INTERIM FINANCIAL RESULTS FIRST HALF YEAR OF 2021, Q2 2021

SGLT Holding II LP

31 August 2021

Group structure – SGLT Holding

Revenue

USD 850M

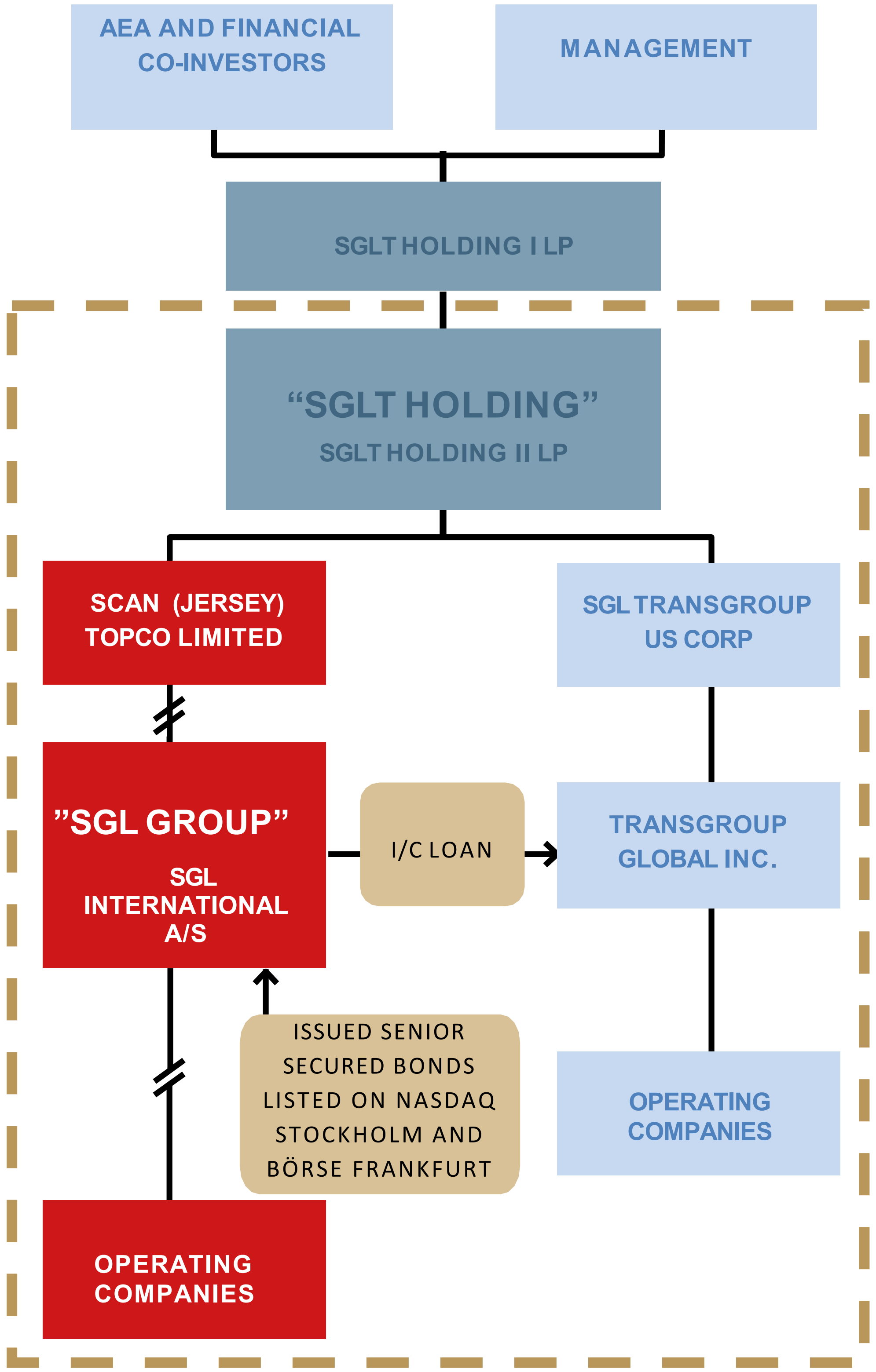
Adjusted EBITDA*

USD 28.6M

**Adjusted EBITDA (Business performance) excluding the impact of IFRS 16 leases*

- The figures in this presentation comprise the combined financial performance of SGL International A/S and TransGroup Global Inc., including their respective subsidiaries, constituting the combined group SGLT Holding II LP ("SGLT Holding").
- SGL International A/S (together with TransGroup Global Inc. and their respective subsidiaries) has issued two senior secured bond loans, one at a fixed and one at a floating rate, within a framework amount of EUR 315 million and EUR 350 million.
  - As of 31 December 2020, the total amount outstanding under the Group's bond loan is EUR 250 million.
  - In March 2021, new bonds of EUR 150m were secured under a framework of EUR 350m. The Bonds were settled 8 April 2021 and will be used to finance acquisitions, for general corporate purposes, and repay some of the debt under the existing bonds.
- The figures for SGLT Holding are presented to understand the current combined performance and help predict future combined performance supporting the issued senior secured bond through SGL International A/S.
- SGLT Holding had in 2021 its **best financial result to date for the first half year of 2021. Adjusted EBITDA, totalling USD 28.6m** was achieved despite the continued impact of the COVID-19 pandemic on the global market.
- Reporting currency for SGLT Holding is USD.

SIMPLIFIED STRUCTURE



SCAN GLOBAL LOGISTICS

Financial highlights first 6 months of 2021

- SGLT Holding remained committed to organic initiatives and its acquisition strategy. Latest Transactions include:
  - acquisition of the Air & Ocean activities of the U.S, Werner Enterprises, acquisition of Atlanta-based Trans ATL LLC, and acquisition of Boston-based Precision Worldwide Logistic, Inc, all during the first three months of 2021
  - acquisition of Grupo Contenosa in Spain and acquisition of Chicago-based Expedited Solutions, LLC, both in April 2021
- **Revenue amounted to USD 850m** in H1 2021, representing a **53% increase** compared to H1 2020. The revenue increase was driven by higher activity levels and higher rates as part of Shanghai Containerized Freight Index continues to be at its highest levels during the first half of 2021. The increase in activity levels was mainly coming from Air and Ocean activities in the Nordics, Asia Pacific and North America.
- **Gross profit amounted to USD 124m** in H1 2021, representing an **increase of 32%** compared to H1 2020. Increase in freight rates and capacity constraints during H1 2021 resulted in a drop in gross margins by 2.4% compared to H1 2020.
- **Adjusted EBITDA** amounted to **USD 28.6m** for H1 2021; an **increase of 25%** compared to H1 2020. The improved performance was driven both by organic growth and through acquisitions made.
- **Net Working Capital;** Change in NWC was negative with **USD 68.5 million** for the first six months of 2021, mainly impacted by change in freight rates and payment terms in the Air & Ocean segments affected by the current market situation, but also impacted by changes in activity mix as Air & Ocean becomes a larger part of SGLT Holding. SGLT Holding is monitoring the market conditions closely and remains focused on terms and conditions, to accommodate the impact on the working capital.

USDm	Q2 2021	Q2 2020	YTD 2021	YTD 2020
Income statement				
Revenue	468.8	291.5	849.5	555.9
Gross profit	69.7	49.9	124.4	94.3
EBITDA before special items	23.2	19.7	36.6	30.1
EBITDA before special items excluding IFRS 16[1]	18.7	15.2	27.4	21.7
Operating profit (EBIT) before special items	14.2	9.2	18.6	12.3
Special items, net	-0.9	-3.4	-1.7	-5.4
Financial items, net	-12.4	-6.0	-14.5	-9.9
Profit/Loss before tax	0.9	-0.2	2.4	-3.0
Profit/Loss for the period	7.7	-0.9	2.7	-3.4
Income statement (Business Performance) [2]				
Adjusted EBITDA [3]	19.2	15.8	28.6	22.9
Cash Flow				
Cash flows from operating activities before special items, interest and tax	-16.6	42.2	-27.9	30.0
Cash flows from operating activities	-26.9	34.1	-46.0	15.6
Cash flows from investing activities	-30.6	-2.2	-43.4	-11.1
Free cash flow	-57.5	32.0	-89.4	4.5
Cash flows from financing activities	103.6	-6.1	94.6	-10.9
Cash flow for the period	46.1	25.9	5.2	-6.4
Financial position			**30.06.2021**	**30.06.2020**
Total Equity			120.9	137.9
Equity attributable to parent company			117.2	134.9
Net interest bearing debt (NIBD)			394.3	279.2
Net interest bearing debt (NIBD) excluding IFRS 16[1]			352.6	237.0
Total assets			810.1	597.4
Financial ratios in %				
Gross margin	14.9	17.1	14.6	17.0
EBITDA margin before special items	5.0	6.8	4.3	5.4
EBITDA margin before special items excluding IFRS 16[1]	4.0	5.2	3.2	3.9
EBIT margin before special items	3.0	3.2	2.2	2.2
Equity ratio	14.9	23.1	14.9	23.1

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

Growth Strategy & Outlook

Growth Strategy

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

Outlook 2021

- For FY2021, SGLT Holding has updated its guidance for adjusted EBITDA to USD 75-80m (previously USD 70-75m).
- Taking into account certain acquisitions expected to be closed shortly, SGLT Holding FY2021 Pro Forma Adjusted EBITDA is forecasted to be approx. USD 95m.

Key market outlook

Air

Following a very volatile 2020, capacity is pressured to the outmost Driving high freight rates. Local Covid-19 outbreaks continue to drive high levels of volatility, impacting the cargo handling which in turn affected capacity, rates, and schedule reliability.

Rates

- Freighter markets continue to be high demand as belly-hold capacity is at a reduced level. Expected additional capacity is slim, as all operational freighter crafts are in rotation. Therefore, the overall trend for rates on major trade lanes to and from Asia is on a surge. Two things drive this: One, from an overall cost perspective Ocean freight has increased tremendously the past year, narrowing the multiplier gap to airfreight from x26.9 in June 2020 to x4.9 in June 2021. Second, and on top of the first, increasing oil prices add pressure on fuel surcharge levels. Since early 2021, the jet fuel price index has increased by approx. 30%. Consequently, these trends will pressure rates upwards and extend transit times. Adversely, the major Transatlantic trade route is thought to be somewhat more stable although rates are at a historical high. Ease of rates can only be expected to occur with the alleviation of US travel restrictions. Finally, the seasonal peak is beginning to set in, further putting pressure on rates.

Capacity

- Aforementioned restricted belly-hold capacity coupled with regular disturbances due to local Covid-19 outbreaks and regulations means greater congestion and less reliability on schedules. There is an increasing concern of ground handling issues, as local outbreaks result in cancelling of flights, which is leading to further congestion at the airfreight hubs globally. Such congestion could, ultimately, lead to restrictions on either traffic rights for additional flights, or delays and service disruptions on the ground. Although this image represents the current situation on connections to and from Asia, similar disruptions can be expected in other markets as well.

Ocean

The ocean freight market continues to experience historic volatility throughout 2021. Continuous lack of capacity fuelled by an array of port congestion and closures due to Covid-19 outbreaks has turned into an all-time historic shipping crisis. Schedule reliability is at historical low at around 40% although slightly increasing, and that is coupled with unprecedented rate increases, surpassing the 20,000/40´mark on some trades.

Asian ports are heavily impacted as congestion and Covid-19 cases are making it difficult to make room for efficient turn-around of containers and operations and leading to suspension of ports.

Rates

- Rates are surging upwards with tremendous speed. In the first three weeks of July alone, Drewry's World Container Index rose by an additional $600 per 40ft container. As a result, carriers are managing capacity on a week-to-week basis, assigning priority to the most profitable trade lanes, further increasing rates in competing lanes due to capacity being pulled out.
- Finally, peak season in especially the US is adding significantly to the already existing delays on the congested container ports around key US West Coast ports. This has resulted in freight spot rates surpassing the USD 20,000 per 40' container.

Capacity and equipment

- A report from shipping consultants, Drewry, projects global port capacity to increase at 2.5% annually, while projecting global demand to increase 5%, annually until 2025 at least.
- Further according to Sea-Intelligence, deploying more vessels during 2021 net capacity has decreased due to congestion. Therefore, building more vessels will only cause further bottlenecks at ports.

Key market outlook

Road

Q2 offered challenges in terms of capacity constraints and increasing rates. The end of Q2 saw increasing volumes after the effects of Covid-19, coupled with constraints caused by the EU mobility package leading to cost increases from sub-contractors. Despite willingness to operate with higher freight rates from sub-contractors, acquiring sufficient capacity has still proven difficult during June. Latest, the summer months have seen a seasonal decrease in the general activity levels, resulting in lower revenue levels in accordance with expectations. Expectancy towards the coming months is however a return to increasing rates and pressure on capacity starting from September.

Rates

- With the increased costs, most competitors across the entire market segment are announcing incurring surcharges for clients for both domestic distribution channels in the Nordics and cross borders to Eastern Europe. Generally, these seem to be accepted widely across the market. However, clients on long-term contracts stemming back from before Q2 are advocating for suppliers to absorb the cost increases.

Capacity

- Securing capacity in the coming months and likely going into next year will be a key differentiator. As of now, the EU mobility package has only been partly implemented. During 2022 the next phase of the EU mobility package is expected to be implemented, practically meaning chauffeurs will be forced to return to their home countries every month. This will most likely mean adding further costs to haulers as well as pull capacity out of the market. The full scale of the impact remains uncertain, but clients will need to brace themselves for a future with unprecedented scarce capacity.

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