

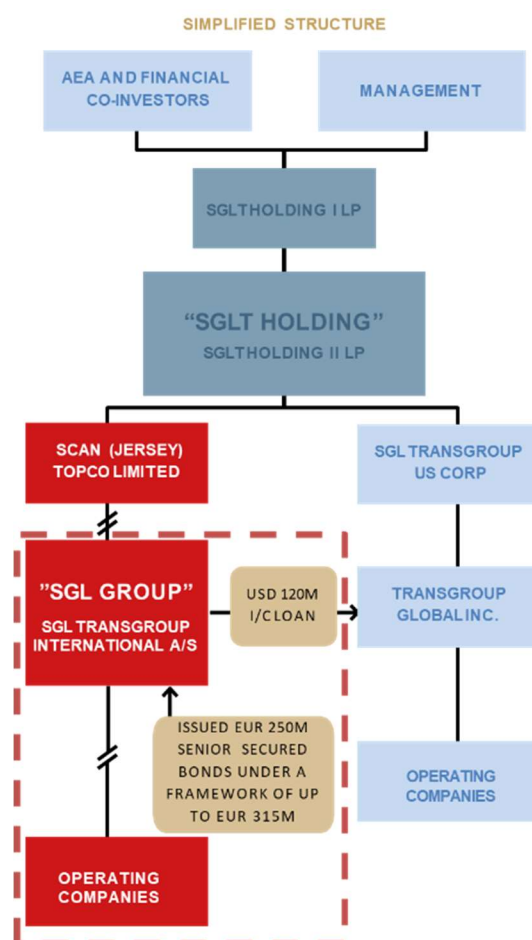
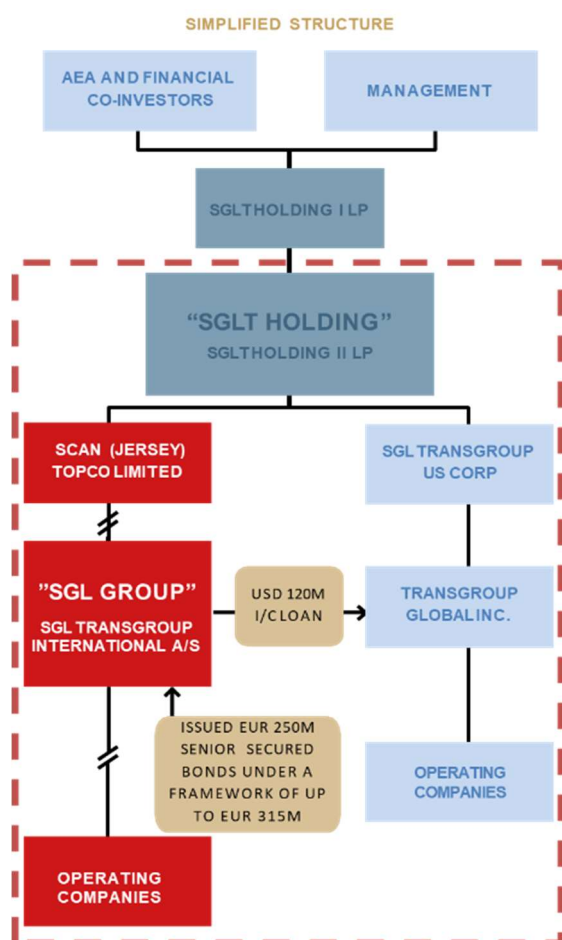


SGL TransGroup International A/S

INTERIM FINANCIAL REPORT

**FIRST THREE MONTHS OF 2021,
Q1 2021**

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SGLT HOLDING

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

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

Reporting currency for SGLT Holding is USD.

SGL GROUP

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

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

Reporting currency for SGL Group is DKK.

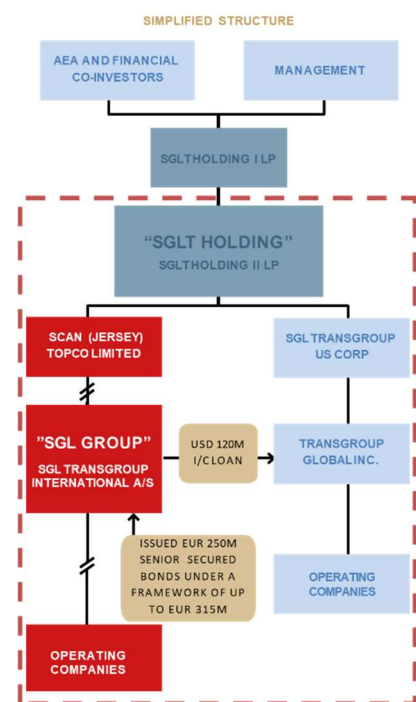
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SGLT Holding

**FIRST THREE MONTHS OF 2021,
Q1 2021**



» FINANCIAL HIGHLIGHTS

| USDm | Note | Q1 2021 | Q1 2020 | FY 2020 |
|---|------|---------|---------|---------|
| Income statement | | | | |
| Revenue | | 380.7 | 264.4 | 1,210.2 |
| Gross profit | | 54.6 | 44.5 | 202.7 |
| EBITDA before special items | | 13.2 | 10.4 | 65.0 |
| EBITDA before special items excluding IFRS 16 ¹ | | 8.5 | 6.5 | 47.5 |
| Operating profit (EBIT) before special items | | 4.2 | 3.2 | 28.4 |
| Special items, net | | -0.7 | -2.0 | -17.2 |
| Financial items, net | | -2.1 | -3.9 | -34.7 |
| Profit/Loss before tax | | 1.4 | -2.7 | -23.5 |
| Profit/Loss for the period | | -5.2 | -2.4 | -26.5 |
| Income statement (Business Performance)² | | | | |
| Adjusted EBITDA ^{3,4} | 1 | 9.2 | 7.1 | 50.4 |
| Cash Flow | | | | |
| Cash flows from operating activities before special items, interest and tax | | -11.5 | -12.0 | 83.2 |
| Cash flows from operating activities | | -19.3 | -18.3 | 43.5 |
| Cash flows from investing activities | | -12.7 | -9.0 | -20.8 |
| Free cash flow | | -32.0 | -27.3 | 22.6 |
| Cash flows from financing activities | | -9.0 | -4.8 | 6.7 |
| Cash flow for the period | | -41.0 | -32.1 | 29.4 |
| Financial position | | | | |
| Total Equity | | 117.4 | 136.4 | 121.9 |
| Equity attributable to parent company | | 113.5 | 133.8 | 118.0 |
| Net interest bearing debt (NIBD) | | 370.3 | 291.2 | 307.1 |
| Net interest bearing debt (NIBD) excluding IFRS 16 ¹ | | 325.7 | 254.7 | 257.2 |
| Total assets | | 674.8 | 574.0 | 681.0 |
| Financial ratios in % | | | | |
| Gross margin | | 14.3 | 16.8 | 16.8 |
| EBITDA margin before special items | | 3.5 | 3.9 | 5.4 |
| EBITDA margin before special items excluding IFRS 16 ¹ | | 2.2 | 2.4 | 3.9 |
| EBIT margin before special items | | 1.1 | 1.2 | 2.3 |
| Equity ratio | | 17.4 | 23.8 | 17.9 |

1) EBITDA presented before applying the accounting of IFRS 16 Leases; 2) Business performance represents the underlying financial performance of SGL 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. Apart from this, there is no difference between business performance and IFRS results. 3) Excluding the impact of IFRS 16 Leases; ref. note 6.4 Financial definitions 4) Before special items

»» FINANCIAL PERFORMANCE

SGLT Holding performed in 2021 its best financial result to date for the first quarter. The adjusted EBITDA, totaling USD 9.2 million was achieved despite the impact on the global market due to the continuing consequences of the COVID-19 pandemic.

The impact of COVID-19 remains a global challenge, not only impacting the general operation both internally and externally, but also putting pressure on global freight capacity and thus pushing freight rates upwards in some regions.

SGLT Holding has continued its disciplined execution of COVID-19 cost savings initiatives and restructuring activities throughout Q1 2021. This has meant increase in the adjusted EBITDA result of 30% compared to Q1 2020.

Further, SGLT Holding remained committed to its acquisition strategy combined with finding new ways to make the world a little less complicated through organic initiatives and through acquisitions. Latest resulting in the acquisition of the Air & Ocean activities of the U.S, Werner Enterprises, acquisition of Atlanta-based Trans ATL LLC, acquisition of Boston-based Precision Worldwide Logistic, Inc all during the first three months of 2021, and acquisition of Grupo Contenosa in Spain and acquisition of Chicago based Expedited Solutions, LLC, both in April 2021.

Financial results for the period – Q1 2021

- »» Revenue amounted to USD 380.7 million for the first three months of 2021; an increase of 44% compared to the first three months of 2020, including positive impact of FX translation of approximately USD 19.5 million. The revenue increase is driven by higher activity levels and higher rates as part of Shanghai Containerized Freight Index has been at highest levels during the first three months of 2021. The increase in activity levels is mainly coming from Air and Ocean activities in the Nordics, Asia Pacific and North America.
- »» Gross profit amounted to USD 54.6 million for the first three months of 2021; an increase of 23% compared to Q1 2020, including positive impact FX translation of approximately USD 3.3 million. Increase in freight rates and capacity constraints during the first three months of 2021 resulted in a drop in gross margins by 3% compared to same period last year.
- »» SG&A costs amounted to USD 41.4 million for the first three months of 2021; impacted by FX translation of approximately USD 2.6 million, resulting in an increase by 14% compared to the first three months of 2020. SG&A costs were 11% of the revenue; 2%-point lower than same period last year. The increase is mainly coming from greenfield activities and acquisitions made over the course of the last twelve months.
- »» Adjusted EBITDA amounted to USD 9.2 million for the first three months of 2021; an increase of 30% compared to same period last year. The improved performance is driven both by organic growth and through acquisitions made.
- »» Special Items amounted to USD 0.7 million for the first three months of 2021; mainly driven by greenfield activities and M&A related costs, together with cost for idle assets and staff sent home as a result of COVID-19.
- »» Financial items amounted to net expenses USD 2.1 million for the first three months of 2021; an improvement of 46% compared to same period last year. Net financial expenses mainly comprised of interest expenses on the bond debt, including capitalised loan costs recognised in the income statement as well as an impact of IFRS 16 interest.

- » Cash flow from operating activities before special items, interest & tax is negative by USD 11.5 million; mainly driven by a decrease in working capital which is impacted by the high activity levels.

» FINANCIAL PERFORMANCE – CONT'D

- » Capital structure; the equity attributable to the Parent company was USD 113.5 million. The total equity ratio was 17.4% as per 31 March 2021 compared to 17.9% for the same period in 2020.
- » Net Interest-Bearing Debt (NIBD) was USD 370.3 million and USD 325.7 million excluding lease liabilities as of 31 March 2021 (31 March 2020: USD 291.2 million and USD 254.7 million excluding lease liabilities). The main part of the debt consists of bond debt raised for acquisitions.

» INCOME STATEMENT

| USDm | Note | Q1 2021 | Q1 2020 |
|---|------|-------------|-------------|
| Revenue | | 380.7 | 264.4 |
| Cost of operation | | -326.1 | -219.9 |
| Gross profit | | 54.6 | 44.5 |
| Other external expenses | | -7.9 | -6.6 |
| Staff costs | | -33.5 | -27.5 |
| Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items | | 13.2 | 10.4 |
| Amortisation and Depreciation | | -9.0 | -7.2 |
| Operating profit (EBIT) before special items | | 4.2 | 3.2 |
| Special items, net | | -0.7 | -2.0 |
| Financial income | | 4.6 | 1.9 |
| Financial expenses | | -6.7 | -5.8 |
| Profit/Loss before tax | | 1.4 | -2.7 |
| Tax for the period | | -6.6 | 0.3 |
| Profit/loss for the period | | -5.2 | -2.4 |
| Total income for the period attributable to | | | |
| Owners of the Parent Company | | -6.3 | -2.8 |
| Non-controlling interests | | 1.1 | 0.4 |
| Total | | -5.2 | -2.4 |

» COMPREHENSIVE INCOME STATEMENT

| USDm | Note | Q1 2021 | Q1 2020 |
|--|------|-------------|-------------|
| Profit/loss for the year | | -5.2 | -2.4 |
| <i>Items that may be reclassified to income statement when certain conditions are met:</i> | | | |
| Exchange rate adjustment | | 2.4 | -3.9 |
| Total comprehensive income for the period | | -2.8 | -6.3 |
| Total comprehensive income for the year attributable to | | | |
| Owners of the Parent Company | | -3.9 | -6.7 |
| Non-controlling interests | | 1.1 | 0.4 |
| Total | | -2.8 | -6.3 |

» BALANCE SHEET

| USDm | Note | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---|------|--------------|--------------|--------------|
| ASSETS | | | | |
| Intangible assets | | 353.6 | 330.9 | 359.9 |
| Right of use assets | | 41.3 | 34.5 | 46.8 |
| Property, plant and equipment | | 8.5 | 10.2 | 8.1 |
| Other receivables <i>long</i> | | 2.7 | 2.3 | 2.7 |
| Deferred tax asset | | 0.6 | 0.3 | 2.9 |
| Total non-current assets | | 406.7 | 378.2 | 420.4 |
| Trade receivables | | 229.2 | 167.3 | 195.9 |
| Income tax receivables | | 0.6 | 1.4 | 0.8 |
| Receivables from related parties <i>short</i> | | 4.9 | 1.7 | -2.0 |
| Other receivables | | 7.9 | 4.3 | 6.0 |
| Prepayments | | 2.3 | 6.0 | 4.8 |
| Cash and cash equivalents | 2 | 23.2 | 15.1 | 49.9 |
| Total current assets | | 268.1 | 195.8 | 255.4 |
| Total assets | | 674.8 | 574.0 | 675.8 |

» BALANCE SHEET

| USDm | Note | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---|------|--------------|--------------|--------------|
| EQUITY AND LIABILITIES | | | | |
| Partnership interest | | 186.2 | 186.2 | 186.2 |
| Currency translation reserve | | 4.8 | -6.3 | 4.8 |
| Retained earnings | | -77.5 | -46.1 | -67.6 |
| Equity attributable to the Parent Company | | 113.5 | 133.8 | 123.4 |
| Non-controlling interests | | 3.9 | 2.6 | 3.9 |
| Total equity | | 117.4 | 136.4 | 127.3 |
| | | | | |
| Bond debt | 3 | 287.0 | 238.4 | 300.2 |
| Lease Liabilities, Right of use assets <small>long</small> | | 31.1 | 24.6 | 34.8 |
| Deferred tax liability | | 9.6 | 10.6 | 7.0 |
| Other liabilities <small>long</small> | | 3.7 | 0.9 | 4.1 |
| Total non-current liabilities | | 331.4 | 274.5 | 346.1 |
| | | | | |
| Bank debt | 2 | 15.8 | 28.3 | 0.1 |
| Lease Liabilities, Right of use assets <small>short</small> | | 13.6 | 12.0 | 15.2 |
| Trade payables | | 159.7 | 91.7 | 145.6 |
| Deferred income | | 15.8 | 8.1 | 16.4 |
| Corporation tax | | 2.6 | 2.4 | 4.0 |
| Other liabilities | | 18.5 | 20.6 | 21.1 |
| Total current liabilities | | 226.0 | 163.1 | 202.4 |
| Total liabilities | | 557.4 | 437.6 | 548.5 |
| Total equity and liabilities | | 674.8 | 574.0 | 675.8 |

» CASH FLOW STATEMENT

| USDm | Note | Q1 2021 | Q1 2020 |
|--|------|--------------|--------------|
| Operating profit (EBIT) before special items | | 4.2 | 3.2 |
| Depreciation and amortisation | | 9.0 | 7.2 |
| Exchange rate adjustments | | 2.3 | 2.1 |
| Change in working capital | | -27.0 | -24.5 |
| Cash flows from operating activities before special items, interest and tax | | -11.5 | -12.0 |
| Special items, paid | | -0.9 | -1.7 |
| Interest received | | 0.0 | 0.8 |
| Interest paid | | -5.5 | -4.5 |
| Tax paid | | -1.4 | -0.9 |
| Cash flows from operating activities | | -19.3 | -18.3 |
| Purchase of software and other intangible assets | | -2.0 | -1.1 |
| Purchase of property, plant and equipment | | -0.6 | -0.6 |
| Investments in Group entities | | -10.1 | -7.3 |
| Cash flows from investing activities | | -12.7 | -9.0 |
| Free cash flow | | -32.0 | -27.3 |
| Dividend paid to non-controlling interests | | -0.9 | -0.8 |
| Repayment of loan from related entities | | -8.1 | 0.0 |
| Redemption of lease liabilities, Right of use assets | | 0.0 | -3.9 |
| Long-term loan | | 0.0 | -0.1 |
| Cash flows from financing activities | | -9.0 | -4.8 |
| Change in cash and cash equivalents | | -41.0 | -32.1 |
| Cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the period | | 49.8 | 19.1 |
| Exchange rate adjustment of cash and cash equivalents | | -1.4 | -0.2 |
| Change in cash and cash equivalents | | -41.0 | -32.1 |
| Cash and cash equivalents at 31 March 2021 | 2 | 7.4 | -13.2 |

»» CHANGES IN EQUITY

| USDm | Partnership interest | Currency Translation Reserve | Retained Earnings | Equity Attributable to Parent Company | Non Controlling Interest | Total Equity |
|--|-------------------------|------------------------------------|----------------------|--|--------------------------------|--------------|
| Equity at 1 January 2021 | 186.2 | 4.8 | -73.0 | 118.0 | 3.9 | 121.9 |
| Profit/Loss for the period | 0.0 | 0.0 | -6.3 | -6.3 | 1.1 | -5.2 |
| Currency exchange adjustment | 0.0 | 0.0 | 2.4 | 2.4 | 0.0 | 2.4 |
| Reclassified to income statement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other comprehensive income, net of tax | 0.0 | 0.0 | 2.4 | 2.4 | 0.0 | 2.4 |
| Total comprehensive income, net of tax | 0.0 | 0.0 | -3.9 | -3.9 | 1.1 | -2.8 |
| Purchase of non-controlling interests | 0.0 | 0.0 | -0.8 | -0.8 | 0.0 | -0.8 |
| Dividend distributed, non-controlling interest | 0.0 | 0.0 | 0.3 | 0.3 | -1.2 | -0.9 |
| Transfer | 0.0 | 0.0 | -0.1 | -0.1 | 0.1 | 0.0 |
| Capital increase by cash payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total transactions with owners | 0.0 | 0.0 | -0.6 | -0.6 | -1.1 | -1.7 |
| Equity at 31 March 2021 | 186.2 | 4.8 | -77.5 | 113.5 | 3.9 | 117.4 |

| USDm | Share Capital | Currency Translation Reserve | Retained Earnings | Equity Attributable to Parent Company | Non Controlling Interest | Total Equity |
|--|------------------|------------------------------------|----------------------|--|--------------------------------|--------------|
| Equity at 1 January 2020 | 186.2 | -2.4 | -43.3 | 140.5 | 3.0 | 143.5 |
| Profit/Loss for the period | 0.0 | 0.0 | -2.8 | -2.8 | 0.4 | -2.4 |
| Currency exchange adjustment | 0.0 | -3.9 | 0.0 | -3.9 | 0.0 | -3.9 |
| Reclassified to income statement | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other comprehensive income, net of tax | 0.0 | -3.9 | 0.0 | -3.9 | 0.0 | -3.9 |
| Total comprehensive income, net of tax | 0.0 | -3.9 | -2.8 | -6.7 | 0.4 | -6.3 |
| Purchase of non-controlling interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividend distributed, non-controlling interest | 0.0 | 0.0 | 0.0 | 0.0 | -0.8 | -0.8 |
| Transfer | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital increase by cash payment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total transactions with owners | 0.0 | 0.0 | 0.0 | 0.0 | -0.8 | -0.8 |
| Equity at 31 March 2020 | 186.2 | -6.3 | -46.1 | 133.8 | 2.6 | 136.4 |

» NOTES
NOTE 1 – ALTERNATIVE PERFORMANCE MEASURES

| USDm | Q1 2021 | Q1 2020 |
|-----------------------------|------------|------------|
| <i>Adjusted EBITDA:</i> | | |
| EBITDA before special items | 13.2 | 10.4 |
| IFRS 16 impact | -4.7 | -3.9 |
| Other adjustments* | 0.7 | 0.6 |
| Adjusted EBITDA | 9.2 | 7.1 |

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

NOTE 2 – CASH AND LIQUIDITY RESERVE

| USDm | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---------------------------|-------------|--------------|--------------|
| Cash and cash equivalents | 23.2 | 15.1 | 49.9 |
| Bank debt | -15.8 | -28.3 | -0.1 |
| Net cash | 7.4 | -13.2 | 49.8 |
| Credit facilities | 64.2 | 51.2 | 66.0 |
| Liquidity reserve | 71.6 | 38.0 | 115.8 |

NOTE 3 – BOND DEBT

Please refer to Note 7 in SGL Group page 27.

NOTE 4 – BUSINESS COMBINATIONS
Acquisition of Werner Global Logistics

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

» NOTES – CONT'D

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

Acquisitions of shares in Atlanta based ATL LLC

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

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

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

On 31 March 2021 SGLT Holding has through its wholly owned subsidiary Transgroup Express LLC acquired 100% of shares in 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.

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

NOTE 5 - SUBSEQUENT EVENTS*Issuance of new senior secured fixed rate bonds*

30 March 2021, SGLT Holding has through its 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 (the "New Bonds"). The New Bonds were settled 8 April 2021 and assigned ISIN SE0015810759; listed on Nasdaq Stockholm and Börse Frankfurt. The New Bonds mature on 8 April 2025 and carry a fixed rate coupon of 7.75%. 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.

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

» NOTES – CONT'D*Acquisitions of shares in Chicago-based Expedited Solutions, LLC*

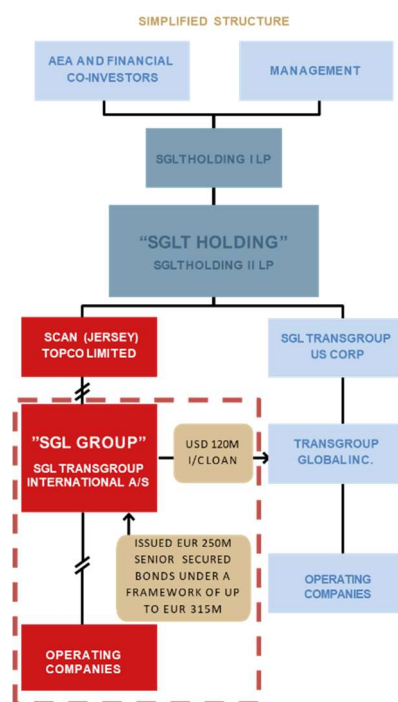
On 2 April 2021 SGLT Holding has through its wholly owned subsidiary Transgroup Express LLC acquired 80% of shares in the Chicago-based Expedited Solutions, LLC. Since 1996 the Chicago domestic office has operating under the TransGroup umbrella and been a leader in the North American market for TransGroup.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

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



SGL GROUP

**FIRST THREE MONTHS OF 2021,
Q1 2021**



»» FINANCIAL HIGHLIGHTS

| DKKm | Note | Q1 2021 | Q1 2020 | FY 2020 |
|---|------|---------|---------|---------|
| Income statement | | | | |
| Revenue | | 1,653.8 | 1,101.9 | 5,350.8 |
| Gross profit | | 239.3 | 190.8 | 954.9 |
| EBITDA before special items | | 59.1 | 34.8 | 317.7 |
| EBITDA before special items excluding IFRS 16 ¹ | | 35.1 | 14.9 | 236.6 |
| Operating profit (EBIT) before special items | | 15.2 | 0.0 | 138.4 |
| Special items, net | | -4.0 | -12.7 | -76.5 |
| Financial items, net | | 5.7 | -11.4 | -145.3 |
| Profit/Loss before tax | | 16.9 | -24.1 | -83.4 |
| Profit/Loss for the period | | 10.9 | -22.2 | -70.4 |
| Cash Flow | | | | |
| Cash flows from operating activities before special items, interest and tax | | -97.0 | -39.2 | 354.2 |
| Cash flows from operating activities | | -129.3 | -80.3 | 189.3 |
| Cash flows from investing activities | | -21.1 | -60.0 | -121.7 |
| Free cash flow | | -150.4 | -140.3 | 67.7 |
| Cash flows from financing activities | | -9.6 | -19.9 | 32.4 |
| Cash flow for the period | | -160.0 | -160.3 | 100.1 |
| Financial position | | | | |
| Total Equity | | 478.4 | 548.0 | 499.0 |
| Equity attributable to parent company | | 472.9 | 541.3 | 492.9 |
| Net interest bearing debt (NIBD) | | 1,320.8 | 1,202.4 | 1,223.0 |
| Net interest bearing debt (NIBD) excluding IFRS 16 | | 1,094.4 | 1,024.9 | 978.6 |
| Total assets | | 3,684.3 | 3,189.0 | 3,520.8 |
| Financial ratios in % | | | | |
| Gross margin | | 14.5 | 17.3 | 17.8 |
| EBITDA margin before special items | | 3.6 | 3.2 | 5.9 |
| EBITDA margin before special items excluding IFRS 16 ¹ | | 2.1 | 1.4 | 4.4 |
| EBIT margin before special items | | 0.9 | 0.0 | 2.6 |
| Equity ratio | | 13.0 | 17.2 | 14.2 |
| Other | | | | |
| Number of full time employees at period end | | 1,452 | 1,202 | 1,352 |

¹⁾ EBITDA presented before applying the accounting of IFRS 16 Leases

»» FINANCIAL PERFORMANCE

SGL Group performed in 2021 its best financial result to date for the first quarter. The EBITDA before special items, excluding IFRS 16 accounting totaling DKK 35.1 million was achieved despite the impact on the global market due to the consequences of the COVID-19 pandemic.

The impact of COVID-19 remains a global challenge, not only impacting the general operation both internally and externally, but also putting pressure on global freight capacity and thus pushing freight rates upwards in some regions.

SGL Group has continued its disciplined execution of COVID-19 cost savings initiatives and restructuring activities throughout Q1 2021. This has meant increase in the EBITDA before special items and excluding IFRS 16 accounting of 136% compared to last year.

Further, SGL Group remained committed to its acquisition strategy combined with finding new ways to make the world a little less complicated through organic initiatives and through acquisitions. Latest resulting in the acquisition of the Air & Ocean activities of the U.S, Werner Enterprises in Shanghai and acquisition of Grupo Contenosa in Spain.

Financial results for the period – Q1 2021

- »» Revenue amounted to DKK 1,653.8 million for the first three months of 2021; an increase of 50% compared to same period last year. The increase is mainly driven by an overall increase of activities and an increase in freight rates globally; freight rates globally as part of Shanghai Containerized Freight Index has been at highest levels during the first three months of 2021. The increase in activity levels is mainly coming from Air and Ocean activities in the Nordics and Asia Pacific.
- »» Gross profit amounted to DKK 239.3 million for the first three months of 2021; an increase of 25% compared to same period last year. Increase in freight rates and capacity constraints during the first three months of 2021 resulted in a drop in gross margins by 2.8% compared to same period last year.
- »» SG&A costs amounted to DKK 180.2 million for the first three months of 2021; an increase by 16% compared to same period last year. SG&A costs were 11% of the revenue, 3%-points lower than the same period last year. The increase is coming from greenfield activities and acquisitions made over the course of the last twelve months.
- »» EBITDA before special items and excluding IFRS 16 accounting amounted to DKK 35.1 million; an increase of 136% compared to same period last year. The strong performance is coming through increased sales from an organic point of view and through acquisitions made.
- »» Depreciation and amortisation; DKK 43.9 million. An increase of 26% compared to Q1 2020. The increase is driven by increases in tangible and intangible assets.
- »» Special Items amounted to DKK 4.0 million for the first three months of 2021; mainly driven by greenfield activities and M&A related costs, together with cost for idle assets and staff sent home as a result of COVID-19.
- »» Net financial income, of DKK 54.4, was driven by unrealised currency exchange rate gain. Net financial expenses, of DKK 48.7, mainly comprise of interest expenses on the bond debt, including capitalised loan costs recognised in the income statement as well as an impact of IFRS 16 interest.
- »» Cash flow; from operating activities before special items, interest & tax is negative by DKK 97.0 million. Mainly driven by a decrease in working capital which is impacted by the high activity levels.

»» FINANCIAL PERFORMANCE – CONT'D

- »» Capital structure; the equity attributable to the Parent company was DKK 472.9 million. The total equity ratio was 13% as per 31 March 2021 compared to 17.2% for the same period in 2020.
- »» Net Interest-Bearing Debt (NIBD) was DKK 1,320.8 million and DKK 1,094.4 million excluding lease liabilities as at 31 March 2021 (31 March 2020: DKK 1,202.4 million and DDK 1,024.9 million excluding lease liabilities). The main part of the debt consists of bond debt raised for acquisitions.

»» OUTLOOK

- »» SGL Group maintains its full-year outlook for 2021 previously announced in the Annual Report 2020. The estimated EBITDA before special items (excluding the impact of IFRS 16) is expected to be in the range of DKK 270 million to DKK 300 million; including acquisition of Grupo Contenosa. The EBITDA margin before special items (excluding the impact of IFRS 16) is expected to be in the range of 3.5% to 4.5%.

» INCOME STATEMENT

| DKKm | Note | Q1 2021 | Q1 2020 |
|---|------|--------------|--------------|
| Revenue | 1 | 1,653.8 | 1,101.9 |
| Cost of operation | 1 | -1,414.5 | -911.1 |
| Gross profit | | 239.3 | 190.8 |
| Other external expenses | | -32.5 | -30.1 |
| Staff costs | | -147.7 | -125.8 |
| Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items | | 59.1 | 34.8 |
| Amortisations and Depreciations | | -43.9 | -34.8 |
| Operating profit (EBIT) before special items | | 15.2 | 0.0 |
| Special items, net | 2 | -4.0 | -12.7 |
| Financial income | 3 | 54.4 | 35.7 |
| Financial expenses | 3 | -48.7 | -47.2 |
| Profit/Loss before tax | | 16.9 | -24.1 |
| Tax for the period | | -6.0 | 1.9 |
| Profit/loss for the period | | 10.9 | -22.2 |
| Total income for the period attributable to | | | |
| Owners of the Parent Company | | 11.4 | -22.1 |
| Non-controlling interests | | -0.5 | -0.1 |
| Total | | 10.9 | -22.2 |

» COMPREHENSIVE INCOME STATEMENT

| DKKm | Note | Q1 2021 | Q1 2020 |
|--|------|-------------|--------------|
| Profit/loss for the period | | 10.9 | -22.2 |
| <i>Items that may be reclassified to income statement when certain conditions are met:</i> | | | |
| Exchange rate adjustment | | 1.6 | -4.6 |
| Total comprehensive income for the period | | 12.5 | -26.8 |
| Total comprehensive income for the year attributable to | | | |
| Owners of the Parent Company | | 13.0 | -26.8 |
| Non-controlling interests | | -0.6 | 0.0 |
| Total | | 12.5 | -26.8 |

» BALANCE SHEET

| DKKm | Note | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---------------------------------------|------|----------------|----------------|----------------|
| ASSETS | | | | |
| Intangible assets | | 1,439.6 | 1,419.3 | 1,451.5 |
| Right of use assets | | 210.4 | 167.2 | 230.5 |
| Property, plant and equipment | | 35.0 | 51.0 | 31.5 |
| Receivables from related parties | | 738.1 | 714.3 | 694.7 |
| Other receivables <small>long</small> | | 15.5 | 13.1 | 15.0 |
| Deferred tax asset | | 3.8 | 2.0 | 10.6 |
| Total non-current assets | | 2,442.4 | 2,366.9 | 2,433.8 |
| Trade receivables | 5 | 1,055.3 | 695.4 | 803.7 |
| Income tax receivables | | 3.3 | 9.5 | 4.2 |
| Other receivables | | 44.2 | 21.3 | 29.4 |
| Prepayments | | 12.2 | 31.3 | 23.7 |
| Cash and cash equivalents | 6 | 126.9 | 64.6 | 186.8 |
| Total current assets | | 1,241.9 | 822.1 | 1,047.8 |
| Total assets | | 3,684.3 | 3,189.0 | 3,481.6 |

» BALANCE SHEET

| DKKm | Note | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---|------|----------------|----------------|----------------|
| EQUITY AND LIABILITIES | | | | |
| Shared capital | | 0.5 | 0.5 | 0.5 |
| Share premium | | 2.8 | 2.8 | 2.8 |
| Currency translation reserve | | -30.6 | -29.8 | -30.6 |
| Retained earnings | | 500.2 | 567.8 | 487.1 |
| Equity attributable to the Parent Company | | 472.9 | 541.3 | 459.8 |
| Non-controlling interests | | 5.5 | 6.7 | 6.1 |
| Total equity | | 478.4 | 548.0 | 465.9 |
| LIABILITIES | | | | |
| Bond debt | 7 | 1,834.2 | 1,643.7 | 1,833.0 |
| Lease Liabilities, Right of use assets <small>long</small> | | 157.0 | 113.9 | 169.4 |
| Deferred tax liability | | 51.0 | 62.5 | 59.2 |
| Other liabilities <small>long</small> | | 23.5 | 12.7 | 24.8 |
| Total non-current liabilities | | 2,065.7 | 1,832.8 | 2,086.4 |
| CURRENT LIABILITIES | | | | |
| Bank debt | 6 | 100.1 | 138.6 | 0.3 |
| Lease Liabilities, Right of use assets <small>short</small> | | 69.4 | 63.6 | 75.0 |
| Trade payables | | 809.5 | 454.4 | 668.6 |
| Deferred income | | 49.4 | 55.0 | 56.1 |
| Corporation tax | | 16.3 | 16.2 | 24.2 |
| Other liabilities | | 95.5 | 80.3 | 105.1 |
| Total current liabilities | | 1,140.2 | 808.1 | 929.3 |
| Total liabilities | | 3,205.9 | 2,641.0 | 3,015.7 |
| Total equity and liabilities | | 3,684.3 | 3,189.0 | 3,481.6 |

» CASH FLOW STATEMENT

| DKKm | Note | Q1 2021 | Q1 2020 |
|--|------|---------------|---------------|
| Operating profit (EBIT) before special items | | 15.2 | 0.0 |
| Depreciation and amortisation | | 43.9 | 34.8 |
| Exchange rate adjustments | | -1.7 | 11.7 |
| Change in working capital | | -154.4 | -85.7 |
| Cash flows from operating activities before special items, interest and tax | | -97.0 | -39.2 |
| Special items, paid | | -5.2 | -10.6 |
| Interest received | | 15.9 | 5.4 |
| Interest paid | | -34.5 | -29.8 |
| Tax paid | | -8.5 | -6.1 |
| Cash flows from operating activities | | -129.3 | -80.3 |
| Purchase of software and other intangible assets | | -12.3 | -7.2 |
| Purchase of property, plant and equipment | | -2.9 | -3.4 |
| Investments in Group entities | 8 | -5.9 | -49.4 |
| Cash flows from investing activities | | -21.1 | -60.0 |
| Free cash flow | | -150.4 | -140.3 |
| Repayment of loan from related entities | | -9.6 | -19.9 |
| Cash flows from financing activities | | -9.6 | -19.9 |
| Change in cash and cash equivalents | | -160.0 | -160.3 |
| Cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the period | | 186.8 | 86.3 |
| Change in cash and cash equivalents | | -160.0 | -160.3 |
| Cash and cash equivalents at 31 March 2021 | 6 | 26.8 | -74.0 |

» CHANGES IN EQUITY

| DKKm | Share Capital | Share Premium | Currency Translation Reserve | Retained Earnings | Equity Attributabl e to Parent Company | Non Controlling Interest | Total Equity |
|---|------------------|------------------|------------------------------------|----------------------|---|--------------------------------|-----------------|
| Equity at 1 January 2021 | 0.5 | 2.8 | -30.6 | 487.1 | 459.8 | 6.1 | 465.9 |
| Profit/Loss for the period | 0.0 | 0.0 | 0.0 | 11.4 | 11.4 | -0.5 | 10.9 |
| Currency exchange adjustment | 0.0 | 0.0 | 0.0 | 1.7 | 1.7 | -0.1 | 1.6 |
| Other comprehensive income, net of tax | 0.0 | 0.0 | 0.0 | 1.7 | 1.7 | -0.1 | 1.6 |
| Total comprehensive income, net of tax | 0.0 | 0.0 | 0.0 | 13.1 | 13.1 | -0.6 | 12.5 |
| Equity at 31 March 2021 | 0.5 | 2.8 | -30.6 | 500.2 | 472.9 | 5.5 | 478.4 |

| DKKm | Share Capital | Share Premium | Currency Translation Reserve | Retained Earnings | Equity Attributabl e to Parent Company | Non.Contro lling Interest | Total Equity |
|---|------------------|------------------|------------------------------------|----------------------|---|---------------------------------|-----------------|
| Equity at 1 January 2020 | 0.5 | 2.8 | -25.1 | 590.0 | 568.1 | 6.7 | 574.8 |
| Profit/Loss for the period | 0.0 | 0.0 | 0.0 | -22.1 | -22.1 | -0.1 | -22.2 |
| Currency exchange adjustment | 0.0 | 0.0 | -4.7 | 0.0 | -4.7 | 0.1 | -4.6 |
| Other comprehensive income, net of tax | 0.0 | 0.0 | -4.7 | 0.0 | -4.7 | 0.1 | -4.6 |
| Total comprehensive income, net of tax | 0.0 | 0.0 | -4.7 | -22.1 | -26.8 | 0.0 | -26.8 |
| Equity at 31 March 2020 | 0.5 | 2.8 | -29.8 | 567.8 | 541.3 | 6.7 | 548.0 |

» NOTES
NOTE 1 – SEGMENT INFORMATION

| DKKm | Air | | Ocean | | Road | | Solution | | Total | |
|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 |
| Revenue (services) | 1,005.0 | 540.0 | 994.3 | 477.6 | 190.4 | 195.8 | 49.9 | 47.6 | 2,239.6 | 1,261.0 |
| Intercompany revenue | -295.0 | -100.7 | -283.5 | -47.3 | -5.8 | -11.1 | -1.5 | 0.0 | -585.8 | -159.1 |
| Net revenue (services) | 710.0 | 439.3 | 710.8 | 430.3 | 184.6 | 184.6 | 48.4 | 47.6 | 1,653.8 | 1,101.9 |
| Cost of operation | -608.5 | -369.5 | -618.7 | -365.8 | -150.7 | -146.2 | -36.6 | -29.6 | -1,414.5 | -911.1 |
| Gross profit | 101.5 | 69.8 | 92.1 | 64.5 | 33.9 | 38.5 | 11.8 | 18.0 | 239.3 | 190.8 |
| Sales, distribution and administration costs, not allocated to segments | | | | | | | | | -180.2 | -155.9 |
| Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items | | | | | | | | | 59.1 | 34.8 |
| Depreciation and amortisation | | | | | | | | | -43.9 | -34.8 |
| Operating profit (EBIT) before special items | | | | | | | | | 15.2 | 0.0 |
| Special items, net | | | | | | | | | -4.0 | -12.7 |
| Financial items, net | | | | | | | | | 5.7 | -11.4 |
| Profit/Loss before tax | | | | | | | | | 16.9 | -24.1 |

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

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

For purchases and sales between group entities, the same pricing principles are applied as to transactions with external partners (the arm's length principle).

NOTE 2 – SPECIAL ITEMS, NET

| DKKm | Q1 2021 | Q1 2020 |
|---|------------|-------------|
| COVID-19 activities ¹ | 1.0 | 6.9 |
| M&A activities ² and Green field activities ³ | 3.0 | 5.5 |
| Other cost | 0.0 | 0.3 |
| Total special items, net | 4.0 | 12.7 |

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

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

3) Mainly related to Greenfield activities in France

» NOTES – CONT'D
NOTE 3 – FINANCIAL ITEMS

| DKKm | Q1 2021 | Q1 2020 |
|--|--------------|--------------|
| Financial income from related parties | 16.0 | 13.8 |
| Exchange rate gains | 38.4 | 21.9 |
| Total financial income | 54.4 | 35.7 |
| | | |
| DKKm | Q1 2021 | Q1 2020 |
| Interest expenses | -1.3 | -4.2 |
| Lease interest expenses | -4.4 | -3.3 |
| Bond interest expenses | -31.4 | -26.6 |
| Amortisation of capitalised loan costs | -1.7 | -1.3 |
| Exchange rate losses | -9.9 | -11.8 |
| Total financial expenses | -48.7 | -47.2 |

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

| DKKm | Air | | Ocean | | Road | | Solution | | Total | |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|------------|------------|----------------|----------------|
| | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 | Q1 2021 | Q1 2020 |
| Balance at 1 January | 618.8 | 637.3 | 693.6 | 633.8 | 56.4 | 53.4 | 4.0 | 4.0 | 1,372.8 | 1,328.5 |
| Exchange rate adjustments | -2.2 | -6.6 | 2.1 | -7.2 | -0.5 | -2.3 | 0.0 | 0.0 | -0.6 | -16.1 |
| Additions 2021 | 0.4 | 1.2 | 0.0 | 55.0 | 0.0 | 3.9 | 0.0 | 0.0 | 0.4 | 60.1 |
| Amortisation during the year | -5.8 | -5.7 | -5.5 | -5.4 | -0.8 | -0.9 | 0.0 | 0.0 | -12.1 | -12.0 |
| Balance at 31 March | 611.2 | 626.2 | 690.2 | 676.2 | 55.1 | 54.1 | 4.0 | 4.0 | 1,360.4 | 1,360.5 |
| Software | | | | | | | | | 79.2 | 58.8 |
| Total Intangible Assets | | | | | | | | | 1,439.6 | 1,419.3 |

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

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

» NOTES – CONT'D
NOTE 5 – LOAN TO RELATED PARTY

| DKKm | | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---|------------------------|-----------------|-----------------|-----------------|
| Total receivable from Transgroup Global Inc. | | 761.2 | 817.9 | 726.9 |
| | Cash flow ¹ | Carrying amount | Carrying amount | Carrying amount |
| Receivable falling due between 1 and 5 years | 930.6 | 761.2 | 817.9 | 726.9 |
| Total non-current receivable from Transgroup Global Inc. | 994.5 | 761.2 | 817.9 | 726.9 |
| Current receivable Transgroup Global Inc. | 63.9 | 0.0 | 0.0 | 0.0 |

¹ Total cash flows including interest

NOTE 6 – CASH AND LIQUIDITY RESERVE

| DKKm | | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|--------------------------|--|--------------|--------------|--------------|
| Cash | | 126.9 | 64.6 | 186.8 |
| Credit institutions | | -100.1 | -138.6 | -0.3 |
| Net cash | | 26.8 | -74.0 | 186.5 |
| Credit facilities | | 248.4 | 178.8 | 248.2 |
| Liquidity reserve | | 275.2 | 104.8 | 434.7 |

NOTE 7 – BOND DEBT

| DKKm | | 31.03.2021 | 31.03.2020 | 31.12.2020 |
|---|------------------------|-----------------|-----------------|-----------------|
| Issued bonds, EUR 250 million, interest rate 6.75% ¹ | | 1,859.3 | 1,665.2 | 1,859.9 |
| Capitalised loan costs | | -25.1 | -21.6 | -26.9 |
| Total bond debt | | 1,834.2 | 1,643.7 | 1,833.0 |
| | Cash flow ² | Carrying amount | Carrying amount | Carrying amount |
| Bond debt falling due between 1 and 5 years | 2,191.9 | 1,859.3 | 1,665.2 | 1,859.9 |
| Total non-current financial liabilities | 2,317.4 | 1,859.3 | 1,665.2 | 1,859.9 |
| Current portion of financial liabilities | 125.5 | 0.0 | 0.0 | 0.0 |

¹ At March 2020, issued bonds were EUR 223 million.

² Total cash flows including interest

The fair values of the issued bonds with ISIN SE0013101219 were EUR 249 million, totalling 1,854 DKK (2020 Q1: 1,823 million), based on quoted bond rates of 99,70 at Börse Frankfurt on 31 March 2021.

»» NOTES – CONT'D

On 23 March 2021 the Group announced an offer to holders of the senior secured floating rate bonds maturing on 4 November 2024 with ISIN SE0013101219 to tender any of their bonds. Following a book building process, the purchase price was set at 100.125 per cent of par and the gross transaction was capped at EUR 57.8 million.

NOTE 8 – BUSINESS COMBINATIONS

Acquisitions of activities from Werner Global Logistics (Shanghai) Co. Ltd.

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

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

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

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

NOTE 9 - SUBSEQUENT EVENTS

Issuance of new senior secured fixed rate bonds

30 March 2021, SGL Group has successfully placed EUR 150 million of senior secured fixed rate bonds under a framework of EUR 350 million (the "New Bonds"). The New Bonds were settled 8 April 2021 and assigned ISIN SE0015810759; listed on Nasdaq Stockholm and Börse Frankfurt. The New Bonds mature on 8 April 2025 and carry a fixed rate coupon of 7.75%. The New Bonds will be used to finance acquisitions, for general corporate purposes, and repaying some of the debt under our existing bonds.

Acquisitions of Grupo Contenosa

In April 2021, SGL 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, SGL Group will become a significant player in the Spanish third-party logistics market. It will enable SGL Group to grow its network and presence in Spain and Mexico even more to its customers' benefit. SGL Group will gain access to new profitable niche markets and increase its presence in current SGL Group offerings. Most importantly, it will bring additional human capital to a core SGL Group-country.

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

The acquisition of Group Contenosa is financed through the issue of new secured fixed-rate bond.

» NOTES – CONT'D

Closing was 27 April 2021, from which date the activities are considered in the Group's financial statements.

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

NOTE 10 – ACCOUNTING POLICIES

General

The interim financial report, comprising the consolidated financial statement, has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the European Union and Swedish disclosure requirements for interim reports of listed companies.

New accounting regulation adopted in 2021

SGL Group has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 31 March 2021 as adopted by the European Union.

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

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

New accounting regulation not yet adopted

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

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

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

»» NOTES – CONT'D*Material accounting estimates*

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

» MANAGEMENT'S STATEMENT

The Board of Directors and Executive Management have today considered and approved the interim financial report of SGL TransGroup International A/S (page 16 to 30) for the period 1 January to 31 March 2021.

The interim financial report has been prepared in accordance with IAS 34 interim financial reporting as adopted by the European Union and Swedish disclosure requirements for interim financial reports of listed companies. The interim financial report has not been reviewed or audited by the company auditor.

In our opinion the interim financial report gives a true and fair view of the SGL Group's assets and liabilities and financial position on 31 March 2021 and operations and cash flow for the period 1 January - 31 March 2021.

Further, in our opinion we find that the management commentary contains a true and fair statement of the development in the Group's activities and financial situation, the result for the period and financial position and that the Management's commentary describes the significant risks and uncertainties faced by the SGL Group.

Kastrup, 17 May 2021

Executive Management

Allan Dyrgaard Melgaard

Claes Brønsgaard Pedersen

Board of Directors:

Henrik von Sydow *Chairman*

Allan Dyrgaard Melgaard

Claes Brønsgaard Pedersen

Thomas Thellufsen Nørgaard

Jørgen Agerbro Jessen