# SGLT Holding I LP

# Financial Report
## 2020

# Contents

| Financial highlights | 2020 | 2019 |
|---|---|---|
| *(in USD thousands)* | | |
| **Income statement** | | |
| Revenue | 1,210,156 | 1,074,254 |
| Gross profit | 202,726 | 181,152 |
| Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items | 64,740 | 52,185 |
| Operating profit (EBIT) before special items | 28,057 | 26,702 |
| Special items, net | -17,196 | -6,377 |
| Net financial expenses | -34,655 | -32,271 |
| Profit/loss before tax | -23,794 | -11,946 |
| Profit/loss for the period | -26,809 | -12,447 |
| **Income statement (Business performance)*** | | |
| Adjusted EBITDA | 50,383 | 43,005 |
| **Cash flow** | | |
| Cash flows from operating activities before special items and interest | 83,235 | 25,966 |
| Cash flows from operating activities | 43,484 | -13,529 |
| Investments in intangible assets | -5,955 | -5,124 |
| Investments in property, plant and equipment | -2,421 | -4,608 |
| Investments in Group entities | -9,790 | -17,803 |
| Cash flows from investing activities | -20,847 | -24,744 |
| Free Cash flow | 22,637 | -38,273 |
| Cash flows from financing activities | 6,726 | 45,627 |
| Cash flow for the period | 29,362 | 7,354 |
| **Financial position** | | |
| Total equity | 135,863 | 150,355 |
| Equity attributable to parent company | 131,913 | 147,368 |
| Net interest bearing debt (NIBD) | 307,130 | 267,544 |
| Net interest bearing debt (NIBD) excluding lease liabilities (IFRS 16) | 257,196 | 230,370 |
| Total assets | 693,762 | 586,885 |
| **Financial ratios in %**** | | |
| Gross margin*** | 16.8 | 16.9 |
| EBITDA margin*** | 5.3 | 4.9 |
| Adjusted EBITDA margin | 4.2 | 4.0 |
| EBIT margin*** | 2.3 | 2.5 |
| Equity ratio | 19.6 | 25.6 |

*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

IFRS 16 leases was adopted 1 January 2019. No figures prior to 1 January 2019, throughout the report, have been restated.

# 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 |
| Telephone | : | (+45) 32 48 00 00 |
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| Telephone | : | (+45) 32 48 00 00 |
| Directors | : | Tom Gartland (Chairman)<br>John Cozzi<br>Alan Wilkinson<br>Matthew Bowen Bates<br>Rachel Kumar<br>Gregory Vernoy<br>Ronnie J. Lee<br>Allan Melgaard<br>Jørgen Agerbro Jessen<br>Henrik von Sydow |
| Bankers | : | Jyske Bank A/S<br>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 | Currency | Nominal capital | Economic ownership interest |
|---|---|---|---|---|
| SGLT Holding I LP* | Cayman Islands | USD | 0 | 100% |
| SGLT Holding II LP* | Cayman Islands | USD | 0 | 100% |
| SGL TransGroup US Corp.* Please see page 4 for further details | Delaware | USD | 1 | 100% |
| Scan (Jersey) Topco Limited* | Jersey | GBP | 1 | 100% |
| Scan (UK) Midco Limited* | United Kingdom | GBP | 1 | 100% |
| SGL TransGroup International A/S (SGL Group) | Denmark | DKK | 500,700 | 100% |
| Scan Global Logistics Holding ApS* | Denmark | DKK | 3,530,839 | 100% |
| Scan Global Logistics A/S | Denmark | DKK | 1,901,650 | 100% |
| SGL Express A/S | Denmark | DKK | 500,100 | 100% |
| SGL Road ApS | Denmark | DKK | 500,400 | 100% |
| SGL Norrköping AB** | Sweden | SEK | 100,000 | 100% |
| Scan Global Logistics GmbH | Germany | EUR | 25,000 | 100% |
| SGL Contract & E-Commerce Logistics A/S****** | Denmark | DKK | 500,200 | 100% |
| Scan Global Logistics AB | Sweden | SEK | 100,000 | 100% |
| SGL Road AB******** | Sweden | SEK | 100,000 | 100% |
| Crosseurope GmbH | Germany | EUR | 25,000 | 100% |
| Scan Global Logistics GmbH*** | Austria | EUR | 35,000 | 100% |
| Scan Global Logistics N.V. | Belgium | EUR | 61,500 | 100% |
| Scan Global Logistics B.V. | Netherlands | EUR | 18,000 | 100% |
| Scan Global Logistics Spain S.L | Spain | EUR | 60,000 | 100% |
| SGL Express Holding AB* *** | Sweden | SEK | 2,000,000 | 100% |
| SGL Express AB | Sweden | SEK | 1,000,000 | 100% |
| Scan Global Logistics AS | Norway | NOK | 180,000 | 100% |
| Scan Global Logistics (Finland) Oy | Finland | EUR | 2,523 | 100% |
| Scan Global Logistics sp. Z o. o. | Poland | PLN | 225,000 | 100% |
| Scan Global Logistics s.r.o. | Czech Republic | CZK | 10,000 | 100% |
| Scan Global Logistics K.K. | Japan | JPY | 15,000,000 | 100% |
| Scan Global Logistics (Shanghai) Co. Ltd. | China | USD | 1,650,000 | 100% |
| Scan Global Logistics (Wuxi) Ltd. | China | CNY | 5,000,000 | 100% |
| Scan Global Logistics Ltd. | Hong Kong | HKD | 500,000 | 100% |
| Scan Global Logistics (Shanghai) Limited | China | CNY | 3,000,000 | 100% |
| Scan Global Logistics Ltd. (Branch) | Taiwan | | | 100% |
| Scan Global Logistics Ltd. | Thailand | THB | 15,000,000 | 100% |
| Scan Global Logistics Ltd. | Malaysia | MYR | 2,000,000 | 100% |
| Connect Air (Malaysia) Ltd. | Malaysia | MYR | 2 | 100% |
| Scan Global Logistics Co. Ltd. | Myanmar | USD | 10,000 | 100% |
| Scan Global Logistics Pty. Ltd.* | Australia | AUD | 13 | 100% |
| SGL Australia Pty. Ltd. ******* | Australia | AUD | 32,374 | 100% |
| Scan Global Logistics (Phil) Inc. | Philippines | PHP | 4,000,000 | 40% |
| SGL Manila (Shared Service Center) Inc. | Philippines | PHP | 11,000,000 | 100% |
| Scan Global Logistics Chile S.A. | Chile | CLP | 179,872,000 | 100% |
| Scan Global Logistics Peru S.A.C. | Peru | PEN | 1,000 | 100% |
| Scan Global Logistics (Vietnam) Ltd. | Vietnam | USD | 100,000 | 100% |
| Scan Global Logistics Ltd. | Indonesia | IDR | 6,250,000 | 100% |
| Scan Global Logistics Pte Ltd. (Singapore) | Singapore | SGD | 100,000 | 100% |
| Scan Global Logistics SA | Mali | XOF | 1,000,000 | 55% |
| Scan Global Logistics Sarl | Senegal | XOF | 1,000,000 | 100% |
| Scan Global Logistics Sarl | Ivory Coast | XOF | 1,000,000 | 100% |
| Scan Global Logistics Co. Ltd. (Cambodia) | Cambodia | KHR | 400,000,000 | 100% |
| IQS Holding GmbH* | Germany | EUR | 58,400 | 100% |
| IQS International Quality Service GmbH | Germany | EUR | 26,100 | 100% |
| IQS Business Travel GmbH | Germany | EUR | 25,000 | 100% |
| Scan Global Logistics Deutschland GmbH**** | Germany | EUR | 25,000 | 100% |
| Aircargo Consulting GmbH | Germany | EUR | 25,000 | 100% |
| IQS Logistic Consulting Corp. | USA | USD | 100 | 100% |
| Global Automotive Testing Support GmbH | Germany | EUR | 25,000 | 100% |
| Global Aviation Management Services FZE | Dubai | AED | 1,000,000 | 100% |

## Legal entities

| Company name | Country/state | Currency | Nominal capital | Economic ownership interest |
|---|---|---|---|---|
| SGL TransGroup US Corp.* | Delaware | USD | 1 | 100% |
| Transgroup Global Inc. | Delaware | USD | 1 | 100% |
| TransLAX, LLC | USA | USD | | 50% |
| Transfair Company, LLC | Washington, US | USD | | 100% |
| ICO SFO, LLC | USA | USD | | 50% |
| ORD ICO, LLC | Illinois, US | USD | | 100% |
| TRANS BOS | Massachusetts, U: | USD | | 100% |
| TRANS ICO, LLC | Washington, US | USD | | 50% |
| Trans MCO | Florida, US | USD | | 51% |
| TGLPHL, LLC | Pennsylvania, US | USD | | 100% |
| Transgroup Express, LLC | Washington, US | USD | | 100% |
| Transdomestic LAX, LLC | California, US | USD | | 100% |
| TRANS IAH, LLC | Texas, US | USD | | 100% |
| Translogic Technologies, LLC | Washington, US | USD | | 100% |
| TRANS-MIA, LLC | Florida, US | USD | | 61% |
| TRANS ATL, LLC | Georgia, US | USD | | 51% |
| Cargo Connections NC, LLC | North Carolina, U! | USD | | 51% |
| CNA TRANS, LLC | Utah, US | USD | | 50% |
| Utah Specialized Transportation, LLC | Utah, US | USD | | 51% |
| Transgroup DFW | Texas, US | USD | | 100% |
| TGLNCL, LLC | Florida, US | USD | | 51% |
| New Bison, LLC | Washington, US | USD | | 60% |
| MDX Global Logistics, LLC | Washington, US | USD | | 100% |
| TransGroup Canada Logistics, Inc. | Canada | CAD | | 100% |

* Holding companies.

** SGL Road AB changed name to SGL Norrköping AB during 2020

*** PNAR Holding T.Two GmbH changed name to Scan Global Logistics GmbH 13/2 2020

**** Airlog Group Holding AB has changed name to SGL Express Holding AB during 2020

***** ENGINOX GmbH changed name to Scan Global Logistics Deutschland 13/08 2020

****** SGL E-Commerce A/S changed name to SGL Contract & E-Commerce Logistics A/S 1 July 2020

******* Pioneer Logistics Pty. Ltd. Has changed name to SGL Australia Pty. Ltd. During 2020

******** Crosseurope AB changed name to SGL Road AB during 2020

## 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 Holding 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 TransGroup 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 1,850 employees in more than 110 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

SGLT Holding's commercial strategy has been set out in its comprehensive Vision 2023 plan which was originally formulated at the end of 2018. The plan sets out 3 overarching pillars which are to drive SGLT Holding's go-to-market strategy over the period through 2023.

**Focus on organisational excellence**

SGLT Holding is a people business and primarily relies on its employees to maintain and develop its market position and customer relationships. In recognising this, a continued focus on the internal organisation is a key element of Vision 2023. This entails efforts to maintain and strengthen the entrepreneurial culture which forms an important part of SGLT Holding's DNA, whilst at the same time ensuring the appropriate level of discipline with regards to cost, contracts and pricing.

**Selective geographic expansion**

From being firmly rooted in the Nordics and Americas, SGLT Holding's geographic footprint has expanded significantly in recent years with Asia Pacific, Africa, and Northern Europe having become material areas of operation. SGL Group seeks to continue on the path of selective geographic expansion into regions where management has identified growth potential.

**Leadership**

SGLT Holding's is among the leading freight forwarders globally within certain verticals including Aid & Development and Specialty Automotive. We are among the leading freight forwarders in our home markets. A key component of Vision 2023 is to maintain and solidify SGLT Holding's position in these verticals and to continue developing differentiated, sector-specific capabilities which Management expects will drive superior execution and strengthen SGLT Holding's competitive advantage. In addition, SGLT Holding is working actively to develop a differentiated presence within a number of additional, attractive segments such as Industrial Projects and Fashion & Retail whilst also seeking to invest further into strategic opportunities within e-commerce and final mile delivery, a high-margin segment showing strong growth.

Management views mergers and acquisitions as an important instrument in delivering SGLT Holding's strategic agenda across all three pillars of Vision 2023. This view is supported by a clear financial and operational rationale. 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 that are available at the right price, and target great acquisition opportunities which will scale-up the business, increase profitability, and secure a downward-trending leverage ratio.

**M&A track record**

Over the period 2017 to date, SGLT Holding has completed a total of 10 bolt-on acquisitions.
SGLT Holding has historically funded M&A through internally generated cash flow. Recent acquisitions, over the last couple of years, have been funded through (i) existing cash, (ii) a subsequent issue under the current outstanding bonds, and (iii) for some equity contribution from shareholders.

# Vision & strategy (continued)

**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 an in-principle agreement has been entered into between SGLT Holding and the shareholder(s) of a potential acquisition target, the company will be subjected to full financial and legal due diligence carried out by reputable external parties.

Management will furthermore nominate a balanced group of internal stakeholders to carry out a comprehensive commercial due diligence covering the relevant market, competitors and customers and will, where required to, complement this with an external commercial due diligence.

To ensure alignment of goals, vision and culture, key stakeholders of the target are invited to SGLT Holding's offices to meet with their prospective colleagues and engage in a variety of workshops. 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 meeting – the strategic objectives set out in Vision 2023.

# Vision & strategy - Market overview

**Freight forwarding is a service industry**

Freight forwarding is a service industry specialised in the movement of goods around the world on behalf of exporters and importers. Freight forwarding in its purest form is an asset-light business where forwarders organise transportation for their customers by purchasing capacity from capacity providers (ocean carriers, airlines, trucking companies, etc.). The actual physical transportation is performed by the capacity provider, who also owns the assets used in the transportation, with the freight forwarder taking a fee in exchange for organising the shipment.

SGLT Holding is considered a global freight forwarder as its core business is procurement of intercontinental Air and Ocean as well as overland local and regional transportation.

The freight forwarding market is affected by underlying demands from shippers as well as by supply-side factors within Ocean, Air and Road transportation, i.e. availability of capacity.

**SGLT Holding knows how to operate in difficult environments**

In a year with unprecedented market conditions, freight rate volatility and capacity constraints, SGLT Holding's business model proved highly resilient and adaptable to a challenging environment.

Ongoing cargo flow disruptions across the world, in particular due to passenger flight restrictions between the US and Europe, increased demand for alternative solutions.

The strong performance can be explained by SGLT Holding's entrepreneurial business model, diversified customer and partner base, and disciplined execution of COVID-19 mitigation initiatives.

**COVID-19 actions and reflections**

• SGLT Holding has made use of its experience from and role in humanitarian disasters and adapted swiftly to a new normal whilst keeping communication clear and relevant

• Contingency plan and task force implemented following an identified need for a decentralised approach

• Newsletter continuously published, containing advisory, updates on transport possibilities and actual situation around the globe

• Staying in close contact with stakeholders; customer and supplier focus on cash and risk

# Vision & strategy - Market overview (continued)

**A year of historic turbulence but also opportunity**

**Air**

• COVID-19 and subsequent society lockdowns resulted in a historic overnight decrease in air freight cargo capacity

• Capacity decrease was a direct result of cancellation of the majority of passenger flights around the globe as approx. 40-50% of all air cargo volumes in recent years have been carried by regular passenger flights

• Unprecedented market volatility in March to May with substantial rate increases as customers scrambled to secure capacity for regular goods coupled with a steep increase in PPE* shipments

• Roll out of global vaccination plan expected to significantly impact the air freight cargo industry in 2021 as it will have first priority ahead of all other shipments and as such drive rates higher again

**Ocean**

• COVID-19 triggered ocean carriers to withdraw massive capacity from the market on the back of an expectation of a steep decline in volumes

• Global container equipment shortage erupted on the back of reduced freight capacity and low pace handling of containers at destinations in combination with a sustained demand for ocean freight services

• Rate levels soared on all major tradelanes for each week as carriers looked to monetise on the demand situation

• Vessel reliability reached an all time low during 2020, dropping to ~45% of all vessels arriving on time, which represents a decrease of ~30% compared with 2019

**Road**

• The global impact of the COVID-19 virus and the subsequent lockdowns has caused a drop in road freight volumes globally.

• Despite small spikes in freight volumes, overall tendencies point towards a general stop in new product development for OEM** agreements and a complete halt in the automotive industry.

**Solution**

• Overall, 2020 was a record high year in terms of change in consumer buying behaviors. Facing more changes in the last 12 months than the previous five years – seen from a global consumer spend perspective, this has put a lot of pressure on the fulfillment & distribution activities due to new ways of operating and supporting customers.

• Generally, B2C sales have grown significantly while the B2B sales have dropped by up to 80% in certain markets. It is expected that once traditional retail opens again, a catch-up effect of B2B sales is expected as brands and retailers will need to get rid of their stock as quickly as possible.

* Personal Protection Equiment

** Original Equipment Manufacturer

# 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 Board 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**

We entered into 2020 in a very good shape, but with the expectation to be restricted to some extent by the macroeconomic development as a consequence of the COVID-19. COVID-19 started to impact markets and financial results during the first quarter of 2020, seeing volumes decline and uncertainty increase; however, despite the disruptions from COVID-19, we remained committed to our acquisition strategy combined with finding new ways to make the world a little less complicated through organic initiatives. As a result, 2020 was our strongest year ever with an Adjusted EBITDA of USD 50.4 million; an increase of 17% compared to 2019.

The strong performance was derived through the strength of our entrepreneurial business model and the breadth and diversity of our customers and partners, combined with disciplined execution of COVID-19 cost saving initiatives and restructuring activities.

The full year of 2020 business performance includes the operating results of SGLT Holding, including newly acquired businesses and activities such as activities in Scan Global logistics Co. Ltd. (Cambodia) (acquired 1 January 2020), Pioneer Logistics (acquired 15 January 2020), PostNord’s Swedish Air & Ocean activities (acquired 1 October 2020), and Utah Specialized Transportation, LLC (now owned 100% as TransGroup Express, LLC.; a wholly-owned subsidiary acquired the remaining 49% shares from the minority shareholder in 2020, hence only impacting minority interest). Airlog Group Sweden AB, Airlog Group Fur OY, Airlog Group AS, and Airlog Group Denmark A/S were disposed 1 July 2020.

*Revenue*

Total revenue in the full 12 months of 2020 was USD 1,210 million, which is an increase of 13% compared to 2019 including positive impact of FX translation of approximately USD 14 million.
Revenue is driven by organic revenue of USD 1,133 million and USD 77 million from acquired companies.

*Gross Profit*

The annual gross profit amounted to USD 202.7 million, equivalent to an increase of 12% compared to 2019, positively impacted by FX translation of approx. USD 2 million. Despite a significant increase in airfreight rates and capacity constraints during 2020 in comparison to 2019, we have managed to keep gross margins on par at approx. 17% compared to the strong performance in 2019.

*SG&A Costs*

SG&A costs amounted to USD 138 million in 2020 and increased by 7% compared to 2019. SG&A costs were 11% of the revenue, which is 1% point lower than 2019. The increase is derived from increased staff costs mainly influenced by the acquisitions, and greenfield activities, however offset by small levels of realized operating leverage.

*EBITDA before special items*

EBITDA increased by USD 12.6 million to compared to 2019 (Adjusted EBITDA increased by USD 7 million in 2020 compared to 2019); mainly due to strong performance through increased sales and improved margins in AsiaPacific. The improved performance is driven both by organic growth and through acquisitions made.

*Depreciation and amorisation*

Depreciation and amortisation amounted to USD 36.7 million in 2020, compared to USD 25.5 million in 2019. The increase is primarily explained by depreciation and amortisation from acquisitions made, together with increased amortisations on IT costs securing the infrastructure necessary for continued long-term growth.

*Special items*

The 2020 special items amounted to net cost of USD 17.2 million, which included COVID-19 related costs net of compensation from governments, greenfield activities, M&A activities, restructuring and gain on disposed entities.

*Financial items*

Net financial expenses amounted to USD 34.7 million in 2020 and were mainly comprised of interest on the bond debt and interests on lease liabilities.

**Cash Flows**

Cash flows from operating activities before special items, interest & tax were positive by USD 83 million in 2020, mainly due to positive development in working capital and improved underlying business performance.

CAPEX amounts to USD 8.4 million for year 2020, 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 and earn-outs amounting to total USD 14 million, while cash received for disposed Airlog entities amounted to USD 1.6 million.

Cash flow from financing activities positive net USD 6.7 million was driven by proceeds received from subsequent bond issue USD 30.7 million, but offset by redemption of IFRS16 lease liabilities USD 20.2 million. Dividend paid to non-controlling interests at a value of USD 2 million is included in the financing cash flow. In Q3 2020 the Group issued, through it wholly owned subsidiary SGL TransGroup International A/S, EUR 27 million in subsequent bonds within the framework of EUR 315 million and cash received net of transaction costs amounted to USD 30.7 million. As at 31 December 2020 total bonds amounted to EUR 250 million, corresponding to USD 300 million.

**Capital structure**

The equity attributable to the Parent company was USD 136 million. The total equity ratio was 19.6% as per 31 December 2020 compared to 25.6% by the end of December 2019. The decrease is primarily driven by the subsequent bond issue and negative results due to higher depreciation and amortisations combined with special items and bond interest costs relative to stronger business performance.

**Net interest bearing debt (NIBD)**

Consolidated net interest bearing debt amounted to USD 307 million and USD 257 million excluding lease liabilities (31 December 2019: USD 268 million and USD 230 million excluding the lease liabilities). The main part of the debt consists of bond debt raised for acquisitions.

**Acquisitions in 2020**

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

In 2020, SGLT Holding has established strong platforms in Australia and Cambodia through acquisitions and further strengthened the Air & Ocean activities in Sweden. Geographic expansion has been secured through greenfield activities in Poland and the Czech Republic.

As per above SGLT Holding Group acquired businesses and activities such as activities in Scan Global logistics Co. Ltd. (Cambodia) (acquired 1 January 2020), Pioneer Logistics PTY Ltd.* (acquired 15 January 2020), PostNord's Swedish Air & Ocean activities (acquired 1 October 2020) and Utah Specialised Transportation, LLC (the remaining 49% was acquired from the minority shareholder and the company is now owned 100% as TransGroup Express, LLC.; hence only impacting minority interest).

Airlog Group Sweden AB, Airlog Group Fur OY, Airlog Group AS and Airlog Group Denmark A/S were disposed 1 July 2020, and revenue from disposed entities amounted to USD 5 million for the first half of 2020.

**Events after the balance sheet date**

*Issuance of new senior secured fixed rate bonds*

In March 2021, SGLT Holding has through it wholly owned subsidiary SGL TransGroup International A/S successfully placed EUR 150 million of senior secured fixed rate bonds under a framework of EUR 350 million to qualified investors in the Nordics and Europe (the "New Bonds"). The New Bonds will have a tenor of approximately 4 years and carry a fixed rate coupon of 7.75 per cent per annum. The New Bonds will be used to finance acquisitions, for general corporate purposes, and repaying some of the debt under our existing bonds.

*Acquisition of Grupo Contenosa (Spain)*

In April 2021, the Group has, through its wholly-owned subsidiary, Scan Global Logistics A/S, signed the acquisition of Grupo Contenosa, a Spanish family-owned freight forwarding company. With the acquisition, the Group will become a significant player in the Spanish third-party logistics market. It will enable the Group to grow its network and presence in Spain and Mexico even more to its customers' benefit. The Group will gain access to new profitable niche markets and increase its presence in current the Group's offerings. Most importantly, it 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 of Grupo Contenosa is 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.

The opening balance is not finalized yet.

*Name change in 2020 from Pioneer Logistics PTY. Ltd. to SGL Australia PTY. Ltd.

*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.

The opening balance is not finalized yet.

*Acquisition of shares in Atlanta-based Trans ATL LLC*

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

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

On 31 March 2021 SGLT Holding has through its wholly owns subsidiary Transgroup Express LLC acquired 100% of shares in the 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 approx. USD 6.4 million.

*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 operating under the TransGroup umbrella and been a leader in the North American market for TransGroup. Acquisition price was approx. USD 6 million.

(USDk)

| Notes | Consolidated income statement for 1 January - 31 December | 2020 | 2019 |
|---|---|---|---|
| | Revenue | 1,210,156 | 1,074,254 |
| | Cost of operation | -1,007,430 | -893,102 |
| | **Gross profit** | **202,726** | **181,152** |
| | Other external expenses | -27,809 | -26,883 |
| | Staff costs | -110,177 | -102,084 |
| | **Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items** | **64,740** | **52,185** |
| | Depreciation of tangible assets and lease assets | -20,483 | -14,816 |
| | Amortisation of intangibles | -16,200 | -10,667 |
| | **Operating profit (EBIT) before special items** | **28,057** | **26,702** |
| | Special items, net | -17,196 | -6,377 |
| | **Operating profit (EBIT)** | **10,861** | **20,325** |
| | Financial income | 587 | 2,568 |
| | Financial expenses | -35,242 | -34,839 |
| | **Loss before tax** | **-23,794** | **-11,946** |
| | Tax on profit for the period | -3,015 | -501 |
| | **Loss for the period** | **-26,809** | **-12,447** |
| | **Total income for the year attributable to** | | |
| | Owners of the parent | -28,448 | -14,724 |
| | Non-controlling interests | 1,639 | 2,277 |
| | **Total** | **-26,809** | **-12,447** |

(USDk)

| Consolidated statement of other comprehensive income | 2020 | 2019 |
|---|---|---|
| **Profit for the period** | -26,809 | -12,447 |
| *Items that will be reclassified to income statement when certain conditions are met:* | | |
| Currency exchange adjustment | 7,371 | -3,233 |
| Reclassified to income statement | -94 | 0 |
| **Other comprehensive income, net of tax** | 7,277 | -3,233 |
| **Total comprehensive income for the period** | -19,532 | -15,680 |
| **Total comprehensive income for the year attributable to** | | |
| Owners of the parent | -21,171 | -17,957 |
| Non-controlling interests | 1,639 | 2,277 |
| **Total** | **-19,532** | **-15,680** |

| (USDk) Notes | Consolidated balance sheet | 2020 | 2019 |
|---|---|---|---|
| | **ASSETS** | | |
| | Software | 14,790 | 10,563 |
| | Customer relations | 72,925 | 71,395 |
| | Trademarks | 15,530 | 16,819 |
| | Other acquired intangible assets | 932 | 994 |
| | Goodwill | 255,799 | 230,597 |
| | **Intangible assets** | **359,976** | **330,368** |
| | Right of use assets | 46,831 | 35,470 |
| | Property, plant and equipment | 8,095 | 10,298 |
| | **Property, plant and equipment** | **54,926** | **45,768** |
| | Other receivables | 2,727 | 1,912 |
| | Deferred tax asset | 1,742 | 1,263 |
| | **Financial assets** | **4,469** | **3,175** |
| | **Total non-current assets** | **419,371** | **379,311** |
| | Trade receivables | 195,916 | 159,910 |
| | Income taxes receivable | 779 | 476 |
| | Receivables from related parties | 0 | 7,783 |
| | Other receivables | 23,023 | 4,223 |
| | Prepayments | 4,789 | 2,853 |
| | Cash and cash equivalents | 49,884 | 32,329 |
| | **Total current assets** | **274,391** | **207,574** |
| | **Total assets** | **693,762** | **586,885** |

| (USDk) Notes | Consolidated balance sheet | 2020 | 2019 |
|---|---|---|---|
| | **EQUITY AND LIABILITIES** | | |
| | Partnership interest | 201,502 | 194,168 |
| | Currency translation reserve | 4,754 | -2,417 |
| | Retained earnings | -74,343 | -44,383 |
| | **Equity attributable to parent company** | **131,913** | **147,368** |
| | Non-controlling interests | 3,950 | 2,987 |
| | **Total Equity** | **135,863** | **150,355** |
| | Bond debt | 300,236 | 242,939 |
| | Lease liabilities | 34,751 | 22,168 |
| | Accrued earn-out | 599 | 915 |
| | Deferred tax liability | 11,301 | 10,387 |
| | Other payables | 3,494 | 982 |
| | **Total non-current liabilities** | **350,381** | **277,391** |
| | Bank debt | 56 | 13,183 |
| | Lease liabilities | 15,183 | 15,006 |
| | Accrued earn-out | 1,916 | 544 |
| | Trade payables | 145,648 | 99,107 |
| | Deferred income | 16,357 | 6,301 |
| | Corporation tax | 4,034 | 4,067 |
| | Other payables | 24,324 | 20,931 |
| | **Total current liabilities** | **207,518** | **159,139** |
| | **Total liabilities** | **557,899** | **436,530** |
| | **Total equity and liabilities** | **693,762** | **586,885** |

| (USDk) Notes | Consolidated cash flow statement | 2020 | 2019 |
|---|---|---|---|
| | Operating profit (EBIT) before special items | 28,057 | 26,702 |
| | Depreciation, amortisation and impairment | 36,683 | 25,483 |
| | Non-cash transactions | 0 | -12,317 |
| | Exchange rate adjustments | 478 | 1,495 |
| | Change in working capital | 18,017 | -15,397 |
| | **Cash flows from operating activities before special items and interest** | **83,235** | **25,966** |
| | Special items | -14,050 | -3,236 |
| | Interest received | 596 | 876 |
| | Interest paid | -20,946 | -34,839 |
| | Tax paid | -5,351 | -2,296 |
| | **Cash flows from operating activities** | **43,484** | **-13,529** |
| | Purchase of software | -5,955 | -5,124 |
| | Purchase of property, plant and equipment | -2,421 | -4,608 |
| | Sale of property, plant and equipment | 2 | 3,794 |
| | Earn-out paid | -4,299 | -751 |
| | Special items, transactions cost acquitions | 0 | -252 |
| | Investments in Group entities | -9,790 | -17,803 |
| | Disposals of Group entities | 1,616 | 0 |
| | **Cash flows from investing activities** | **-20,847** | **-24,744** |
| | **Free cash flow** | **22,637** | **-38,273** |
| | Dividend paid to non-controlling interests | -2,044 | -1,600 |
| | Capital increase | 0 | 8,416 |
| | Purchase of non-controlling interest | -245 | 0 |
| | Long-term loan | -157 | 0 |
| | Proceeds from issuing of bonds | 30,744 | 249,564 |
| | Repayment of loan from Group entities | -651 | 0 |
| | Redemption of bond loan | 0 | -195,527 |
| | Redemption of lease liabilities | -20,165 | -14,013 |
| | Redemption of acquisition debt | -756 | -1,213 |
| | **Cash flows from financing activities** | **6,726** | **45,627** |
| | **Change in cash and cash equivalents** | **29,362** | **7,354** |
| | **Cash and cash equivalents** | | |
| | Cash and cash equivalents at the beginning of the period | 19,146 | 11,438 |
| | Exchange rate adjustment of cash and cash equivalents | 1,320 | 354 |
| | Change in cash and cash equivalents | 29,362 | 7,354 |
| | **Net Cash and cash equivalents** | **49,828** | **19,146** |

## Consolidated statement of changes in equity

| (USDk) | Partner-ship interest | Currency translation reserve | Retained earnings | Equity attributable to parent company | Non-controlling interests | Group Total equity |
|---|---|---|---|---|---|---|
| **Equity at 1 January 2020** | **194,168** | **-2,417** | **-44,383** | **147,368** | **2,987** | **150,355** |
| **Profit for the period** | **0** | **0** | **-28,448** | **-28,448** | **1,639** | **-26,809** |
| Currency exchange adjustment | 0 | 7,265 | 0 | **7,265** | 106 | **7,371** |
| Reclassified to income statement | 0 | -94 | 0 | **-94** | 0 | **-94** |
| **Other comprehensive income, net of tax** | **0** | **7,171** | **0** | **7,171** | **106** | **7,277** |
| **Total comprehensive income for the period** | **0** | **7,171** | **-28,448** | **-21,277** | **1,745** | **-19,532** |
| Purchase of non-controlling interests | 0 | 0 | -245 | **-245** | 245 | **0** |
| Dividend distributed | 0 | 0 | 0 | **0** | -2,294 | **-2,294** |
| Capital increase by contribution in kind | 0 | 0 | 0 | **0** | 0 | **0** |
| Capital increase | 7,334 | 0 | 0 | **7,334** | 0 | **7,334** |
| Transfer | 0 | 0 | -1,267 | **-1,267** | 1,267 | **0** |
| **Total transactions with owners** | **7,334** | **0** | **-1,512** | **5,822** | **-782** | **5,040** |
| **Equity at 31 December 2020** | **201,502** | **4,754** | **-74,343** | **131,913** | **3,950** | **135,863** |

## Consolidated statement of changes in equity

| (USDk) | Partner-ship interest | Currency translation reserve | Retained earnings | Equity attributable to parent company | Non-controlling interests | Group Total equity |
|---|---|---|---|---|---|---|
| **Equity at 1 January 2019** | **185,752** | **810** | **-29,659** | **156,903** | **1,743** | **158,646** |
| **Profit for the period** | **0** | **0** | **-14,724** | **-14,724** | **2,277** | **-12,447** |
| Currency exchange adjustment | 0 | -3,227 | 0 | **-3,227** | -6 | **-3,233** |
| **Other comprehensive income, net of tax** | **0** | **-3,227** | **0** | **-3,227** | **-6** | **-3,233** |
| **Total comprehensive income for the period** | **0** | **-3,227** | **-14,724** | **-17,951** | **2,271** | **-15,680** |
| Addition due to acquistion | 0 | 0 | 0 | **0** | 0 | **0** |
| Purchase of non-controlling interests | 0 | 0 | 0 | **0** | 573 | **573** |
| Dividend distributed | 0 | 0 | 0 | **0** | -1,600 | **-1,600** |
| Capital increase | 8,416 | 0 | 0 | **8,416** | 0 | **8,416** |
| **Total transactions with owners** | **8,416** | **0** | **0** | **8,416** | **-1,027** | **7,389** |
| **Equity at 31 December 2019** | **194,168** | **-2,417** | **-44,383** | **147,368** | **2,987** | **150,355** |

Note

# 1 Accounting policies

## Basis of preparation

The 2020 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.

## 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.

**New accounting regulation adopted in 2020**

The Group has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 1 January 2020 as adopted by the European Union.

All amendments to the International Financial Reporting Statements (IFRS) effective for the financial year 2020 have been implemented as basis for preparing the consolidated financial statements and notes to the statements.

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

**New accounting regulations 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 2020 consolidated financial statements. SGLT Holding expects to implement these standards when they take effect.

The following amendment is relevant for SGLT Holding, 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, Oneruous Contracts - Cost of Fulfilling af 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)

Note

1 Accounting policies (Continued)

### 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.

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.

# Accounting policies

Note

## 1 Accounting policies (Continued)

### 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 transaction to the closing rate are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.
- 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.

### 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.

# Accounting policies

Note

1 **Accounting policies** (Continued)

### 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 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*

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 financial reporting period.

The items comprise interest income and expenses, also from group entities and associates, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

### 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.

Note

## 1 Accounting policies (Continued)

### 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.

**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

Note

## 1 Accounting policies (Continued)

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.

*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.

# Accounting policies

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.

# Accounting policies

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 (USDk)

## 2 Bond debt

| | 2020 | 2019 |
|---|---|---|
| Issued bonds, EUR 250 million, interest rate 6.75% | 307,023 | 249,516 |
| | **307,023** | **249,516** |
| Capitalised loan costs | -6,788 | -6,577 |
| **Total bond debt** | **300,235** | **242,939** |

| | Cash flow* | Carrying amount | Carrying amount |
|---|---|---|---|
| Bond debt falling due between 1 and 5 years (2022) | 367,123 | 307,023 | 249,516 |
| **Total non-current financial liabilities** | **387,847** | **307,023** | **249,516** |
| **Total current financial liabilities** | **20,724** | **0** | **0** |

* Total cash flows including interest.

The fair values of the issued bonds were DKK 1,823 million, based on quoted bond rates of 98 at Börse Frankfurt per 31 December 2020.

25 September 2020 the Group successfully carried out a subsequent issue of bonds in an amount of EUR 27 million under the framework of its outstanding bond loan (ISIN: SE0013101219). The subsequent bond issue was priced at 100% of the nominal amount. Following the subsequent issue, the total amount outstanding under the Group's bond loan is EUR 250 million.

| Note | (USDk) | | |
|---|---|---|---|
| 3 | **Investments in Group entities** | **2020** | **2019** |
| | **Provisional fair value at date of acquisition:** | | |
| | **ASSETS** | | |
| | Right of use asset | 689 | 3,742 |
| | Software | 1 | 29 |
| | Property, plant and equipment | 86 | 6,422 |
| | Trade receivables | 3,551 | 3,806 |
| | Other receivables | 133 | 508 |
| | Prepayments | 13 | 177 |
| | Cash and cash equivalents | 680 | 6,961 |
| | **Total assets** | **5,153** | **21,645** |
| | | | |
| | **LIABILITIES** | | |
| | Lease liabilities | 689 | -3,742 |
| | Finance liabilities | 735 | -1,241 |
| | Trade payables | 1,455 | -5,159 |
| | Deferred tax | 0 | -152 |
| | Corporation tax | 0 | -302 |
| | Other payables | 634 | -3,600 |
| | **Total liabilities** | **3,513** | **-14,196** |
| | Non-controlling interests' share of acquired net assets | 0 | -573 |
| | **Acquired net assets** | **1,640** | **6,876** |
| | Goodwill, customer relations, trademarks and other intangible assets | 15,771 | 22,787 |
| | Deferred tax | -1,806 | -3,222 |
| | **Fair value of total consideration** | **15,605** | **26,441** |
| | Due acquistion debt | -1,771 | 0 |
| | Earn-out provision acquisition debt | -3,684 | -1,677 |
| | **Cash consideration** | **10,150** | **24,764** |
| | Adjustment for cash and cash equivalents taken over | -680 | -6,961 |
| | **Cash consideration for acquisitions** | **9,470** | **17,803** |
| | Transaction costs for acquisitions | 320 | 1,171 |
| | **Investments in Group entities** | **9,790** | **18,974** |

Note (USDk)

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

**Acquisition of shares in Scan Global Logistics Co. Ltd.**
Acquisition of activities in Scan Global Logistics Co. Ltd. (Cambodia) Effective 1 January 2020, SGL Group acquired activities in the Cambodian based freight forwarder Scan Global Logistics Co., Ltd. (Cambodia). Previously the Cambodian company has acted as agent for SGL Group.

Under the terms of the agreement, the activities were acquired for a total cash consideration of USD 818 thousand; paid at closing in January 2020. The goodwill arising from the acquisition is attributable to synergies expected from combining the operations of SGL Group and the acquired company.

Transaction costs amounted to DKK 314 thousand, which have been expensed and recognised as special items.

The revenue and gross profit are allocated to the Air, Ocean and Road Segments.

Revenue from Scan Global Logistics Co. Ltd. (Cambodia), acquired 1 Janaury 2020, contributed by DKK 13 million to SGL Group revenue, and the profit amounted to DKK 1.3 million in the financial year 2020.

**Acquisition of shares in Pioneer International Logistics***
On 15 January 2020 SGL Group acquired, through its wholly owned subsidiary Scan Global Logistics PTY (a subsidiary of Scan Global Logistics A/S), 100% percent of the share capital of Pioneer International Logistics, an Australian freight forwarding company. With the acquisition SGL Group will be able to serve the Australian and Pacific customers even better, and the existing customers of Pioneer International Logistics gain access to a full-fledged international solution including added expertise, technology, network, and e-commerce platform.

Under the terms of the agreement, the company was acquired for a total cash consideration of AUD 12.5 million; paid at closing in January 2020. In addition an earnout depending on future income has been agreed upon. AUD 5.2 million has been paid in 2020. The goodwill arising from the acquisitions is attributable to synergies expected from combining the operations of SGL Group and the acquired companies. The acquisition of Pioneer International Logistics was financed through subsequent bond issue.

Transaction costs amounted to DKK 1.8 million, which have been expensed and recognised as special items.

The revenue and gross profit are mainly allocated to the Ocean segment and a minor part to the Air segment.

The fair value of the acquired identifiable net assets is provisional pending final valuation of those assets.

Revenue from Pioneer International Logistics, acquired 15 Janaury 2020, contributed by DKK 233 million to SGL Group revenue, and the profit amounted to DKK 39 million in the financial year 2020.

*Name change in 2020 from Pioneer Logistics PTY. Ltd. to SGL Australia PTY. Ltd.

Note (USDk)

## 3 Investments in Group entities (Continued)

**Acquisition of activities from PostNord AB**

Effective 1 October 2020 SGL Group has through its wholly owned subsidiary, Scan Global Logistics AB, acquired PostNord's Swedish Air & Ocean activities.

The ambition with the acquisition is to offer an even better customer experience in the Nordics, getting more market shares and growing the Swedish side of the business. The acquisition includes the employees who will bring valuable competencies and insights on the Swedish market and enable a more extensive network and presence in Sweden.

The acquisition price for the activities is approximately DKK 9 million, and the fair value of the net identifiable assets are mainly related to customer relations.

The acquisition was financed through cash and cash equivalents.

## Management's statement

The Board of Directors and the Executive Board have today discussed and approved the annual report of SGLT Holding I LP for the financial year 1 January - 31 December 2020.

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 2020 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 2020.

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.

28 April 2021

**Board of Directors:**

| | | |
|---|---|---|
| Tom Gartland<br>(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 for SGLT Holding I LP for the financial year 1 January – 31 December 2020, 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.

**Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter in the financial statements – accounting policies and limitation of 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 in accordance with the accounting policies as specified in note 1 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 the 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 the consolidated schedules unless Management either intends to either liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated schedules**

Our objectives are to obtain reasonable assurance about whether the 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 the consolidated schedules.

# Independent auditor's report

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

- Identify and assess the risk of material misstatement of the 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 the 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 the consolidated schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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.
- 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, 28 April 2020
EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

| | |
|---|---|
| Søren Skov Larsen<br>State Authorised Public Accountant<br>mne26797 | Henrik Pedersen<br>State Authorised Public Accountant<br>mne35456 |

| (USDk) | Consolidated income statement for the year 1 January to 31 December 2020 | SGL Group | TransGroup | Midco Hold. Elim* | Group 2020 |
|---|---|---|---|---|---|
| | Revenue | 822,514 | 466,160 | -78,518 | 1,210,156 |
| | Cost of operation | -675,505 | -410,443 | 78,518 | -1,007,430 |
| | **Gross profit** | **147,009** | **55,717** | **0** | **202,726** |
| | Other external expenses | -16,561 | -11,248 | 0 | -27,809 |
| | Staff costs | -77,258 | -32,919 | 0 | -110,177 |
| | **Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items** | **53,190** | **11,550** | **0** | **64,740** |

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

| (USDk) Consolidated balance sheet | SGL Group | TransGroup | Midco Hold. Elim* | Group 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Software | 12,988 | 1,802 | 0 | 14,790 |
| Customer relations | 46,027 | 26,898 | 0 | 72,925 |
| Trademarks | 5,480 | 10,050 | 0 | 15,530 |
| Other acquired intangible assets | 283 | 649 | 0 | 932 |
| Goodwill | 174,835 | 80,964 | 0 | 255,799 |
| **Intangible assets** | **239,613** | **120,363** | **0** | **359,976** |
| Right of use Assets | 38,054 | 8,777 | 0 | 46,831 |
| Property, plant and equipment | 5,203 | 2,892 | 0 | 8,095 |
| **Property, plant and equipment** | **43,257** | **11,669** | **0** | **54,926** |
| Other receivables | 2,473 | 254 | 0 | 2,727 |
| Receivables from Group entities | 120,000 | 0 | -120,000 | 0 |
| Deferred tax asset | 1,742 | 0 | 0 | 1,742 |
| **Financial assets** | **124,215** | **254** | **-120,000** | **4,469** |
| **Total non-current assets** | **407,085** | **132,286** | **-120,000** | **419,371** |
| Trade receivables | 132,668 | 79,907 | -16,659 | 195,916 |
| Income taxes receivable | 687 | 92 | 0 | 779 |
| Receivables from related parties | 0 | 8,822 | -8,822 | 0 |
| Other receivables | 4,856 | 1,168 | 16,999 | 23,023 |
| Prepayments | 3,913 | 876 | 0 | 4,789 |
| Cash and cash equivalents | 30,837 | 19,047 | 0 | 49,884 |
| **Total current assets** | **172,961** | **109,912** | **-8,482** | **274,391** |
| **Total assets** | **580,046** | **242,198** | **-128,482** | **693,762** |

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

| (USDt) Consolidated balance sheet | SGL Group | TransGroup | Midco Hold. & Elim* | Group 2020 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| Partnership interest | 83 | 62,034 | 139,385 | 201,502 |
| Currency translation reserve and adjustm. | -10,025 | -129 | 14,908 | 4,754 |
| Retained earnings | 85,855 | -19,394 | -140,804 | -74,343 |
| **Equity attributable to parent company** | **75,913** | **42,511** | **13,489** | **131,913** |
| Non-controlling interests | 1,003 | 2,947 | 0 | 3,950 |
| **Total Equity** | **76,916** | **45,458** | **13,489** | **135,863** |
| Bond debt | 302,589 | -2,353 | 0 | 300,236 |
| Finance lease liabilities | 27,964 | 6,787 | 0 | 34,751 |
| Earn-out provision | 599 | 0 | 0 | 599 |
| Payables from Group entities | 0 | 120,000 | -120,000 | 0 |
| Deferred tax liability | 9,771 | 1,530 | 0 | 11,301 |
| Other payables | 3,494 | 0 | 0 | 3,494 |
| **Total non-current liabilities** | **344,417** | **125,964** | **-120,000** | **350,381** |
| Bank debt | 56 | 0 | 0 | 56 |
| Finance lease liabilities | 12,381 | 2,802 | 0 | 15,183 |
| Earn-out provision | 1,916 | 0 | 0 | 1,916 |
| Trade payables | 110,372 | 51,937 | -16,661 | 145,648 |
| Payables from Group entities | 5,310 | 0 | -5,310 | 0 |
| Deferred income | 9,264 | 7,093 | 0 | 16,357 |
| Corporation tax | 3,995 | 39 | 0 | 4,034 |
| Other payables | 15,419 | 8,905 | 0 | 24,324 |
| **Total current liabilities** | **158,713** | **70,776** | **-21,971** | **207,518** |
| **Total liabilities** | **503,130** | **196,740** | **-141,971** | **557,899** |
| **Total equity and liabilities** | **580,046** | **242,198** | **-128,482** | **693,762** |

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