	Hong Kong	100%
Scan Global Logistics (Shanghai) Ltd	China	100%
Scan Global Logistics Company Limited	Thailand	100%
Scan Global Logistics SDN. BHD.	Malaysia	100%
Scan Global Logistics Pty. Ltd.	Australia	100%
SGL Australia PTY LTD	Australia	100%
Scan Global Logistics (Philippines) Inc.	Philippines	40%
SGL Manila (Shared Service Center) Inc.	Philippines	99%
Scan Global Logistics Chile S.A.	Chile	100%
Scan Global Logistics Peru S.A.C	Peru	100%
Scan Global Logistics (Vietnam) Ltd.	Vietnam	75%
Scan Global Logistics (Singapore) Pte Ltd.	Singapore	100%
PT SCAN GLOBAL INDONESIA	Indonesia	67%
Scan Global Logistics SA Pty Ltd	South Africa	100%
Scan Global Logistics S.A.	Mali	55%
Scan Global Logistics SARL	Senegal	100%
Scan Global Logistics SARL	Ivory Coast	100%
Scan Global Logistics SARL	Benin	100%
Scan Global Logistics Togo SARLU	Togo	100%
Scan Global International (Cambodia) Co., Ltd.	Cambodia	100%
Scan Global Logistics Co. Ltd.	Myanmar	100%
Scan Global Logistics NZ Limited	New Zealand	100%
Scan Global Logistics LLC	Dubai	100%
IQS Holding GmbH	Germany	100%
IQS International Quality Service GmbH	Germany	100%
IQS Business Travel GmbH	Germany	100%
Scan Global Logistics Deutschland GmbH	Germany	100%
Aircargo Consulting GmbH	Germany	100%
IQS Logistic Consulting Corp.	USA	100%
Global Automative Testing Support GmbH	Germany	100%
Scan Global Logistics FZE	Dubai	100%
Horizon International Holdings Limited	United Kingdom	100%
Horizon International Cargo Limited	United Kingdom	100%
Horizon International Logistics Limited	United Kingdom	100%
Horizon International Cargo Inc.	Delaware	100%
Horizon International Cargo (Ireland) Limited	Ireland	100%
Horizon International Cargo B.V	Netherlands	100%
Horizon International Cargo Japan Ltd.	Japan	100%

Who we are

SGLT Holding I LP (SGLT Holding or the Group) was founded on 2 August 2016 in connection with the joint acquisition of the SGL Group and TransGroup.

SGLT Holding I LP is owned by AEA Investors Small Business Fund III LP, co-investors and the Management of TransGroup and SGL International A/S (SGL Group).

Business model

SGLT Holding's activities focus on international freight-forwarding services, primarily by Air and Ocean, with supporting IT, Logistics and Road Freight services. More than 80% of the revenue base originates from large customers contracted via corporate initiatives, primarily in the Nordic region, AsiaPacifc and North America. SGLT Holding provides services to its customers via its global network of offices supported by its partners worldwide.

SGLT Holding holds world-leading positions in key verticals like high-end automotive logistics, fashion, and food ingredients and additives.

SGLT Holding's main focus is to create solutions for complex logistic challenges on an international basis. SGLT Holding focuses on complex logistic projects requiring tailor-made solutions (e.g. Aid & Development and verticals such as automotive, fashion retail, food ingredients and additives, etc.) rather than high-volume, low-margin assignments.

SGLT Holding has been the leading provider of complex aid, development and project ("ADP") solutions to NGOs for +40 years.

Key success factors for SGLT Holding are agility, flexibility, geographic presence, sector expertise and customer centricity.

To accommodate and support this strategic focus, SGLT Holding is prepared to - in full or partially – acquire other companies in relevant markets.

SGLT Holding has an extensive footprint across all continents with over 2,300 employees in more than 130 offices in EMEA, Americas, China and South East Asia as well as in the Pacific.

SGLT Holding serves more than 20,000 customers, of which average tenure among the 20 largest is approximately 8 years.

Vision & strategy

Vision 2027: '1-3-5'

Uniting SGLT Holding’s cultural DNA with its commercial ambitions, Management has outlined a new Vision 2027 as the successor of Vision 2023. Vision 2027, ‘1-3-5’, sets out three overarching coordinates for the Company’s continued journey towards making the world a little less complicated.

1 - The most purposedrive and meaningful company within the logistics industry

1' points to the aspiration of becoming the most purposedriven and meaningful company in the logistics industry. For SGLT Holding, culture and business is fundamentally one and the same from the core belief that it is by growing its people it grows its business. As such, Management aims to create the most meaningful workplace within logistics, anchoring the Company’s defined DNA and virtues in all corners and processes of the Company.

3 - Among the best 3rd in logistics industry on earnings

3' points to the aspiration of reaching the best 3rd in the logistics industry on earnings. For SGLT Holding to realise its potential, earnings function as financial oxygen to ensure a strong and sustainable business with the appropriate attention and discipline to maximise value.

5 - USD 5 billion in revenue

5' points to the aspiration of achieving a total USD 5 billion in revenue. The more SGLT Holding grows in size and footprint, the bigger an impact it can have on the world to uncomplicate logistics. Acquiring and unlocking extended presence, new capabilities and gaining increased scale will enable SGLT Holding to grow and form a truly global organisation capable of serving customers even better and providing an even stronger platform for the employees to unlock new opportunities and horizons. Over the course of 2022, Management will work with the organisation to crystallise Vision 1-3-5 into strategic mustwin battles and the operational plans to support it across functions, markets, verticals and products. All to uncomplicate the world of its employees and customers.

Vision & strategy (continued)

Strategy and M&A

Management views mergers and acquisitions as an important instrument in delivering SGLT Holding's strategic agenda across all three pillars of Vision 2027. A clear financial and operational rationale supports this view. From a financial perspective, the global freight forwarding market remains highly fragmented. Hence, SGLT Holding continues its acquisition strategy by looking at acquisition opportunities with a good strategic fit available at the right price and targeting great acquisition opportunities that will scale up the business, increase profitability, and secure a downwardtrending leverage ratio.

M&A Track Record

Over the period 2017 to date, SGLT Holding has completed a total of 23 bolt-on acquisitions. Historically, SGLT Holding has funded M&A through internally generated cash flow. Over the last couple of years, recent acquisitions have been financed through (i) existing cash, (ii) a subsequent issue under the current outstanding bonds and (iii) for some, equity contribution from shareholders.

Due diligence approach

SGLT Holding has developed a robust due diligence playbook to minimise financial, legal, operational and cultural risks associated with M&A. Once SGLT Holding and the shareholder(s) of a potential acquisition target have entered an agreement in principle, the Company will be subjected to full financial and legal due diligence carried out by reputable external parties. Furthermore, Management will nominate a balanced group of internal stakeholders to carry out comprehensive commercial due diligence covering the relevant market, competitors and customers. It will, where required, complement this with external commercial due diligence. The target stakeholders are invited to SGLT Holding's offices to meet with their prospective colleagues and engage in a variety of workshops to ensure alignment of goals, vision and culture. Finally, a granular business case including scenario analysis (base, downside, upside) is prepared and presented to the Board, alongside findings from the due diligence process, for approval. The Board will assess all cases with a particular focus on the extent to which they align with – and contribute to – the strategic objectives set out in Vision 2027.

Vision & strategy - Market overview

Unpredictability accommodated by our DNA and virtues

In a year with unpredictable marked disruptions, freight rate volatility, capacity contracts and customers' supply chains becoming increasingly complex, SGLT Holding's business model proved highly resilient and adaptable to a continuing challenging environment.

A volatile market environment plays to the strength of freight forwarders that apply an agile and customer centric approach; entrepreneurial solutions favoured over low-cost transactional solutions and products.

SGLT Holding made use of its experience from our role in humanitarian disasters and adapted swiftly to a continuing new normal while keeping communication clear and relevant; staying in close contact with stakeholders - customer and supplier focus on cash and risk.

Air & Ocean

Air

During 2021, air capacity was still reduced compared to pre COVID-19 as a natural consequence of many passenger flights still being suspended, thus impacting belly hold capacity.

Pure freighter capacity continued to be maxed out, hence the capacity situation overall dictated by passenger flights returning to normal which did not happen.

Subsequently this sustained rate levels that remained inflated vs. pre COVID-19 although somewhat more stable than seen on ocean freight.

Congestion on the ground handling side emerged as a significant issue during 2021 resulting in massive delays which significant negative impact considering the time sensitive nature of air freight.

Volume wise air freight benefited from the systemic issues on ocean freight with shippers increasingly turning to air freight to expedite urgent orders.

In 2021, we see a post-pandemic surge in consumer demand.

Global demand for goods is soaring and with a shift in demand from services to consumer goods during the pandemic, global cargo volumes have increased significantly.

This resulted in low inventories which supports the increased short-term cargo volumes; this is expected until business have refilled their shelves.

Ocean

In 2021, we have faced high demand and significant infrastructure issues which have impacted elevated rates; issues have progressed from COVID-19 impacts to fundamental infrastructure challenges.

Further, we have seen a key trend in supply chain complexity where customers are sourcing from multiple locations due to trade barriers, tariffs and bottlenecks and using different modes to reduce emissions.

New customers and new activities driven by increasing willingness from customers to pay for logistics services compared to pre-COVID-19.

Vision & strategy - Market overview (continued)

Overall, 2021 ocean freight market was plagued by historic volatile market conditions in the form of lack of capacity vs. supply and infrastructural bottlenecks on the landside resulting in massive delays and overall over-heating of all major trades.

Ocean, continued

Consequently, ocean carriers seized the opportunity to increase rate levels to record high levels unmatched through history as a result of shippers having no alternative.

Forwarders across the transport industry have also benefitted from the overheating of the market with focus shifting to capacity security as opposed to pure price focus.

Ocean carriers have started to invest parts of the historic profits in new vessels and container equipment, however new vessels will only materially come into the market during 2023 and thus no short term relieve is expected from a capacity perspective.

Ultimately 2021 ocean freight market conditions favored transportation providers with this being the case for both asset owners and forwarders boosted by high demand and compelling negotiating conditions.

Road

2021 started where 2020 ended with low volumes and low activity in the automotive segment. However, as we saw the COVID-19 restriction being lifted during April and May, the market have changed and during the last 8 months of 2021, there was a general capacity pressure.

The pressure was most evident in the intra Scandinavian routes due to the fact that these countries were the first to implement the first part of the new EU mobility package, which dictates salary levels when driving cabotage and also tightened cabotage rules for road transport.

At the end of 2021, the market focus is now on what will happen when the last part of the mobility package is implemented in 2022, with which trucks need to return home to their registration country every 7 weeks, and drivers must go home every 4 weeks as well. Further capacity will then be pulled from the market and employer costs will increase.

Solutions

In 2021 we continued to see changes in consumer buying behaviors, as the pandemic changed customer's purchasing patterns in 2020.

Facing larger goods volumes and dealing with seasonal peaks in online sales.

All this continues to put much pressure on the fulfilment & distribution activities due to new ways of operating and supporting customers through a scalable operating model.

Risk management

Commercial risks
The fluctuations in freight rates caused by a change in supply/demand on key trade lanes like Asia to Europe could represent the most significant short-term operating risk, as carrier cost is the largest single cost item for SGLT Holding. As a result, contracts with carriers constantly need to be balanced against customer contracts. The industry is characterised by short-term agreements, eliminating a large part of the risk. Furthermore, longer-term contracts normally offer the possibility to agree back-to-back with the carriers, further balancing the risk.

Other major risks are clerical errors such as wrongful release of cargo, against instructions from customers, accepting liability outside of normal scope or standard trading conditions.

Global economic conditions
A lengthy economic downturn, a decline in the gross domestic product growth-rate and world import and export levels, as well as other geopolitical events, could adversely affect the global transportation industry and trigger a decrease in demand for SGLT Holding’s services.

Risks related to IT infrastructure
SGLT Holding depends on information technology to manage critical business processes, including administrative and financial functions. SGLT Holding uses IT systems for internal purposes – and externally in relation to its customers and suppliers. Extensive downtime of network servers, attacks by IT viruses or other disruptions or failure of information technology systems are possible and could have a negative effect on SGLT Holding's operations.

Risks relating to SGLT Holding's operations in emerging markets
SGLT Holding’s Aid, Development and Project (ADP) departments have operations and customers worldwide, including a number of emerging markets. These markets are subject to greater political, economic and social uncertainties, and the risk of loss resulting from changes in law, economic or social upheaval and other factors may be substantial. Among the more significant risks of operating and investing in emerging markets, are those arising from the introduction of trade restrictions, enforcement of foreign exchange restrictions and changes in tax laws and enforcement mechanisms. SGLT Holding constantly monitors and follows all and any development in order to mitigate any possible risks.

SGLT Holding has taken out liability insurance to meet any loss resulting from damage on customers goods, errors and omissions.

Risk management (continued)

Internal control and risk management systems in relation to financial reporting
The Board of Directors and the Executive Management have the overall responsibility for risk management and internal controls in relation to financial reporting. In addition, the Board of Directors has established an Audit Committee with four members to support the oversight function regarding risk management, financial reporting and compliance.

The organisational structure and the internal guidelines form the control environment together with laws and other rules applicable to SGLT Holding.

Management regularly assesses SGLT Holding’s organisational structure and staffing as well as establishes and approves overall policies, procedures and controls in relation to financial reporting.

In relation to the financial reporting, Management has a special focus on procedures and internal controls within the following areas and accounting items, which ensures that the reporting is made on a reassuring basis:

- Revenue recognition of service contracts and projects
- Assessment of work in progress
- Trade receivables – management of credit
- Assessment of recognition of business combinations/purchase price allocation
- Assessment of impairment of intangible assets

SGLT Holding has established a formal group reporting process, which includes monthly reporting, with budget control, assessment of performance and fulfilment of agreed targets etc.

Internal control and risk management systems in relation to business risks
Management assesses business risks in connection with the annual review and approval of the strategic plan.

In connection with the risk assessment, Management, if needed, also considers the policies approved by the Board of Directors regarding finance, hedging and insurance policies for SGLT Holding.

SGLT Holding’s risk management, including internal controls in relation to financial reporting, is designed to effectively minimise the risk of errors and lack of information.

The Group's Business model
The Group's activities focus on international freight-forwarding services and US domestic services primarily by Air, Ocean, and Road, with supporting IT and logistics services. Most of the revenue base originates from large customers contracted via corporate initiatives. Each Group primarily provides services to its customers via their own network of offices supported by a close partnership with each other and with other key agents worldwide.

The Group's financial review

Results for the period
In 2021, SGLT Holding delivered its best financial results to date. The adjusted EBITDA, totalling USD 112 million; an increase of 124% compared to 2020. The proforma adjusted EBITDA for the full year including acquisitions made in 2021 amounts to USD 128 million. The improved performance was driven both by organic growth and acquisitions.
The year of 2021 has been a year with strong organic growth of approx. 25% on major trade lanes and markets. Further, 2021 has been a year challenged by market disruption and very high activity, putting pressure on global freight capacity, pushing freight rates upwards in many regions. In turn, lower cash flows from increased Net Working Capital. Due to the constrained market situation, each shipment consumes more time for our staff, which is why SGLT Holding has effectively adjusted our operating model to match operational capacity for the increased activity levels.
Further, SGLT Holding remained committed to its organic initiatives and acquisition strategy. In 2021 acquisitions include the Air & Ocean activities of Grupo Contenosa (Spain), Expedited Solutions, LLC, Werner Logistics (US), Precision Worldwide Logistics, Inc (US), ATL LLC (US) and lastly Horizon International Group (UK-based) and Orbis Global Logistics (New Zealand) which were acquired end Q3 2021.

Revenue
Revenue amounted to USD 2,274 million for the full year 2021, an increase of 88% compared to the full year 2020 including positive impact of FX translation of approximately USD 40 million. The full year proforma revenue including acquisitions made in 2021 amounts to USD 2,456 million. Revenue increases throughout the year were primarily driven by a mix of a strong increase in activity and an increase in freight rates globally due to capacity constraints. Illustrating this, the Shanghai Containerised index have risen continuously throughout the full year 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
Gross profit amounted to USD 333 million for the full year 2021 (gross margin 14.6%); an increase of 64% compared with full year 2020, including positive impact FX translation of approximately USD 6 million. The full year proforma gross profit including acquisitions made in 2021 amounts to USD 363 million. The increase in gross profit is mainly driven by strong organic growth, as a mix of higher volumes and increased freight rates; however due to the high rates, we have seen a slight decrease in gross margin to 14.6%; equivalent to a decrease of 2.2% point compared to same period last year. The decline mainly relates to Air & Ocean, where higher freight rates cause higher pass-through revenue and thus a lower gross margin.

SG&A Costs
SG&A costs amounted to USD 205 million in 2021 and increased by 49% compared to 2020. SG&A costs were 9% of the revenue, which is 2% point lower than 2020. The increase is coming from greenfield and M&A activities together with scaling Group functions for future growth.

EBITDA before special items
EBITDA before special items and excluding IFRS 16 accounting amounted to USD 128 million; an increase of 97% compared to the same period last year, driven by organic growth and acquisitions.

Depreciation and amorisation
Depreciation and amortisation amounted to USD 43 million in 2021, compared to USD 37 million in 2020; an increase of 16%. The increase was driven by IFRS 16, acquisitions and IT.

Special items
The 2021 special items amounted to net cost of USD 12 million, mainly driven by greenfield activities and M&A related costs.

Financial items
Financial items amounted to net expenses of USD 37 million for the full year 2021, 6% above the same period last year. Net financial expenses mainly comprised interest expenses on the bond debt, exchange rate differences and IFRS 16 lease interest. As a result of new and subsequent bonds issue, interest expenses increased during the latter part of 2021 causing an increase in interest expenses for the full year 2021. The increase in interest expenses was partially offset by net exchange gains for the full year 2021, compared to net exchange losses in the comparative period for 2020.

Cash Flows
Cash flows from operating activities before special items, interest & tax was negative with USD 104 million in 2021; a development driven by the increase in net working capital, but partly offset by the strong positive result in 2021.

CAPEX amounts to USD 14 million for year 2021, and comprised mainly investments in software and development of IT projects securing the infrastructure necessary for continued long-term growth.

Cash outflow related to acquisitions amounting to total USD 70 million.

Cash flow from financing activities was net USD 249 million and was driven by proceeds received from bond issue of USD 234 million and capital increase of USD 35 million, slightly offset by redemption of IFRS 16 lease liabilities, USD 17 million. As of 31 December 2021, total bonds amounted to EUR 515 million, corresponding to USD 585 million.

Capital structure

The equity attributable to the Parent company was USD 179 million. The total equity ratio was 16% as per 31 December 2021 compared to 20% by the end of December 2020. The decreased equity ratio is driven by increased debt levels as a result of issuing new and subsequent bonds, but also impacted by FX translation having a negative impact on equity. A capital increase by cash payment of USD 35 million was made during Q3 2021.

Net interest bearing debt (NIBD)
Net Interest-Bearing Debt (NIBD) was USD 500 million and USD 445 million excluding lease liabilities as of 31 December 2021 (31 December 2020: USD 307 million and USD 257 million excluding lease liabilities). The increase was driven by the new issue of EUR 225 million senior secured fixed rate bonds, EUR 40 million subordinated unsecured bonds and repurchase of EUR 58 million bonds under the EUR 315 million framework. Bond debt was raised for acquisitions and general corporate purposes.

Management's review (continued)

Acquisitions in 2021

SGLT Holding continued its acquisition strategy and delivered on its promise of a clear and coherent growth strategy through organic, greenfield and acquisitions efforts.

As per above SGLT Holding Group acquired businesses and activities such as the Air & Ocean activities of Grupo Contenosa (Spain), Expedited Solutions, LLC, Werner Logistics (US), Precision Worldwide Logistics, Inc (US), ATL LLC (US) and lastly Horizon International Group (UK-based) and Orbis Global Logistics (New Zealand) which were acquired end Q3 2021.

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.

The total acquisition price for the activities was USD 26 million, with a cash consideration of USD 23 million 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.

Acquisition of Werner Global Logistics

On 27 January 2021 SGLT Holding has 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 the customers even better, and grow the presence in Canada, North America, China and Mexico for the benefit of the 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.

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

Acquisition of Horizon International Group
On 30 September 2021 SGL International A/S has, through its wholly owned subsidiary, Scan Global Logistics A/S, acquired of Horizon International Group, a British freight forwarding company.
With the acquisition of Horizon International Group, the Group gained access to profitable niche markets and increase our presence in current SGL offerings. It enables us to establish our strategic presence in England and gives us a strategic platform to scale the business, which will enable SGL to expand it's global presence to our customers' benefit. The Group will be able to serve the existing customers of Horizon International Group, gain access to a full-fledged international solution including added expertise, technology, network, and e-commerce platform. Horizon International Group operations are focused on Air and Ocean activities, combined with road and warehouse, and through its footprint cross England, USA, The Netherlands, Spain and Japan, Horizon International Group generates yearly revenue of GBP 115 million.

The total acquisition price for the activities was USD 67 million, with a cash consideration of USD 50 million financed through the issue of new senior secured fixed-rate bonds.

Closing was 30 September 2021; from which date the activities are consolidated in the Group´s financial statements.

Acquisition of Orbis Global Logistics
On 30 September 2021 SGL International A/S has, through its wholly owned subsidiary, Scan Global Logistics A/S, acquired Orbis Global Logistics, a New Zealand freight forwarding company.
With the acquisition of Orbis Global Logistics, the Group will strengthen its position, providing a solid platform in New Zealand, and strategically complement our strong growth in the Pacific Region. Orbis Global Logistics operates as a freight forwarding company primarily focused on Air and Ocean freight of import and export to and from New Zealand, and through its headquarters in Auckland and two other branches. Orbis Global Logistics generates yearly revenue of above NZD 35 million.

The total acquisition price for the activities was USD 22 million, with a cash consideration of USD 16 million financed through the issue of new senior secured fixed-rate bonds.

Closing was 30 September 2021; from which date the activities are consolidated in the Group´s financial statements.

Acquisition 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 and is a leader in apparel distribution, medical devices, high-tech, and manufacturing logistics. Closing was 31 March 2021.

The acquisition price for the activities was USD 8 million plus an additional earnout of up to USD 1 million, financed through the subsequent bonds issue.

Acquisition 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. Closing was 2 April 2021.

The acquisition price for the activities was USD 6 million, financed through the subsequent bonds issue.

(USDm) Notes	Consolidated income statement for 1 January - 31 December	2021	2020
	Revenue	2,274	1,210
	Cost of operation	-1,941	-1,007
	Gross profit	**333**	**203**
	Other external expenses	-43	-28
	Staff costs	-162	-110
	Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**128**	**65**
	Depreciation of tangible assets and lease assets	-23	-21
	Amortisation of intangibles	-20	-16
	Operating profit (EBIT) before special items	**85**	**28**
	Special items, net	-12	-17
	Operating profit (EBIT)	**73**	**11**
	Financial income	6	1
	Financial expenses	-43	-36
	Loss before tax	**36**	**-24**
	Tax on profit for the period	-15	-3
	Loss for the period	**21**	**-27**
	Total income for the year attributable to		
	Owners of the parent	17	-29
	Non-controlling interests	4	2
	Total	**21**	**-27**

(USDm)	Consolidated statement of other comprehensive income	2021	2020
	Profit for the period	21	-27
	Items that will be reclassified to income statement when certain conditions are met:		
	Currency exchange adjustment	-7	7
	Reclassified to income statement	0	0
	Other comprehensive income, net of tax	-7	7
	Total comprehensive income for the period	14	-20
	Total comprehensive income for the year attributable to		
	Owners of the parent	10	-22
	Non-controlling interests	4	2
	Total	**14**	**-20**

(USDm) Notes	Consolidated balance sheet	2021	2020
	ASSETS		
	Goodwill	288	256
	Customer relations	112	73
	Trademarks	15	15
	Other acquired intangible assets	1	1
	Software	15	15
	Intangible assets	**431**	**360**
	Right of use assets	50	47
	Property, plant and equipment	11	8
	Property, plant and equipment	**61**	**55**
	Receivables from related parties	4	0
	Other receivables	5	3
	Deferred tax asset	1	2
	Financial assets	**10**	**5**
	Total non-current assets	**502**	**420**
	Trade receivables	530	196
	Income taxes receivable	3	1
	Receivables from related parties	9	0
	Other receivables	1	23
	Prepayments	14	5
	Cash and cash equivalents	79	50
	Total current assets	**636**	**275**
	Total assets	**1,138**	**695**

(USDm) Notes	Consolidated balance sheet	2021	2020
	EQUITY AND LIABILITIES		
	Partnership interest	240	201
	Currency translation reserve	-4	5
	Retained earnings	-57	-74
	Equity attributable to parent company	**179**	**132**
	Non-controlling interests	7	4
	Total Equity	**186**	**136**
	Bond debt	519	300
	Lease liabilities	33	35
	Deferred tax liability	18	11
	Other payables	11	4
	Total non-current liabilities	**581**	**350**
	Bank debt	7	0
	Lease liabilities	21	15
	Trade payables	262	146
	Deferred income	1	16
	Corporation tax	18	4
	Other payables	62	28
	Total current liabilities	**371**	**209**
	Total liabilities	**952**	**559**
	Total equity and liabilities	**1,138**	**695**

(USDm) Notes	Consolidated cash flow statement	2021	2020
	Operating profit (EBIT) before special items	85	28
	Depreciation, amortisation and impairment	43	37
	Non-cash transactions	0	0
	Change in working capital	-234	18
	Cash flows from operating activities before special items and interest	**-106**	**83**
	Special items	-11	-14
	Interest received	0	1
	Interest paid	-28	-21
	Tax paid	-3	-5
	Cash flows from operating activities	**-148**	**44**
	Purchase of software	-7	-6
	Purchase of property, plant and equipment	-7	-2
	Sale of property, plant and equipment	0	0
	Earn-out paid	0	-4
	Special items, transactions cost acquitions	0	0
	Investments in Group entities	-70	-10
	Disposals of Group entities	0	2
	Cash flows from investing activities	**-84**	**-20**
	Free cash flow	**-232**	**24**
	Dividend paid to non-controlling interests	-2	-2
	Capital increase	39	0
	Investment in deposits	-1	0
	Long-term loan	0	0
	Proceeds from issuing of bonds	234	31
	Repayment of loan from Group entities	0	-1
	Redemption of bond loan	0	0
	Redemption of lease liabilities	-17	-20
	Redemption of acquisition debt	0	-1
	Cash flows from financing activities	**253**	**7**
	Change in cash and cash equivalents	**21**	**31**
	Cash and cash equivalents		
	Cash and cash equivalents at the beginning of the period	50	19
	Exchange rate adjustment of cash and cash equivalents	1	1
	Change in cash and cash equivalents	21	30
	Net Cash and cash equivalents	**72**	**50**

(USDm) Consolidated statement of changes in equity	Partner-ship interest	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Total equity
Equity at 1 January 2021	**201**	**4**	**-73**	**132**	**4**	**136**
Profit for the period	**0**	**0**	**17**	**17**	**4**	**21**
Currency exchange adjustment	0	-8	0	**-8**	1	**-7**
Reclassified to income statement	0	0	0	**0**	0	**0**
Other comprehensive income, net of tax	**0**	**-8**	**0**	**-8**	**1**	**-7**
Total comprehensive income for the period	**0**	**-8**	**17**	**9**	**5**	**14**
Purchase of non-controlling interests	0	0	-1	**-1**	0	**-1**
Dividend distributed	0	0	0	**0**	-2	**-2**
Capital increase	39	0	0	**39**	0	**39**
Total transactions with owners	**39**	**0**	**-1**	**38**	**-2**	**36**
Equity at 31 December 2021	**240**	**-4**	**-57**	**179**	**7**	**186**

(USDm) Consolidated statement of changes in equity	Partner-ship interest	Currency translation reserve	Retained earnings	Equity attributable to parent company	Non-controlling interests	Total equity
Equity at 1 January 2020	**194**	**-3**	**-44**	**147**	**3**	**150**
Profit for the period	**0**	**0**	**-28**	**-28**	**2**	**-26**
Currency exchange adjustment	0	7	0	**7**	0	**7**
Reclassified to income statement	0	0	0	**0**	0	**0**
Other comprehensive income, net of tax	**0**	**7**	**0**	**7**	**0**	**7**
Total comprehensive income for the period	**0**	**7**	**-28**	**-21**	**2**	**-19**
Dividend distributed	0	0	0	**0**	-2	**-2**
Capital increase	7	0	0	**7**	0	**7**
Transfer	0	0	-1	**-1**	1	**0**
Total transactions with owners	**7**	**0**	**-1**	**6**	**-1**	**5**
Equity at 31 December 2020	**201**	**4**	**-73**	**132**	**4**	**136**

Note
1 # Accounting policies

Basis of preparation

The 2021 Annual Report of SGLT Holding has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. The Annual Report of SGLT Holding comprises the consolidated financial statements of SGLT Holding I LP and its subsidiaries. The accounting policies are unchanged compared to previous years.

Basis of measurement

The financial statements have been prepared on a historical cost basis unless otherwise specifically indicated, such as derivative financial instruments and acquisition opening balances, which are measured at fair value.

Reporting currency

The financial statements are presented in USD and all values are rounded to the nearest thousand, except when otherwise indicated.

Consolidation

The consolidated financial statements comprise SGLT Holding, and entities controlled by the holding. Control is presumed to exist when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items.

Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated.

Investments in consolidated entities are set off by the Parent Company's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

The acquisition method of accounting is applied to the acquisition of subsidiaries. The purchase price is made up at the net present value of the consideration agreed. Conditional payments are recognised at the amount expected to be paid. Directly attributable aquisition expenses are expensed in the income statement. Identifiable assets and liabilities in the acquired entities are recognised at the fair value at the time of acquisition. If measurement of the identifiable net assets is uncertain at the date of acquisition, initial recognition is done based on provisional amounts. Measurement period adjustments to the provisional amounts may be done for up to 12 months following the date of acquisition. The effects of cross-period measurement period adjustments are recognised in equity at the beginning of the financial year, and comparative figures are restated. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the purchase price and the Group’s share of the fair value of the identifiable assets and liabilities is recognised as goodwill.

If the purchase price is less than the fair value of the acquired subsidiary's assets, the residual difference (negative goodwill) is recognised directly in the income statement.

For each acquisition, the Group determines whether any non-controlling interest in the acquired business is accounted at fair value (so-called full goodwill) or to the proportional share of the acquired business's net assets.

Note

1 Accounting policies (Continued)

Entities over which the Group exercises significant influence are considered associates. Significant influence is presumed to exist when the Group directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

Non-controlling interests

Accounting items attributable to group entities are recognised in full in the consolidated financial statements. Non-controlling interests' share of Group entities' profit or loss for the year and equity is recognised as separate items in the income statement and the statement of changes in equity.

If an investment in group entities is considered to be a transaction with non-controlling interests the difference between the consideration and the net assets taken over is recognised under equity.

If a divestment in group entities is considered to be a transaction with non-controlling interests the difference between the sales price and the net assets divested is recognised under equity.

Functional currency

The Group's consolidated financial statements are presented in US Dollars (USD). For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation; the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Foreign currency translation

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date.
Realised and unrealised exchange gains and losses are recognised in the income statement as financial income and expenses.

Foreign group entities

As regards integral foreign group entities, the items in their financial statements are translated using the following principles:

· Balance sheet items are translated at the closing rate.

· Items in the income statement are translated at the rate at the date of the transaction.

· Any exchange differences resulting from the translation of the opening equity at the closing rate and the exchange adjustment of the items in the income statement from the rate at the date of the

· Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Note

1 Accounting policies (Continued)

Materiality in financial reporting

When preparing the financial statements, the Management considers how to best present the financial statements and its commentary to ensure that the content is relevant and focus is kept on what is material to the user. This is pursued by aggregating immaterial items in the financial statements and only including relevant descriptions in the Management commentary and only including descriptions on risks, mitigating thereof etc. that may have or had material impact on the achievement of the Group's results and targets.

The notes to the financial statements are prepared with focus on ensuring that the content is relevant and that the presentation is clear. All judgements are made with due consideration of legislation, international accounting standards and guidelines and of the financial statements as a whole is presented fair and truly.

Income statement

Revenue

Revenue comprises freight forwarding services, contract logistics and other related services delivered in the financial year.

Revenue from services delivered is recognised in accordance with the over-time recognition principle following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer. The main services comprise air, ocean, road and solutions services as described in the following.

Air and ocean services

Air services comprise air freight logistics facilitating transportation of goods across the globe. Air services are characterised by short delivery times as most air transports are completed within a few days.

Ocean services comprise Ocean freight logistics facilitating transportation of goods across the globe. Ocean services are reported within the Air & Ocean reporting segment. Ocean services are characterised by longer delivery times averaging one month depending on destination.

Road services

Road services comprise road freight logistics facilitating transportation of goods by road networks mainly within Europe, the US and South Africa. Road services are reported within the Road reporting segment. Road services are characterised by short delivery times as most road transports are completed within a few days.

Solution services

Rent income from the Solutions activity mainly comprise warehousing. Solutions services are reported within the Solution reporting segment. Solutions services are characterised by very short delivery times, happening almost instantaneously as agreed actions under the customer contract are carried out.

Revenue is measured at fair value net of VAT, all types of discounts/rebates granted, as well as net of other indirect taxes charged on behalf of third parties.

Accounting policies

Note

1 **Accounting policies** (Continued)

Other external expenses

Other external expenses comprise the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debt provisions, payments under operating leases, etc.

Staff costs

Staff costs comprise costs such as salaries, wages, pensions and social security costs except staff costs recognised under costs of operation and special items. Staff costs are recognised in the year in which the Group's employees have performed the related work.
The item is net of refunds made by public authorities.

Special items

Special items is recognised in connection with presenting the consolidated income statement for the year to separate items there by its nature are not related to the Groups main business activity and a separation of these items improve the understanding of the performance for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the

Tax

Tax for the year consists of current tax and changes in deferred tax for the year, including adjustments to previous years. The tax for the year is recognised in the income statement, unless the tax relates directly to items included in other comprehensive income or equity.

Current income tax receivable and payable is measured at the amount expected to be recovered from or paid to the taxation authorities.

Balance sheet

Goodwill

Goodwill arising from business combinations is recognised and is stated as the difference between the consideration paid and the fair value of the identified net assets. Goodwill is not amortised but tested for impairment if there is evidence of impairment, or at least once a year.

Customer relations

Customer relations arising from business combinations are recognised at fair value at acquisition.

When evidence of impairment is identified, customer relations are tested for impairment.
Customer relations arising from acquisitions are amortised over 5-12 years.

Accounting policies

Note

1 **Accounting policies** (Continued)

Trademarks and other intangible assets

Trademarks and other intangible assets arising from business combinations is recognised at fair value at acquisition.
When evidence of impairment is identified, trademarks and other intangible assets are tested for impairment.

Trademarks and other intangibles arising from the acquisition are amortised over 3-10 years.

Software

Software includes acquired intangible rights.
Software acquired separately or developed for internal use is measured at the lower of cost less any accumulated amortisation and impairment losses and the recoverable amount.

Costs related to development of software is calculated as, external costs, staff costs, amortisation and depreciation directly or indirectly attributable to the development of the software. After commissioning, software is amortised on a straight-line basis over the expected useful life.

The amortisation period is 3 years.

Software acquired has an expected useful life time of 3 years and is amortised over the full economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.
When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation

Depreciation is provided on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost.

The expected useful lives of the assets are as follows:

· Leasehold improvements & Other tools and equipment 3 to 10 years
· Plant and machinery 3 to 5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Note

1 Accounting policies (Continued)

Accounting estimates

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment testing of non-current assets

Goodwill

The carrying amount of goodwill is tested for impairment at least once a year together with the other non-current assets of the Group.

The tests are conducted for each cash generating unit (CGU) to which the goodwill is allocated to. As goodwill is allocated to the Groups activity, it follows the structure of the segment information in note 1. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset including geographical location and financial risks.

Other non-current intangible assets, property, plant and equipment

The carrying amount of other non-current assets is tested for impairment when an indication of impairment is identified. Impairment is determined by assessing the recoverable amount of each CGU. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

The recoverable amount is the higher of the fair value of the assets less the expected costs of sale and the value in use.

Value in use is the net present value of estimated future cash flows from the asset or the CGU of which the asset form parts.

Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets proportionally.

Receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30-90 days and are therefore all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional. Trade receivables that are recognised as services delivered are invoiced to the customer and are not adjusted for any financing components as credit terms are short and the financing component therefore insignificant. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Note

1 Accounting policies (Continued)

Receivables (continued)

Where services delivered have yet to be invoiced and invoices on services received from hauliers have still to be received, contract assets and accrued cost of services are recognised at the reporting date. Revenue allocated to remaining performance obligations are not disclosed following the practical expedient of IFRS 15.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a 12-months expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

Prepayments

Prepayments recognised under Assets comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash deemed readily available, and bank over-drafts.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the income statement net of any reimbursement.

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, restructurings, etc.

Corporation tax

Income taxes payable:

Current tax payable and receivable is recognised in the balance sheet at the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Deferred tax:

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and the tax base of assets and liabilities at the reporting date.
However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Note

1 **Accounting policies** (Continued)

Deferred tax (continued)

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is adjusted for elimination of unrealised intercompany gains and losses.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred.

Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises open files, which will not be recognised as revenue until the subsequent financial year once the recognition criteria are satisfied.

Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the operating profit, adjusted for non-cash operating items, changes in working capital, paid and received interests and paid income taxes.

Cash flows from investing activities comprise payments in connection with purchase and sale of fixed assets, securities which are part of investment activities and payments in connection with purchase and sale of businesses and activities.

Cash flows from financing activities comprise dividends paid to shareholders, capital increases and reductions, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

Note
1 **Accounting policies** (Continued)

Financial ratios

Financial ratios are calculated in accordance to the following definitions:

Gross margin*:
Gross profit / Revenue * 100

EBITDA margin*:
EBITDA before special items / Revenue * 100

EBIT margin*:
Operating profit (EBIT) before special items / Revenue * 100

EBIT margin:
Operating profit (EBIT) / Revenue * 100

Return on assets*:
Operating profit (EBIT) / Revenue * 100

Return on assets*
Operating profit (EBIT) before special items / average total assets * 100

Equity ratio:
Equity at year end / Total assets * 100

Net interest-bearing debt
Interest-bearing debt less of interest-bearing assets.

**before special items*

Note	(USDm)		
2	**Bond debt**	**2021**	**2020**
	Issued bonds, EUR 250 million, interest rate 1 month EURIBOR + 6.75%1	282	307
	Issued bonds, EUR 225 million, interest rate 7.75%	254	0
	Issued bonds, EUR 40 million, interest rate 11.50%	45	0
	*Bonds held by the Group**	-65	0
	Payable bond interest	9	0
		525	**307**
	Capitalised loan costs	-6	-7
	Total bond debt	**519**	**300**

	Cash flow**	Carrying amount***	Carrying amount
Bond debt falling due between 1 and 5 years (2022)	733	582	307
Total non-current financial liabilities	**773**	**582**	**307**
Total current financial liabilities	**39**	**0**	**0**

* At 31 December 2021 the Group held EUR 58 million of Bonds with an interest rate of 6.75%. The net nominal value of the bond (6.75%) debt was EUR 192 million (USD 218 million).

** Total cash flows including interest. Total cash flows excluding bonds held by the Group is USD 656 million.

*** The carrying amount exclude bonds held by the Group, capitalised loan costs and payable bond interest.

The fair value of the issued bonds with ISIN SE0013101219 were EUR 254 million, totalling USD 288 million, based on quoted bond rates of 101.00 at Börse Frankfurt on 31 December 2021.

The fair value of the issued bonds with ISIN SE0015810759 were EUR 232 million, totalling USD 175 million, based on quoted bond rates of 103.25 at Börse Frankfurt on 31 December 2021.

The fair value of the issued bonds with ISIN NO0012441007 were EUR 40 million, totalling USD 45 million, based on quoted bond rates of 102.00 at Börse Frankfurt on 31 December 2021.

Note	(USDm)		
3	**Investments in Group entities**	2021	2020
	Provisional fair value at date of acquisition:		
	ASSETS		
	Other intangible assets	0	0
	Property, plant and equipment	5	1
	Trade receivables	51	4
	Corporate tax	2	0
	Other receivables	0	0
	Cash and cash equivalents	30	1
	Total assets	**88**	**6**
	LIABILITIES		
	Lease liabilities	4	1
	Finance liabilities	0	1
	Trade payables	35	2
	Corporation tax	3	0
	Other payables	7	1
	Total liabilities	**49**	**5**
	Acquired net assets	**39**	**1**
	Goodwill	39	8
	Costumer relations	43	7
	Trademarks	1	0
	Deferred tax	-10	-2
	Fair value of total net assets acquired	**112**	**14**
	Cash consideration	86	9
	Contingent consideration	26	5
	Fair value of consideration tranferred	**112**	**14**

2021 numbers comprise of Grupo Contenosa, Horizon International Group and Orbis Global Logistics

Acquisitions of Grupo Contenosa

On 27 April 2021 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.

The acquisition price for the activities was USD 27 million, with a cash consideration of USD 24 million 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.

Fair value of acquired net assets and recognised goodwill

Fair value of acquired net assets have been identified and goodwill recognised. Net assets, goodwill and contingent assets and liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance

Note (USDm)
3 Investments in Group entities (Continued)

Acquisitions of Grupo Contenosa, continued

Goodwill is primarily related to synergy effects from integration with SGLT Holding's existing network. Goodwill is non-deductible for tax purposes.

Earnings impact
As a consequence of the integration of Grupo Contenosa into SGLT Holding, the disclosed earnings impact is based on estimates as no financial reporting capabilities are maintained that provide detailed consolidated financial data on the separate pre-acquisition consolidation groups.

During the 9 months after the acquisition date, Grupo Contenosa contributed with USD 82 million to the Group's revenue and USD 6 million to the Group's operating profit before special items. If the acquisition had taken place 1 January 2021 the Group's consolidated proforma revenue and operating profit before special items would have amounted approx. to USD 2,291 million and USD 131 million, respectively.

Fair value measurement
Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships
Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using an IRR of 19.5% as discount rate. In total, customer relationships amounting to USD 14 million have been included in the opening balance.

The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data, and general business insight.

Trade receivables and payables
Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables generally is very short and the discounted effect therefore immaterial.

Financial liabilities
Financial liabilities have been measured at the present value of the repayable amounts discounted using a representative SGL borrowing rate unless the discount effect is insignificant. An SGL borrowing rate has been applied as SGL vouches for the acquired debt, hence the credit enhancement of the Group has been applied in the valuation.

Financial liabilities
Financial liabilities have been measured at the present value of the repayable amounts discounted using a representative SGL borrowing rate unless the discount effect is insignificant. An SGL borrowing rate has been applied as SGL vouches for the acquired debt, hence the credit enhancement of the Group has been applied in the valuation.

Note Goodwill
3 Investments in Group entities (Continued)

Acquisition of Horizon International Group

On 30 September 2021 SGL International A/S has, through its wholly owned subsidiary, Scan Global Logistics A/S, acquired of Horizon International Group, a British freight forwarding company.

With the acquisition of Horizon International Group ("Horizon"), the Group will gain access to profitable niche markets and increase our presence in current SGL offerings. It enables us to establish our strategic presence in England and give us a strategic platform to scale the business, which will enable us to expand our global presence to our customers' benefit. The Group will be able to serve the existing customers of Horizon International Group, gain access to a full-fledged international solution including added expertise, technology, network, and e-commerce platform. Horizon International Group operations are focused on Air and Ocean activities, combined with road and warehouse, and through its geographical spread in England, USA, The Netherlands, Spain and Japan, Horizon International Group generates yearly revenue of GBP 115 million.

The acquisition price for the activities was USD 67 million, financed through the issue of new senior secured fixed-rate bonds.

Closing was 30 September 2021; from which date the activities are consolidated in the Group´s financial statements.

Fair value of acquired net assets and recognised goodwill

Fair value of acquired net assets have been identified and goodwill recognised. Net assets, goodwill and liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3.

Goodwill is primarily related to synergy effects from integration with SGLT Holding's existing network. Goodwill is non-deductible for tax purposes.

Earnings impact

As a consequence of the integration of Horizon into SGLT Holding, the disclosed earnings impact is based on estimates as no financial reporting capabilities are maintained that provide detailed consolidated financial data on the separate pre-acquisition consolidation groups.

During the 3 months after the acquisition date, Horizon contributed with USD 56 million to the Group's revenue and USD 4 million to the Group's operating profit before special items. If the acquisition had taken place 1 January 2021 the Group's consolidated proforma revenue and operating profit before special items would have amounted approx. to USD 2,412 million and USD 140 million, respectively.

Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships

Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using an IRR of 22.3% as discount rate. In total, customer relationships amounting to USD 22 million have been included in the opening balance.

Note **(USDm)**
3 **Investments in Group entities** (Continued)

Acquisition of Horizon International Group, continued

The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data, and general business insight.

Trade receivables and payables

Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables generally is very short and the discounted effect therefore immaterial.

Acquisition of Orbis Global Logistics

On 31 August 2021 SGL International A/S has, through its wholly owned subsidiary, Scan Global Logistics A/S, signed the acquisition of Orbis Global Logistics, a New Zealand freight forwarding company.

With the acquisition of Orbis Global Logistics, the Group will strengthen its position, providing a solid platform in New Zealand, and strategically complement our strong growth in the Pacific Region. Orbis Global Logistics operates as a freight forwarding company primarily focused on Air and Ocean freight of import and export to and from New Zealand, and through its headquarters in Auckland and two other branches, Orbis Global Logistics generates yearly revenue of above NZD 35 million.

Closing was 30 September 2021; from which date the activities are consolidated in the Group´s financial statements.

The initial acquisition price for the activities was USD 16 million, financed through the issue of new senior secured fixed-rate bonds and an additional earnout.

Fair value of acquired net assets and recognised goodwill

Fair value of acquired net assets have been identified and goodwill recognised. Net assets, goodwill and liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3.

Goodwill is primarily related to synergy effects from integration with SGLT Holding's existing network. Goodwill is non-deductible for tax purposes.

Earnings impact

As a consequence of the integration of Orbis into SGLT Holding, the disclosed earnings impact is based on estimates as no financial reporting capabilities are maintained that provide detailed consolidated financial data on the separate pre-acquisition consolidation groups.

During the 3 months after the acquisition date, Orbis contributed with USD 13 million to the Group's revenue and USD 2 million to the Group's operating profit before special items. If the acquisition had taken place 1 January 2021 the Group's consolidated proforma revenue and operating profit before special items would have amounted approx. to USD 2,301 million and USD 131 million, respectively.

Note	(USDm)
3	**Investments in Group entities** (Continued)

Acquisition of Orbis Global Logistics, continued

Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships

Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using an IRR of 20.0% as discount rate. In total, customer relationships amounting to USD 8 million have been included in the opening balance.

The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data, and general business insight.

Trade receivables and payables

Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables generally is very short and the discounted effect therefore immaterial.

Other acquisitions

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 0.85 million and an additional earnout of maximum USD 1.65 million, paid in cash from available sources.

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

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. Closing was 2 April 2021.

The acquisition price for the activities was USD 6 million, financed through the subsequent bonds issue.

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

of shares in Boston-based Precision Worldwide Logistics, Inc. Precision Worldwide Logistics has been operating under the TransGroup umbrella for more than 20 years and is a leader in apparel distribution, medical devices, high-tech, and manufacturing logistics. Closing was 31 March 2021.

The acquisition price for the activities was USD 8 million plus an additional earnout of up to USD 1 million, financed through the subsequent bonds issue.

Management's statement

The Board of Directors and the Executive Management have today discussed and approved the annual report of SGLT Holding I LP for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and additional requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of SGLT Holding's and the Parent Company's financial position at 31 December 2021 and of the results and cash flows of SGLT Holding's and the parent Company's operations for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review includes a fair review of the development in SGLT Holding's and the Parent Company's operations and financial conditions, the results for the year, cash flow and financial position as well as a description of the significant risks and uncertainty factors that the Parent Company and SGLT Holding's face.

We recommend the adoption of the annual report at the annual general meeting.

31 March 2022

Board of Directors:

Tom Gartland (Chairman)	John Cozzi	Alan Wilkinson
Matthew Bowen Bates	Rachel Kumar	Gregory Vernoy
Ronnie J. Lee	Allan Melgaard	Jørgen Jessen
Henrik von Sydow		

Independent auditor's report

To SGLT Holding I LP (the responsible party) and its shareholders (the users)

Opinion

We have audited the consolidated schedules of SGLT Holding I LP for the financial year 1 January – 31 December 2021, comprising the consolidated balance sheet, profit & loss statement, cash flow statement and equity statement.

The consolidated schedules are prepared based on the accounting policies as specified in note 1.

In our opinion, the consolidated schedules have, in all material respects, been prepared in accordance with the accounting policies as specified in note 1.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated schedules" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of matter in the financial statements – accounting policies and restriction on distribution and use

We wish to draw attention to the accounting policies as specified in note 1 to the consolidated schedules, which describes the accounting policies applied by the Company. The consolidated schedules have been prepared in order for the responsible party to meet the user's requirements as defined in section 9.1 of "AEA SGLT Holding I LP Amended and restated agreement of exempted limited partnership" dated 2 August 2016. As a result, the consolidated schedules may not be suitable for other purposes.

Our report has been prepared solely for the use of the responsible party and the users and should not be distributed to or used by any other parties.

We have not modified our opinion in respect of this matter.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated schedules does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the consolidated schedules, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated schedules, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Based on our procedures, we concluded that the Management's review is in accordance with the consolidated schedules. We did not identify any material misstatement of the Management's review.

Independent auditor's report

Management's responsibilities for the consolidated schedules

Management is responsible for the preparation of consolidated schedules that gives a true and fair view in accordance with accounting policies and for such internal control as Management determines is necessary to enable the preparation of consolidated schedules that are free from material misstatement, whether due to fraud or error.

In preparing consolidated schedules, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing consolidated schedules unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of consolidated schedules

Our objectives are to obtain reasonable assurance as to whether consolidated schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of consolidated schedules.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ► Identify and assess the risk of material misstatement of consolidated schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ► Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ► Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing consolidated schedules and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in consolidated schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of consolidated schedules, including the note disclosures, and whether consolidated schedules represents the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated schedules. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 31 March 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised Public Accountant
mne26797

Henrik Pedersen
State Authorised Public Accountant
mne35456

(USDm)	Consolidated income statement for the year 1 January to 31 December 2021	SGL Group	TransGroup	Midco Hold. Elim*	Group 2021
	Revenue	1,637	856	-219	2,274
	Cost of operation	-1,408	-752	219	-1,941
	Gross profit	**229**	**104**	**0**	**333**
	Other external expenses	-36	-13	6	-43
	Staff costs	-117	-45	0	-162
	Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**76**	**46**	**6**	**128**

* Comprise Scan (Jersey) Topco Limited, Scan (UK) Midco Limited, and eliminations

(USDm) Consolidated balance sheet	SGL Group	TransGroup	Midco Hold. Elim*	Group 2021
ASSETS				
Software	14	1	0	15
Customer relations	77	35	0	112
Trademarks	5	10	0	15
Other acquired intangible assets	0	1	0	1
Goodwill	202	86	0	288
Intangible assets	**298**	**133**	**0**	**431**
Right of use Assets	31	19	0	50
Property, plant and equipment	7	4	0	11
Property, plant and equipment	**38**	**23**	**0**	**61**
Other receivables	3	1	0	4
Receivables from Group entities	122	1	-118	5
Deferred tax asset	0	0	1	1
Financial assets	**125**	**2**	**-117**	**10**
Total non-current assets	**461**	**158**	**-117**	**502**
Trade receivables	360	171	-1	530
Income taxes receivable	1	1	1	3
Receivables from related parties	120	8	-119	9
Other receivables	1	0	0	1
Prepayments	7	7	0	14
Cash and cash equivalents	79	0	0	79
Total current assets	**568**	**187**	**-119**	**636**
Total assets	**1,029**	**345**	**-236**	**1,138**

* Comprise Scan (Jersey) Topco Limited, Scan (UK) Midco Limited, and eliminations

(USDm) Consolidated balance sheet	SGL Group	TransGroup	Midco Hold. & Elim*	Group 2021
EQUITY AND LIABILITIES				
Partnership interest	36	62	142	240
Currency translation reserve and adjustm.	-5	0	1	-4
Retained earnings	100	-20	-137	-57
Equity attributable to parent company	**131**	**42**	**6**	**179**
Non-controlling interests	0	7	0	7
Total Equity	**131**	**49**	**6**	**186**
Bond debt	521	-2	0	519
Finance lease liabilities	17	16	0	33
Payables from Group entities	0	122	-122	0
Deferred tax liability	16	2	0	18
Other payables	9	1	1	11
Total non-current liabilities	**563**	**139**	**-121**	**581**
Bank debt	0	7	0	7
Finance lease liabilities	17	5	-1	21
Trade payables	174	45	43	262
Payables from Group entities	23	82	-104	1
Deferred income	10	0	-10	0
Corporation tax	3	4	11	18
Other payables	108	14	-60	62
Total current liabilities	**335**	**157**	**-121**	**371**
Total liabilities	**898**	**296**	**-242**	**952**
Total equity and liabilities	**1,029**	**345**	**-236**	**1,138**

* Comprise Scan (Jersey) Topco Limited, Scan (UK) Midco Limited, and eliminations