



# INTERIM FINANCIAL REPORT

## SECOND QUARTER OF 2022

### Q2 2022

**SGL International A/S**

**8 August 2022**

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# GROUP STRUCTURE

## SGLT HOLDING

The figures contained in this section are comprised of the combined financial performance of SGL International A/S and SGL TransGroup US Corp, 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 bonds through SGL International A/S.

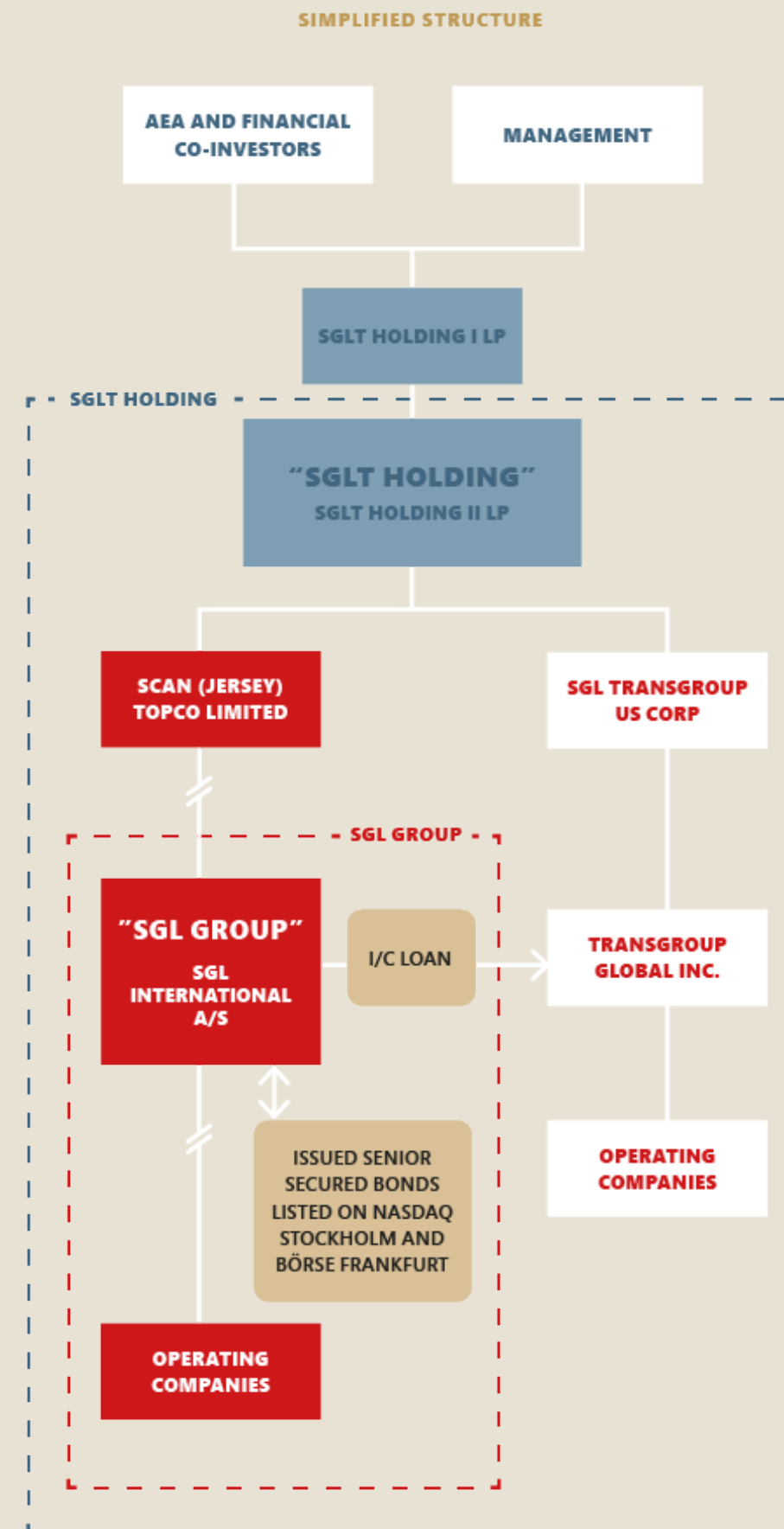
Reporting currency for SGLT Holding is USD.

## SGL GROUP

SGL 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 International A/S and all its subsidiaries.

SGL International A/S (together with SGL TransGroup US Corp and their respective subsidiaries) has issued senior secured floating- and fixed-rate bonds with SGL International A/S as the issuer in an aggregate amount of EUR 590 million at 30 June 2022, within a total framework of EUR 705 million.

Reporting currency for SGL Group is DKK.



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# SGLT HOLDING

## Q2 2022

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# FINANCIAL HIGHLIGHTS

## SGLT HOLDING

SIMPLIFIED STRUCTURE



| Key figures (in USDm)                          | Q2 2022 | Q2 2021 | 6M 2022 | 6M 2021 |
|--|---------|---------|---------|---------|
| <b>Income statement</b>                        |         |         |         |         |
| Revenue  | 837     | 469     | 1,740   | 850     |
| Gross profit                                   | 119     | 70      | 242     | 125     |
| EBITDA before special items                    | 54      | 24      | 114     | 37      |
| Operating profit (EBIT)                        | 41      | 14      | 87      | 17      |
| Special items, net                             | -1      | -1      | -4      | -2      |
| Financial items, net                           | 0       | -12     | -14     | -14     |
| Result for the period                          | 33      | 8       | 57      | 3       |
| <b>Income statement (Business Performance)</b> |         |         |         |         |
| Adjusted EBITDA*                               | 50      | 20      | 105     | 29      |
| <b>Cash flow</b>                               |         |         |         |         |
| Cash flows from operating activities           | 59      | -27     | 157     | -46     |
| Cash flows from investing activities           | -15     | -30     | -19     | -43     |
| Free cash flow                                 | 44      | -57     | 138     | -89     |
| Cash flows from financing activities           | -13     | 103     | 64      | 94      |
| Cash flow for the period                       | 31      | 46      | 202     | 5       |

| Key figures (in USDm)   | Q2 2022 | Q2 2021 | 30.06.2022 | 30.06.2021 |
|---|---------|---------|------------|------------|
| <b>Financial position</b>                                     |         |         |            |            |
| Total equity  |         |         | 217        | 120        |
| Net working capital   |         |         | 177        | 80         |
| Net interest-bearing debt (NIBD) excl. IFRS 16 and PIK note** |         |         | 318        | 353        |
| Total assets  |         |         | 1,224      | 805        |
| <b>Financial ratios in %</b>                                  |         |         |            |            |
| Gross margin  | 14.2    | 14.8    | 13.9       | 14.7       |
| EBITDA margin before special items                            | 6.5     | 5.1     | 6.6        | 4.4        |
| Adjusted EBITDA margin*                                       | 6.0     | 4.3     | 6.0        | 3.4        |
| EBIT margin   | 4.9     | 3.0     | 5.0        | 2.0        |
| Equity ratio  |         |         | 17.7       | 14.9       |
| <b>Other</b>  |         |         |            |            |
| Number of average full-time employees                         | 2,818   | 1,810   | 2,818      | 1,810      |

\*\*Payment-in-kind

\*Adjusted EBITDA (Business performance) excluding the impact of IFRS 16 leases ref. note 1

# FINANCIAL PERFORMANCE

## SGLT HOLDING

SGLT Holding continues to deliver a strong financial result in Q2 2022. The adjusted EBITDA totaled USD 50 million for the second quarter 2022 and USD 105 million for H1 2022.

The first half year of 2022 has been characterised by volatility and continued complexity in the market. The demanding market conditions has enabled SGLT Holding to apply its entrepreneurial business model in providing complex solutions to its customers with success. SGLT Holding delivered a strong organic growth including greenfield activities of 215% year on year on operating profit from major trade lanes and markets. Total growth compared to the first half year of 2021 was 270% of which M&A activities contributed with 57%. Further, SGLT Holding has seen a strong growth in activity levels and performance in companies acquired during 2021. Net working capital development and strong results amounted to a positive free cash flow of USD 138 million compared to negative USD 89 million same period last year. We remain committed to its organic initiatives and acquisition strategy and has finalised 4 acquisition end of Q2 2022.

### Financial results for the period – First half year of 2022

- Revenue amounted to USD 1,740 million for the first half year of 2022, an increase of 105% compared to the first half year of 2021 including negative impact of FX translation of approximately USD 74 million. The increased revenue was driven by several factors. A mix of increase in activity levels, both through increased activity and larger share of wallet with new and existing customers. To some extent also impacted by volatility in the market creating higher carrier rates than the same period last year. Increase in activities for acquisitions made in Q2-Q4 2021 also contributed. The increase in activity levels was experienced across all regions, especially Air & Ocean activities in Nordic, Asia and North America.
- Gross profit amounted to USD 242 million for the first half year of 2022; an increase of 94% compared with the first half year of 2021, including negative impact FX translation of approximately USD 13 million. The increase in gross profit is driven by strong organic growth and increased activities through acquired businesses in Q2-Q4 2021, leading to significant increase in activity levels which has been converted to a strong increase in gross profit. However, due to elevated carrier rates in the volatile market, we have seen a slight decrease in gross margin to 13.9%; equivalent to a decrease of 0.8% point compared to same period last year. The trend has turned in the second quarter of 2022 mainly due to Denmark, Asia and North America. The decline compared to same period last year mainly relates to Air & Ocean due to increasing costs for transport services. The increase in costs has been pushed through to customers resulting in higher revenue and lower gross margin.
- SG&A costs amounted to USD 128 million for the first half year of 2022; impacted by a positive FX translation of approximately USD 8 million, resulting in an increase of 45% compared to the first half year of 2021. SG&A costs increased as expected; however, as the cost discipline and realisation of operating leverage benefits continued, the conversion ratio based on Adjusted EBITDA increased from 23% in first half year of 2021 to 43% in the first half year of 2022. The increase in SG&A costs is coming primarily from increased headcount driving higher salaries expense as a result of greenfield and M&A activities.

- Adjusted EBITDA amounted to USD 105 million for the first half year of 2022; compared to USD 29 million same period last year following the high activity described under revenue and the ability to keep cost under control while growing.
- Special Items, net, amounted to a cost of USD 4 million for the first half year of 2022 mainly driven by greenfield activities and M&A related costs.
- Operating Profit (EBIT) amounted to USD 87 million for the first half year of 2022 compared to USD 17 million same period last year.
- Financial items amounted to net expenses of USD 14 million for the first half year of 2022. The development was mainly driven by interest expenses from issued bonds and foreign exchange gains on the bond debt in EUR.
- Cash flow from operating activities was positive with USD 157 million in first half year of 2022; a development positively affected by EBIT, supported by cash flows from decreased net working capital coming from the high levels in 2021.
- Capital structure: the equity attributable to the parent company was USD 213 million. The total equity ratio was 17.7% as per 30 June 2022. Compared to 30 June 2021 the equity ratio increased 2.8% point driven by strong results in the last 12 month and a capital increase by cash payment of USD 35 million in Q3 2021.
- Net interest-bearing debt (NIBD) was USD 318 million excluding lease liabilities as of 30 June 2022 (30 June 2021: USD 353 million excluding lease liabilities). Subsequent bond debt of EUR 75 million under the framework of EUR 350 million was issued in first quarter 2022. Bond debt was raised for acquisitions and general corporate purposes.
- Net working capital improved with USD 79 million for the first half year of 2022. Total NWC position was USD 177 million 30 June 2022. The NWC level is still on a high level impacted by the volatility in the market combined with strong organic growth leading to an increase in revenue and thereby continuing high level of trade receivables and hence NWC. The main NWC impact is primarily seen in Ocean, with continued significant growth, and this activity generally has a higher NWC than the other activities. Our general payment terms are unchanged, but we continue to see an impact from extended days on the water - though at lower levels compared to Q4 2021 - driving an increased spread between payments to carriers and receipts from customers. We see no increase or risk in overdue trade receivables.

# OUTLOOK 2022

## SGLT HOLDING

SGLT Holding has been able to deliver continuously despite volatile and demanding market conditions during the first half year of 2022. The high activity levels and strong volumes combined with SGLT Holding’s ability to make the world a little less complicated for its customers, has allowed SGLT Holding to provide compelling customer solutions driving continued expansion with existing customers and continued establishment of strong relationships with new customers in a volatile market.

Furthermore, the acquisitions made in 2021 are continuing to integrate very well into the global SGLT Holding network and are contributing well to the strong increase in activity levels in 2022.

In addition to the strong organic growth, SGLT Holding has continued its inorganic growth strategy and closed 7 acquisitions which all have a good strategic fit to help scale the business, improve profitability, and drive deleveraging.

Therefore, SGLT Holding has updated the guidance upwards on Adjusted EBITDA to be in the range of USD 185 million to USD 195 million including the performance from the acquisitions signed in 2022.

| <b>SGLT Holding</b>    | <b>Current guidance</b>           | <b>Previously updated guidance</b> | <b>Initial guidance</b>           |
|------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| <b>Adjusted EBITDA</b> | USD 185 million - USD 195 million | USD 170 million - USD 180 million  | USD 145 million - USD 155 million |

The updated targets are based on the assumptions of stable global economic development and assumes exchange rates remain the same as the time of initial outlook

Long-term financial targets are unchanged.

### *Russia and Ukraine conflict*

As mentioned in the Annual Report for 2021, airfreight in particular has been heavily impacted due to closures in EU and Russian airspaces. Our booking stop for shipments to/from Russia and Belarus remains in place until further notice, with the exception of selected product groups such as medicine, aid, humanitarian cargo, and food supplies. We do not have any offices, nor any people employed in Ukraine or Russia, and currently, we do not see this having any impact on our outlook for 2022.

# INCOME STATEMENT

## SGLT HOLDING

| USDm  | Note | Q2 2022    | Q2 2021   | 6M 2022    | 6M 2021    |
|---|------|------------|-----------|------------|------------|
| Revenue   |      | 837        | 469       | 1,740      | 850        |
| Cost of operation   |      | -718       | -399      | -1,498     | -725       |
| <b>Gross profit</b>   |      | <b>119</b> | <b>70</b> | <b>242</b> | <b>125</b> |
| Other external expenses   |      | -13        | -7        | -24        | -15        |
| Staff costs   |      | -52        | -39       | -104       | -73        |
| <b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b> | 1    | <b>54</b>  | <b>24</b> | <b>114</b> | <b>37</b>  |
| Amortisation and depreciation   |      | -12        | -9        | -23        | -18        |
| <b>Operating profit (EBIT) before special items</b>   |      | <b>42</b>  | <b>15</b> | <b>91</b>  | <b>19</b>  |
| Special items, net  |      | -1         | -1        | -4         | -2         |
| <b>Operating profit (EBIT)</b>  |      | <b>41</b>  | <b>14</b> | <b>87</b>  | <b>17</b>  |
| Financial income  |      | 9          | -3        | 12         | 2          |
| Financial expenses  |      | -9         | -9        | -26        | -16        |
| <b>Profit before tax</b>  |      | <b>41</b>  | <b>2</b>  | <b>73</b>  | <b>3</b>   |
| Income tax for the period   |      | -8         | 6         | -16        | -          |
| <b>Profit for the period</b>  |      | <b>33</b>  | <b>8</b>  | <b>57</b>  | <b>3</b>   |
| Total income for the period attributable to Owners of the Parent Company                    |      | 32         | 7         | 55         | 1          |
| Non-controlling interests   |      | 1          | 1         | 2          | 2          |
| <b>Total</b>  |      | <b>33</b>  | <b>8</b>  | <b>57</b>  | <b>3</b>   |

# STATEMENT OF OTHER COMPREHENSIVE INCOME

| USDm   | Note | Q2 2022    | Q2 2021   | 6M 2022   | 6M 2021   |
|--|------|------------|-----------|-----------|-----------|
| <b>Profit for the period</b>   |      | <b>33</b>  | <b>8</b>  | <b>57</b> | <b>3</b>  |
| Items that will be reclassified to income statement when certain conditions are met: |      |            |           |           |           |
| Exchange rate adjustment   |      | -13        | -4        | -5        | -2        |
| <b>Other comprehensive income, net of tax</b>  |      | <b>-13</b> | <b>-4</b> | <b>-5</b> | <b>-2</b> |
| <b>Total comprehensive income for the period</b>                                     |      | <b>20</b>  | <b>4</b>  | <b>52</b> | <b>1</b>  |
| Total comprehensive income for the period attributable to                            |      |            |           |           |           |
| Owners of the Parent Company   |      | 19         | 4         | 50        | -         |
| Non-controlling interests  |      | 1          | -         | 2         | 1         |
| <b>Total</b>   |      | <b>20</b>  | <b>4</b>  | <b>52</b> | <b>1</b>  |



# BALANCE SHEET

## SGLT HOLDING

| USDm                             | Note | 30.06.2022   | 30.06.2021 | 31.12.2021   |
|----------------------------------|------|--------------|------------|--------------|
| <b>ASSETS</b>                    |      |              |            |              |
| Intangible assets                |      | 411          | 379        | 431          |
| Property, plant and equipment    |      | 51           | 47         | 61           |
| Other receivables                |      | 3            | 3          | 5            |
| Deferred tax asset               |      | 3            | 1          | 1            |
| <b>Total non-current assets</b>  |      | <b>469</b>   | <b>430</b> | <b>498</b>   |
| Trade receivables                |      | 472          | 233        | 525          |
| Contract assets                  |      | 13           | 3          | 5            |
| Receivables from related parties |      | 3            | 32         | 2            |
| Income tax receivables           |      | 1            | 1          | 3            |
| Other receivables                |      | 5            | 15         | 1            |
| Prepayments                      |      | 12           | 10         | 14           |
| Cash and cash equivalents        | 2    | 249          | 81         | 79           |
| <b>Total current assets</b>      |      | <b>755</b>   | <b>375</b> | <b>629</b>   |
| <b>Total assets</b>              |      | <b>1,224</b> | <b>805</b> | <b>1,127</b> |

| USDm   | Note | 30.06.2022   | 30.06.2021 | 31.12.2021   |
|--|------|--------------|------------|--------------|
| <b>EQUITY AND LIABILITIES</b>                |      |              |            |              |
| Partnership interest                         |      | 221          | 186        | 221          |
| Currency translation reserve                 |      | -8           | 3          | -3           |
| Retained earnings                            |      | 0            | -73        | -56          |
| <b>Equity attributable to Parent Company</b> |      | <b>213</b>   | <b>116</b> | <b>162</b>   |
| Non-controlling interests                    |      | 4            | 4          | 7            |
| <b>Total equity</b>                          |      | <b>217</b>   | <b>120</b> | <b>169</b>   |
| Bond debt                                    | 3    | 550          | 399        | 519          |
| Lease liabilities                            |      | 27           | 28         | 33           |
| Deferred tax liability                       |      | 16           | 14         | 18           |
| Other payables                               |      | 15           | -          | 11           |
| <b>Total non-current liabilities</b>         |      | <b>608</b>   | <b>441</b> | <b>581</b>   |
| Bank debt                                    |      | -            | 27         | 7            |
| Trade payables                               |      | 206          | 135        | 221          |
| Accrued trade expenses                       |      | 80           | 15         | 41           |
| Current tax liabilities                      |      | 16           | 1          | 18           |
| Lease liabilities                            |      | 17           | 14         | 21           |
| Payable to related parties                   |      | 19           | 10         | 9            |
| Deferred income                              |      | 10           | 15         | 1            |
| Other payables                               |      | 51           | 27         | 59           |
| <b>Total current liabilities</b>             |      | <b>399</b>   | <b>244</b> | <b>377</b>   |
| <b>Total liabilities</b>                     |      | <b>1,007</b> | <b>685</b> | <b>958</b>   |
| <b>Total equity and liabilities</b>          |      | <b>1,224</b> | <b>805</b> | <b>1,127</b> |

# STATEMENT OF CHANGES IN EQUITY

## SGLT HOLDING

USDm

6M 2022

|   | Partnership<br>Interests | Currency<br>Translation<br>Reserve | Retained<br>Earnings | Equity<br>Attributable to<br>Parent | Non<br>Controlling<br>Interests | Total Equity |
|---|--------------------------|------------------------------------|----------------------|-------------------------------------|---------------------------------|--------------|
| <b>Equity at 1 January 2022</b>                 | 221                      | -3                                 | -56                  | 162                                 | 7                               | 169          |
| Profit for the period                           | -                        | -                                  | 55                   | 55                                  | 2                               | 57           |
| Other comprehensive income, net of tax          | -                        | -5                                 | -                    | -5                                  | -                               | -5           |
| <b>Total comprehensive income, net of tax</b>   | -                        | -5                                 | 55                   | 50                                  | 2                               | 52           |
| Purchase of non-controlling interests           | -                        | -                                  | 1                    | 1                                   | -1                              | -            |
| Dividend distributed, non-controlling interests | -                        | -                                  | -                    | -                                   | -4                              | -4           |
| <b>Total transfer with owners</b>               | -                        | -                                  | 1                    | 1                                   | -5                              | -4           |
| <b>Equity at 30 June 2022</b>                   | 221                      | -8                                 | 0                    | 213                                 | 4                               | 217          |
| <b>6M 2021</b>                                  |                          |                                    |                      |                                     |                                 |              |
| <b>Equity at 1 January 2021</b>                 | 186                      | 5                                  | -73                  | 118                                 | 4                               | 122          |
| Profit for the period                           | -                        | -                                  | 1                    | 1                                   | 2                               | 3            |
| Other comprehensive income, net of tax          | -                        | -2                                 | -                    | -2                                  | 1                               | -1           |
| <b>Total comprehensive income, net of tax</b>   | -                        | -2                                 | 1                    | -1                                  | 3                               | 2            |
| Purchase of non-controlling interests           | -                        | -                                  | -1                   | -1                                  | -                               | -1           |
| Dividend distributed, non-controlling interests | -                        | -                                  | -                    | -                                   | -3                              | -3           |
| <b>Total transfer with owners</b>               | -                        | -                                  | -1                   | -1                                  | -3                              | -4           |
| <b>Equity at 30 June 2021</b>                   | 186                      | 3                                  | -73                  | 116                                 | 4                               | 120          |



# STATEMENT OF CASHFLOW

## SGLT HOLDING

| USDm   | Note | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021    |
|--|------|------------|------------|------------|------------|
| Profit for the period                            |      | 33         | 8          | 57         | 3          |
| <i>Adjustment of non-cash items:</i>             |      |            |            |            |            |
| Income taxes in the income statement             |      | 8          | -6         | 16         | -          |
| Depreciation and amortisation                    |      | 12         | 9          | 23         | 18         |
| Financial income                                 |      | -9         | 3          | -12        | -2         |
| Financial expenses                               |      | 9          | 9          | 26         | 16         |
| Other non-cash items                             |      | -          | 2          | -          | 4          |
| Change in working capital                        |      | 15         | -42        | 67         | -69        |
| Interest paid                                    |      | -10        | -8         | -20        | -13        |
| Tax paid/received                                |      | 1          | -2         | -          | -3         |
| <b>Cash flows from operating activities</b>      |      | <b>59</b>  | <b>-27</b> | <b>157</b> | <b>-46</b> |
| Purchase of software and other intangible assets |      | -3         | -2         | -4         | -4         |
| Purchase of property, plant and equipment        |      | -          | -          | -1         | -1         |
| Investments in Group entities                    |      | -12        | -28        | -14        | -38        |
| <b>Cash flows from investing activities</b>      |      | <b>-15</b> | <b>-30</b> | <b>-19</b> | <b>-43</b> |
| <b>Free cash flow</b>                            |      | <b>44</b>  | <b>-57</b> | <b>138</b> | <b>-89</b> |

| USDm  | Note | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021   |
|---|------|------------|------------|------------|-----------|
| Dividend paid to non-controlling interests            |      | -8         | -1         | -12        | -2        |
| Repayment of loan from related entities               |      | -          | 3          | -          | -5        |
| Deposits  |      | -1         | -          | -          | -         |
| Proceeds from issuing bonds                           |      | -          | 110        | 85         | 110       |
| Redemption of lease liabilities                       |      | -4         | -9         | -9         | -9        |
| <b>Cash flows from financing activities</b>           |      | <b>-13</b> | <b>103</b> | <b>64</b>  | <b>94</b> |
| <b>Change in cash and cash equivalents</b>            |      | <b>31</b>  | <b>46</b>  | <b>202</b> | <b>5</b>  |
| Cash and cash equivalents                             |      |            |            |            |           |
| Cash and cash equivalents beginning of period         |      | 232        | 7          | 72         | 50        |
| Exchange rate adjustment of cash and cash equivalents |      | -14        | 1          | -25        | -1        |
| Change in cash and cash equivalents                   |      | 31         | 46         | 202        | 5         |
| <b>Cash and cash equivalents end of period</b>        | 2    | <b>249</b> | <b>54</b>  | <b>249</b> | <b>54</b> |

# NOTES

## SGLT HOLDING

### NOTE 1 - ALTERNATIVE PERFORMANCE MEASURES

| <b>USDm</b>                 | <b>Q2 2022</b> | <b>Q2 2021</b> | <b>6M 2022</b> | <b>6M 2021</b> |
|-----------------------------|----------------|----------------|----------------|----------------|
| <i>Adjusted EBITDA:</i>     |                |                |                |                |
| EBITDA before special items | 54             | 24             | 114            | 37             |
| IFRS 16 impact              | -5             | -4             | -11            | -9             |
| Other adjustments*          | 1              | -              | 2              | 1              |
| <b>Adjusted EBITDA</b>      | <b>50</b>      | <b>20</b>      | <b>105</b>     | <b>29</b>      |

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

### NOTE 2 - CASH AND LIQUIDITY RESERVE

| <b>USDm</b>               | <b>30.06.2022</b> | <b>30.06.2021</b> | <b>31.12.2021</b> |
|---------------------------|-------------------|-------------------|-------------------|
| Cash and cash equivalents | 249               | 81                | 79                |
| Bank debt                 | -                 | 27                | 7                 |
| Credit facilities         | 97                | 64                | 88                |
| <b>Liquidity reserve</b>  | <b>346</b>        | <b>172</b>        | <b>174</b>        |

### NOTE 3 - BOND DEBT

Refer to note 5 in SGL Group.



# NOTES

## SGLT HOLDING

### NOTE 4 – BUSINESS COMBINATIONS

#### *Acquisition of Bison Services, Inc.*

On 31 May 2022 SGLT Holding has through its wholly owned subsidiary TransGroup Express LLC acquired the remaining 49% minority shares in Pennsylvania-based Bison Services, Inc. Bison Services has been operating under the TransGroup umbrella for more than 20 years and is a leader in high-tech, and medical device logistics. Closing was 31 May 2022. The acquisition price for the activities was USD 1.75 million plus an additional earn-out of up to USD 1 million, financed through previously issued bonds.

#### *Acquisition of assets in B.C. Dispatch, Inc.*

On 31 May 2022 SGLT Holding has through its wholly owned subsidiary TransGroup Express LLC acquired the assets of the Washington-based B.C. Dispatch, Inc. B.C. Dispatch has been operating under the TransGroup umbrella for more than 28 years and is a leader in retail furniture and retail products logistics. Closing was 31 May 2022. The acquisition price for the activities was USD 2.5 million plus an additional earn-out of up to USD 0.6 million, financed through previously issued bonds.

#### *Acquisition of D&W, Inc.*

On 31 May 2022 SGLT Holding has through its wholly owned subsidiary TransGroup Express LLC acquired 100% of shares in D&W, Inc. D&W has been operating under the TransGroup umbrella for more than 22 years and is a leader in retail merchandising and manufacturing logistics. Closing was 31 May 2022. The acquisition price for the activities was USD 6 million plus an additional earn-out of up to USD 2.1 million, financed through previously issued bonds.

# NOTES

## SGLT HOLDING

### NOTE 4 – BUSINESS COMBINATIONS CONT.

#### *Acquisition of Trust Forwarding A/S, SAS Cargo Sweden AB and SAS Cargo Norway AS*

On 16 June 2022 SGL Group has through its wholly owned subsidiary Scan Global Logistics A/S acquired 100% of shares in the SAS owned freight forwarding companies. With the acquisition, the Group strengthens its position in the Nordics. Closing is 31 October 2022. The acquisition price for the activities was SEK 26 million, financed through previously issued bonds. 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.

#### *Acquisition of AFL Logistics GmbH and the American Freight Line Southeast Inc.*

On 16 June 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S acquired AFL Logistics GmbH and through TransGroup Express LLC, acquired the assets of American Freight Line Southeast Inc., a specialists within Automotive Special Logistics between EU and US. Acquisition price was USD 0.9 million. The acquisition was financed through previously issued bonds. Closing is expected to be August 2022, 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.

#### *Acquisition of Sea-Air Logistics*

On 29 June 2022 SGL Group has through its wholly owned subsidiary Scan Global Logistics A/S acquired 100% of shares in the Hong Kong based Sea-Air Logistics (Hong Kong) Limited. With the acquisition, the Group strengthen its position in Hong Kong and strategically complement our strong growth in profitable niche markets, combined with increase in its global presence in current SGL offerings. Closing is 5 July 2022. The acquisition price for the activities was USD 22 million, financed through previously issued bonds. SGL Group is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.



# NOTES

## SGLT HOLDING

### NOTE 5 – SUBSEQUENT EVENTS

#### *Acquisition of Gelders Forwarding BC*

On 1 July 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S, acquired Gelders Forwarding BV, a well-established air and ocean forwarder based in the Netherlands with a strong footprint in the semiconductor segment. With the acquisition, the Group is increasing the market share significantly in the import market. Gelders Forwarding generates yearly revenue above EUR 30 million. Acquisition price was EUR 7.7 million. The acquisition was financed through previously issued bonds. Closing was 1 July 2022, 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.

#### *Acquisition of Advection Logistics Kft.*

On 7 July 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S, acquired 100 % of the shares in Hungary-based Advection Logistics Kft. Closing was 7 July 2022. The acquisition price for the activities was EUR 1.5 million, financed through previously issued bonds.



# SGL GROUP Q2 2022

UNCOMPLICATE YOUR WORLD »»

**SCAN GLOBAL**  
**LOGISTICS**

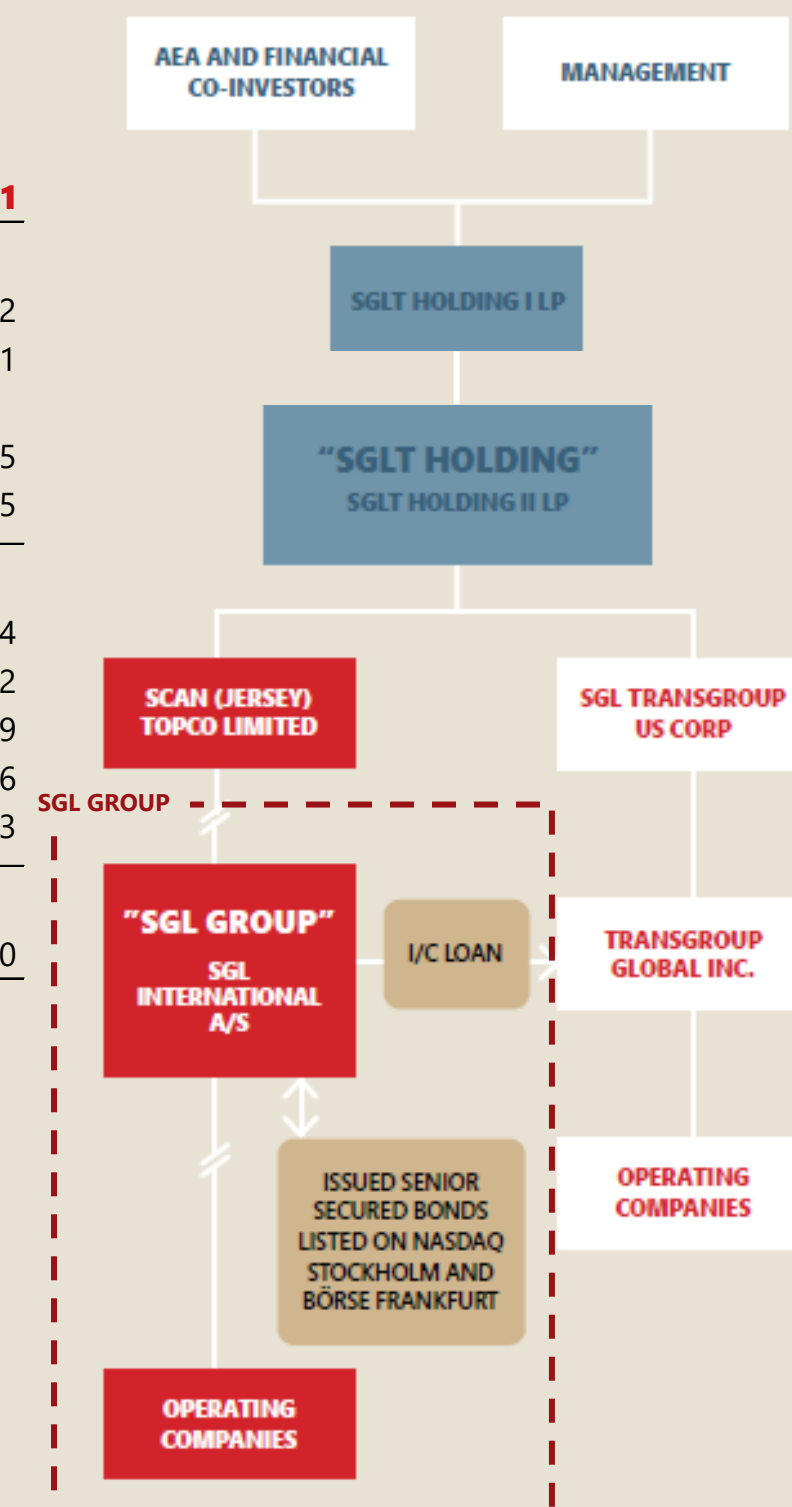
# FINANCIAL HIGHLIGHTS

## SGL GROUP

| Key figures (in DKKm)                          | Q2 2022 | Q2 2021 | 6M 2022 | 6M 2021 | Key figures (in DKKm)   | Q2 2022 | Q2 2021 | 30.06.2022 | 30.06.2021 |
|--|---------|---------|---------|---------|---|---------|---------|------------|------------|
| <b>Income statement</b>                        |         |         |         |         | <b>Financial position</b>                                     |         |         |            |            |
| Revenue  | 3,992   | 2,102   | 8,336   | 3,756   | Total equity  |         |         | 1,189      | 472        |
| Gross profit                                   | 585     | 300     | 1,186   | 539     | Net working capital   |         |         | 446        | 2,351      |
| EBITDA before special items                    | 287     | 97      | 602     | 156     | Net interest-bearing debt (NIBD) excl. IFRS 16 and PIK note** |         |         | 2,263      | 1,465      |
| Operating profit (EBIT)                        | 219     | 50      | 467     | 61      | Total assets  |         |         | 7,993      | 4,585      |
| Special items, net                             | -4      | -4      | -14     | -8      | <b>Financial ratios in %</b>                                  |         |         |            |            |
| Financial items, net                           | 43      | -59     | -12     | -53     | Gross margin  | 14.7    | 14.3    | 14.2       | 14.4       |
| Profit for the period                          | 210     | -10     | 356     | 1       | EBITDA margin before special items                            | 7.2     | 4.6     | 7.2        | 4.2        |
| <b>Income statement (Business Performance)</b> |         |         |         |         | EBITDA margin before special items*                           | 6.5     | 3.5     | 6.5        | 2.9        |
| EBITDA before special items*                   | 259     | 74      | 545     | 110     | EBIT margin   | 5.5     | 2.4     | 5.6        | 1.6        |
| <b>Cash flow</b>                               |         |         |         |         | Equity ratio  |         |         | 14.9       | 10.3       |
| Cash flows from operating activities           | 289     | -159    | 839     | -286    | <b>Other</b>  |         |         |            |            |
| Cash flows from investing activities           | -17     | -160    | -40     | -181    | Number of average full-time employees                         | 2,167   | 1,670   | 2,167      | 1,670      |
| Free cash flow                                 | 272     | -319    | 799     | -467    | **Payment-in-kind   |         |         |            |            |
| Cash flows from financing activities           | -64     | 652     | 465     | 642     |   |         |         |            |            |
| Cash flow for the period                       | 208     | 333     | 1,264   | 175     |   |         |         |            |            |

\*EBITDA excluding the impact of IFRS 16 leases

### SIMPLIFIED STRUCTURE





# FINANCIAL PERFORMANCE

## SGL GROUP

SGL Group continues to deliver a strong financial result in Q2 2022. The EBITDA before special items excluding IFRS 16 accounting totalled DKK 259 million for the second quarter 2022 and DKK 545 million for H1 2022.

The first half year of 2022 has been characterised by volatility and continued complexity in the market. The demanding market conditions has enabled SGL Group to apply its entrepreneurial business model in providing complex solutions to its customers with success. SGL Group delivered a strong organic growth including greenfield activities of 239% year on year on operating profit from major trade lanes and markets. Total growth compared to the first half year of 2021 was 319% of which M&A activities contributed with 84%. Net working capital development and strong results amounted to a positive free cash flow of DKK 799 million compared to negative DKK 467 million same period last year. SGL Group remains committed to its organic initiatives and acquisition strategy.

### Financial results for the period – First half year of 2022

- Revenue amounted to DKK 8,336 million for the first half year of 2022, an increase of 122% compared to the first half year of 2021 including positive impact of FX translation of approximately DKK 330 million. The increased revenue was driven by several factors. A mix of increase in activity levels, both through increased activity and larger share of wallet with new and existing customers. To some extent also impacted by volatility in the market creating higher carrier rates than the same period last year. Increase in activity for acquisitions made in Q2-Q4 2021 also contributed. The increase in activity levels was experienced across all regions, especially Air & Ocean activities in Nordic and Asia.
- Gross profit amounted to DKK 1,186 million for the first half year of 2022; an increase of 120% compared with the first half year of 2021, including positive impact FX translation of approximately DKK 31 million. The increase in gross profit is driven by strong organic growth and increased activities through acquired businesses in Q2-Q4 2021, leading to significant increase in activity levels which has been converted to a strong increase in gross profit. However, due to elevated carrier rates in the volatile market, we have seen a slight decrease in gross margin to 14.2%; equivalent to a decrease of 0.2% point compared to same period last year. The trend has turned in the second quarter of 2022 mainly due to primarily Denmark and Asia. The decline compared to same period last year mainly relates to Air & Ocean due to increasing costs for transport services. The increase in costs has been pushed through to customers resulting in higher revenue and lower gross margin.
- SG&A costs amounted to DKK 584 million for the first half year of 2022; impacted by a positive FX translation of approximately DKK 12 million, resulting in an increase of 52% compared to the first half year of 2021. SG&A costs increased as expected; however, as the cost discipline and realisation of operating leverage benefits continued, the conversion ratio based on EBITDA before special items increased from 29% in first half year of 2021 to 51% in the first half year of 2022. The increase in SG&A costs is coming primarily from increased headcount driving higher salaries expense as a result of greenfield and M&A.

- EBITDA before special items excluding IFRS 16 accounting amounted to DKK 545 million for the first half year of 2022; compared to DKK 110 million same period last year following the high activity described under revenue and the ability to keep cost under control while growing.
- Special Items, net, amounted to a cost of DKK 14 million for the first half year of 2022 mainly driven by greenfield activities and M&A related costs.
- Operating Profit (EBIT) amounted to DKK 467 million for the first half year of 2022 compared to DKK 61 million same period last year.
- Financial items amounted to net expenses of DKK 12 million for the first half year of 2022. The development was mainly driven by interest expenses from issued bonds and foreign exchange gains on receivables from related parties in USD.
- Cash flow from operating activities was positive with DKK 839 million in first half year of 2022; a development positively affected by EBIT, supported by cash flows from decreased net working capital coming from the high levels in 2021.
- Capital structure: the equity attributable to the parent company was DKK 1,187 million. The total equity ratio was 14.9% as per 30 June 2022. Compared to 30 June 2021 the equity ratio increased 4.6% point driven by strong results in the last 12 month and a capital increase by cash payment of DKK 225 million in Q3 2021.
- Net interest-bearing debt (NIBD) was DKK 2,263 million excluding lease liabilities as of 30 June 2022 (30 June 2021: DKK 1,465 million excluding lease liabilities). Subsequent bond debt of EUR 75 million under the framework of EUR 350 million was issued in first quarter 2022. Bond debt was raised for acquisitions and general corporate purposes.
- Net working capital improved with DKK 713 million for the first half year of 2022. Total NWC position was DKK 446 million 30 June 2022. The NWC level is still on a high level impacted by the volatility in the market combined with strong organic growth leading to an increase in revenue and thereby continuing high level of trade receivables and hence NWC. The main NWC impact is primarily seen in Ocean, with continued significant growth, and this activity generally has a higher NWC than the other activities. Our general payment terms are unchanged, but we continue to see an impact from extended days on the water - though at lower levels compared to Q4 2021 - driving an increased spread between payments to carriers and receipts from customers. We see no increase or risk in overdue trade receivables.

# OUTLOOK 2022

## SGL GROUP

SGL Group has been able to deliver continuously despite volatile and demanding market conditions during the first half year of 2022. The high activity levels and strong volumes combined with SGL’s ability to make the world a little less complicated for its customers, has allowed SGL to provide compelling customer solutions driving continued expansion with existing customers and continued establishment of strong relationships with new customers in a volatile market. Furthermore, the acquisitions made in 2021 are continuing to integrate very well into the global SGL network and are contributing well to the strong increase in activity levels in 2022.

Furthermore, the acquisitions made in 2021 are continuing to integrate very well into the global SGL network and are contributing well to the strong increase in activity levels in 2022.

In addition to the strong organic growth, SGL Group has continued its inorganic growth strategy and closed 5 acquisitions which all have a good strategic fit to help scale the business, improve profitability, and drive deleveraging.

Therefore, SGL Group has updated the guidance upwards on EBITDA before special items and excluding IFRS 16 accounting to be in the range of DKK 875 million to DKK 925 million including the performance from the acquisitions signed in 2022.

| <b>SGL Group</b>  | <b>Current guidance</b>           | <b>Previously updated guidance</b> | <b>Initial guidance</b>           |
|---|-----------------------------------|------------------------------------|-----------------------------------|
| <b>EBITDA before special items excluding IFRS 16 accounting</b> | DKK 875 million - DKK 925 million | DKK 775 million - DKK 825 million  | DKK 625 million - DKK 700 million |

The updated targets are based on the assumptions of stable global economic development and assumes exchange rates remain the same as the time of initial outlook

Long-term financial targets are unchanged.

### *Russia and Ukraine conflict*

As mentioned in the Annual Report for 2021, airfreight in particular has been heavily impacted due to closures in EU and Russian airspaces. Our booking stop for shipments to/from Russia and Belarus remains in place until further notice, with the exception of selected product groups such as medicine, aid, humanitarian cargo, and food supplies. We do not have any offices, nor any people employed in Ukraine or Russia, and currently, we do not see this having any impact on our outlook for 2022.

# INCOME STATEMENT

SGL GROUP

| DKKm  | Note | Q2 2022    | Q2 2021    | 6M 2022      | 6M 2021    |
|---|------|------------|------------|--------------|------------|
| Revenue   | 1    | 3,992      | 2,102      | 8,336        | 3,756      |
| Cost of operation   | 1    | -3,407     | -1,802     | -7,150       | -3,217     |
| <b>Gross profit</b>   |      | <b>585</b> | <b>300</b> | <b>1,186</b> | <b>539</b> |
| Other external expenses   |      | -48        | -30        | -88          | -62        |
| Staff costs   |      | -250       | -173       | -496         | -321       |
| <b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b> |      | <b>287</b> | <b>97</b>  | <b>602</b>   | <b>156</b> |
| Amortisation and depreciation   |      | -64        | -43        | -121         | -87        |
| <b>Operating profit (EBIT) before special items</b>   |      | <b>223</b> | <b>54</b>  | <b>481</b>   | <b>69</b>  |
| Special items, net  | 2    | -4         | -4         | -14          | -8         |
| <b>Operating profit (EBIT)</b>  |      | <b>219</b> | <b>50</b>  | <b>467</b>   | <b>61</b>  |
| Financial income  | 3    | 128        | -2         | 158          | 42         |
| Financial expenses  | 3    | -85        | -57        | -170         | -95        |
| <b>Profit before tax</b>  |      | <b>262</b> | <b>-9</b>  | <b>455</b>   | <b>8</b>   |
| Income tax for the period   |      | -52        | -1         | -99          | -7         |
| <b>Profit for the period</b>  |      | <b>210</b> | <b>-10</b> | <b>356</b>   | <b>1</b>   |
| Total income for the period attributable to Owners of the Parent Company                    |      | 210        | -10        | 355          | 2          |
| Non-controlling interests   |      | 0          | 0          | 1            | -1         |
| <b>Total</b>  |      | <b>210</b> | <b>-10</b> | <b>356</b>   | <b>1</b>   |

# STATEMENT OF OTHER COMPREHENSIVE INCOME

| DKKm   | Note | Q2 2022    | Q2 2021    | 6M 2022    | 6M 2021  |
|--|------|------------|------------|------------|----------|
| <b>Profit for the period</b>   |      | <b>210</b> | <b>-10</b> | <b>356</b> | <b>1</b> |
| Items that will be reclassified to income statement when certain conditions are met: |      |            |            |            |          |
| Exchange rate adjustment   |      | -16        | 7          | -15        | 8        |
| <b>Other comprehensive income, net of tax</b>  |      | <b>-16</b> | <b>7</b>   | <b>-15</b> | <b>8</b> |
| <b>Total comprehensive income for the period</b>                                     |      | <b>194</b> | <b>-3</b>  | <b>341</b> | <b>9</b> |
| Total comprehensive income for the period attributable to                            |      |            |            |            |          |
| Owners of the Parent Company   |      | 194        | -1         | 340        | 12       |
| Non-controlling interests  |      | -          | -2         | 1          | -3       |
| <b>Total</b>   |      | <b>194</b> | <b>-3</b>  | <b>341</b> | <b>9</b> |



# BALANCE SHEET

## SGL GROUP

| DKKm                             | Note | 30.06.2022   | 30.06.2021   | 31.12.2021   |
|----------------------------------|------|--------------|--------------|--------------|
| <b>ASSETS</b>                    |      |              |              |              |
| Intangible assets                |      | 1,926        | 1,574        | 1,961        |
| Property, plant and equipment    |      | 210          | 227          | 251          |
| Receivables from related parties |      | 871          | 716          | 798          |
| Other receivables                |      | 27           | 16           | 22           |
| Deferred tax asset               |      | 18           | 11           | 3            |
| <b>Total non-current assets</b>  |      | <b>3,052</b> | <b>2,544</b> | <b>3,035</b> |
| Trade receivables                |      | 2,231        | 1,206        | 2,319        |
| Contract assets                  |      | 51           | 19           | 41           |
| Receivables from related parties |      | 836          | 183          | 788          |
| Income tax receivables           |      | 3            | 4            | 9            |
| Other receivables                |      | 26           | 73           | 8            |
| Prepayments                      |      | 14           | 26           | 43           |
| Cash and cash equivalents        | 4    | 1,780        | 530          | 520          |
| <b>Total current assets</b>      |      | <b>4,941</b> | <b>2,041</b> | <b>3,728</b> |
| <b>Total assets</b>              |      | <b>7,993</b> | <b>4,585</b> | <b>6,763</b> |

| DKKm   | Note | 30.06.2022   | 30.06.2021   | 31.12.2021   |
|--|------|--------------|--------------|--------------|
| <b>EQUITY AND LIABILITIES</b>                |      |              |              |              |
| Shared capital                               |      | 1            | 1            | 1            |
| Shared premium                               |      | 228          | 3            | 228          |
| Currency translation reserve                 |      | -45          | -21          | -30          |
| Retained earnings                            |      | 1,003        | 489          | 648          |
| <b>Equity attributable to Parent Company</b> |      | <b>1,187</b> | <b>472</b>   | <b>847</b>   |
| Non-controlling interests                    |      | 2            | 3            | 1            |
| <b>Total equity</b>                          |      | <b>1,189</b> | <b>475</b>   | <b>848</b>   |
| Bond debt                                    | 5    | 3,949        | 2,507        | 3,416        |
| Lease liabilities                            | 5    | 91           | 138          | 111          |
| Deferred tax liability                       |      | 102          | 82           | 108          |
| Other payables                               |      | 88           | 20           | 64           |
| <b>Total non-current liabilities</b>         |      | <b>4,230</b> | <b>2,747</b> | <b>3,699</b> |
| Bank debt                                    |      | -            | 166          | -            |
| Trade payables                               |      | 1,130        | 786          | 1,149        |
| Accrued trade expenses                       |      | 684          | 92           | 448          |
| Current tax liabilities                      |      | 114          | 6            | 68           |
| Lease liabilities                            | 5    | 88           | 69           | 109          |
| Payable to related parties                   |      | 187          | 65           | 150          |
| Deferred income                              |      | 53           | 47           | 1            |
| Other payables                               |      | 318          | 132          | 291          |
| <b>Total current liabilities</b>             |      | <b>2,574</b> | <b>1,363</b> | <b>2,216</b> |
| <b>Total liabilities</b>                     |      | <b>6,804</b> | <b>4,110</b> | <b>5,915</b> |
| <b>Total equity and liabilities</b>          |      | <b>7,993</b> | <b>4,585</b> | <b>6,763</b> |

# STATEMENT OF CHANGES IN EQUITY

SGL GROUP

DKKm

|   | Share Capital | Share Premium | Currency Translation Reserve | Retained Earnings | Equity Attributable to Parent Company | Non Controlling Interests | Total Equity |
|---|---------------|---------------|------------------------------|-------------------|---------------------------------------|---------------------------|--------------|
| <b>6M 2022</b>                                |               |               |                              |                   |                                       |                           |              |
| <b>Equity at 1 January 2022</b>               | 1             | 228           | -30                          | 648               | 847                                   | 1                         | 848          |
| Profit for the period                         | -             | -             | -                            | 355               | 355                                   | 1                         | 356          |
| Other comprehensive income, net of tax        | -             | -             | -15                          | -                 | -15                                   | -                         | -15          |
| <b>Total comprehensive income, net of tax</b> | -             | -             | -15                          | 355               | 340                                   | 1                         | 341          |
| <b>Equity at 30 June 2022</b>                 | 1             | 228           | -45                          | 1,003             | 1,187                                 | 2                         | 1,189        |
| <b>6M 2021</b>                                |               |               |                              |                   |                                       |                           |              |
| <b>Equity at 1 January 2021</b>               | 1             | 3             | -31                          | 487               | 460                                   | 6                         | 466          |
| Profit for the period                         | -             | -             | -                            | 2                 | 2                                     | -1                        | 1            |
| Other comprehensive income, net of tax        | -             | -             | 10                           | -                 | 10                                    | -2                        | 8            |
| <b>Total comprehensive income, net of tax</b> | -             | -             | 10                           | 2                 | 12                                    | -3                        | 9            |
| <b>Equity at 30 June 2021</b>                 | 1             | 3             | -21                          | 489               | 472                                   | 3                         | 475          |

# STATEMENT OF CASHFLOW

## SGL GROUP

| DKKm   | Note | Q2 2022    | Q2 2021     | 6M 2022    | 6M 2021     |
|--|------|------------|-------------|------------|-------------|
| Profit for the period                            |      | 210        | -10         | 356        | 1           |
| <i>Adjustment of non-cash items:</i>             |      |            |             |            |             |
| Income taxes in the income statement             |      | 52         | 1           | 99         | 7           |
| Depreciation and amortisation                    |      | 64         | 43          | 121        | 87          |
| Financial income                                 |      | -128       | 2           | -158       | -42         |
| Financial expenses                               |      | 85         | 57          | 170        | 95          |
| Change in working capital                        |      | 59         | -209        | 376        | -363        |
| Interest received                                |      | 1          | 18          | 1          | 34          |
| Interest paid                                    |      | -71        | -48         | -135       | -83         |
| Tax paid/received                                |      | 17         | -13         | 9          | -22         |
| <b>Cash flows from operating activities</b>      |      | <b>289</b> | <b>-159</b> | <b>839</b> | <b>-286</b> |
| Purchase of software and other intangible assets |      | -16        | -14         | -26        | -26         |
| Purchase of property, plant and equipment        |      | -1         | -2          | -6         | -5          |
| Earn-out paid                                    |      | -          | -2          | -          | -2          |
| Investments in Group entities                    |      | -          | -142        | -8         | -148        |
| <b>Cash flows from investing activities</b>      |      | <b>-17</b> | <b>-160</b> | <b>-40</b> | <b>-181</b> |
| <b>Free cash flow</b>                            |      | <b>272</b> | <b>-319</b> | <b>799</b> | <b>-467</b> |

| DKKm  | Note | Q2 2022      | Q2 2021 -  | 6M 2022      | 6M 2021    |
|---|------|--------------|------------|--------------|------------|
| Investment in deposits                                |      | 4            | -          | -            | -          |
| Repayment of loan from related entities               |      | -42          | 13         | -42          | 3          |
| Proceeds from issuing bonds                           |      | -1           | 685        | 557          | 685        |
| Redemption of lease liabilities                       |      | -25          | -46        | -50          | -46        |
| <b>Cash flows from financing activities</b>           |      | <b>-64</b>   | <b>652</b> | <b>465</b>   | <b>642</b> |
| <b>Change in cash and cash equivalents</b>            |      | <b>208</b>   | <b>333</b> | <b>1,264</b> | <b>175</b> |
| Cash and cash equivalents                             |      |              |            |              |            |
| Cash and cash equivalents beginning of period         |      | 1,582        | 27         | 520          | 187        |
| Exchange rate adjustment of cash and cash equivalents |      | -10          | 4          | -4           | 2          |
| Change in cash and cash equivalents                   |      | 208          | 333        | 1,264        | 175        |
| <b>Cash and cash equivalents end of period</b>        | 4    | <b>1,780</b> | <b>364</b> | <b>1,780</b> | <b>364</b> |



# NOTES

## SGL GROUP

### NOTE 1 - SEGMENT INFORMATION

| <b>DKKm</b>  | <b>Air &amp; Ocean<br/>6M 2022</b> | <b>Road<br/>6M 2022</b> | <b>Solution<br/>6M 2022</b> | <b>Total<br/>6M 2022</b> | <b>Air &amp; Ocean<br/>6M 2021</b> | <b>Road<br/>6M 2021</b> | <b>Solution<br/>6M 2021</b> | <b>Total<br/>6M 2021</b> |
|--|------------------------------------|-------------------------|-----------------------------|--------------------------|------------------------------------|-------------------------|-----------------------------|--------------------------|
| Revenue (services)   | 10,178                             | 412                     | 115                         | 10,705                   | 4,606                              | 399                     | 92                          | 5,097                    |
| Intercompany revenue   | -2,356                             | -12                     | -1                          | -2,369                   | -1,333                             | -4                      | -4                          | -1,341                   |
| <b>Net revenue (services)</b>  | <b>7,822</b>                       | <b>400</b>              | <b>114</b>                  | <b>8,336</b>             | <b>3,273</b>                       | <b>395</b>              | <b>88</b>                   | <b>3,756</b>             |
| Cost of operation  | -6,736                             | -339                    | -75                         | -7,150                   | -2,818                             | -330                    | -69                         | -3,217                   |
| <b>Gross profit</b>  | <b>1,086</b>                       | <b>61</b>               | <b>39</b>                   | <b>1,186</b>             | <b>455</b>                         | <b>65</b>               | <b>19</b>                   | <b>539</b>               |
| Sales, distribution and administration costs   | -519                               | -48                     | -17                         | -584                     | -326                               | -43                     | -14                         | -383                     |
| <b>Earnings before interests, tax, depreciation,<br/>amortisation (EBITDA) and special items</b> | <b>567</b>                         | <b>13</b>               | <b>22</b>                   | <b>602</b>               | <b>129</b>                         | <b>22</b>               | <b>5</b>                    | <b>156</b>               |
| Depreciation and amortisation  |                                    |                         |                             | -64                      |                                    |                         |                             | -85                      |
| <b>Operating profit (EBIT) before special items</b>  |                                    |                         |                             | <b>538</b>               |                                    |                         |                             | <b>71</b>                |
| Special items, net   |                                    |                         |                             | -4                       |                                    |                         |                             | -13                      |
| Financial items, net   |                                    |                         |                             | 43                       |                                    |                         |                             | -39                      |
| <b>Profit before tax</b>   |                                    |                         |                             | <b>577</b>               |                                    |                         |                             | <b>19</b>                |

# NOTES

## SGL GROUP

### NOTE 2 - SPECIAL ITEMS, NET

| DKKm   | Q2 2022   | Q2 2021  | 6M 2022   | 6M 2021  |
|--|-----------|----------|-----------|----------|
| M&A activities, greenfield activities and other transaction specific costs | 7         | 4        | 13        | 7        |
| COVID-19 activities and net of compensations received                      | -         | -        | -         | 1        |
| Restructuring and other costs  | 3         | -        | 1         | -        |
| <b>Total special items, net</b>  | <b>10</b> | <b>4</b> | <b>14</b> | <b>8</b> |

### NOTE 3 - FINANCIAL ITEMS

| DKKm                                   | Q2 2022    | Q2 2021    | 6M 2022     | 6M 2021    |
|--|------------|------------|-------------|------------|
| Interest income                        | 1          | -          | 1           | -          |
| Financial income from related parties  | 21         | 17         | 51          | 33         |
| Exchange rate gains                    | 106        | -19        | 106         | 9          |
| <b>Total financial income</b>          | <b>128</b> | <b>-2</b>  | <b>158</b>  | <b>42</b>  |
| Interest expenses                      | -26        | -20        | -34         | -21        |
| Lease interest expenses                | -4         | -5         | -8          | -9         |
| Bond interest expenses                 | -67        | -30        | -124        | -61        |
| Amortisation of capitalised loan costs | -          | -2         | -4          | -4         |
| Exchange rate losses                   | 12         | -          | -           | -          |
| <b>Total financial expenses</b>        | <b>-85</b> | <b>-57</b> | <b>-170</b> | <b>-95</b> |

### NOTE 4 - CASH AND LIQUIDITY RESERVE

| DKKm                      | 30.06.2022   | 30.06.2021 | 31.12.2021 |
|---------------------------|--------------|------------|------------|
| Cash and cash equivalents | 1,780        | 530        | 520        |
| Bank debt                 | -            | -166       | -          |
| Credit facilities         | 405          | 248        | 405        |
| <b>Liquidity reserve</b>  | <b>2,185</b> | <b>612</b> | <b>925</b> |

# NOTES

## SGL GROUP

### NOTE 5 - CHANGES TO FINANCIAL LIABILITIES

| DKKm                          | Effective interest rate | Carrying amount 1 January | Cashflow   | Non-cash change       |                         |  | Other     | Carrying amount 30 Jun | 30.06.2022        |
|-------------------------------|-------------------------|---------------------------|------------|-----------------------|-------------------------|--|-----------|------------------------|-------------------|
|                               |                         |                           |            | Business combinations | Foreign exchange effect | Additional lease liability during the period |           |                        |                   |
| Bond debt                     |                         |                           |            |                       |                         |  |           |                        |                   |
| Issued bonds, EUR 250 million | 1 month EURIBOR + 6.75% | 1,859                     | -          | -                     | 1                       | -  | -         | 1,860                  |                   |
| Issued bonds, EUR 300 million | 7.75%                   | 1,673                     | 558        | -                     | 1                       | -  | -         | 2,232                  |                   |
| Issued bonds, EUR 40 million  | 11.50%                  | 297                       | -          | -                     | -                       | -  | 27        | 324                    |                   |
| Bonds held by SGL Group       |                         | -430                      | -          | -                     | -                       | -  | -         | -430                   |                   |
| Capitalised loan costs        |                         | -40                       | -          | -                     | -                       | -  | 2         | -38                    |                   |
| Payable bond interest         |                         | 57                        | -          | -                     | -                       | -  | -1        | 56                     |                   |
| Lease liabilities             |                         | 220                       | -57        | -                     | -                       | 8  | 8         | 179                    |                   |
| <b>Total</b>                  |                         | <b>3,636</b>              | <b>501</b> | <b>-</b>              | <b>2</b>                | <b>8</b>                                     | <b>36</b> | <b>4,183</b>           |                   |
|                               |                         |                           |            |                       |                         |  |           |                        | <b>30.06.2021</b> |
| Bond debt                     |                         |                           |            |                       |                         |  |           |                        |                   |
| Issued bonds, EUR 250 million | 1 month EURIBOR + 6.75  | 1,860                     | 685        | -                     | -                       | -  | -         | 2,545                  |                   |
| Capitalised loan costs        |                         | -27                       | -          | -                     | -                       | -  | -11       | -38                    |                   |
| Lease liabilities             |                         | 224                       | -46        | -                     | -                       | -  | 29        | 207                    |                   |
| <b>Total</b>                  |                         | <b>2,057</b>              | <b>639</b> | <b>-</b>              | <b>-</b>                | <b>-</b>                                     | <b>18</b> | <b>2,714</b>           |                   |



# NOTES

## SGL GROUP

### NOTE 6 – BUSINESS COMBINATIONS

#### *Acquisition of Trust Forwarding A/S, SAS Cargo Sweden AB and SAS Cargo Norway AS*

On 16 June 2022 SGL Group has through its wholly owned subsidiary Scan Global Logistics A/S acquired 100% of shares in the SAS owned freight forwarding companies. With the acquisition, the Group strengthens its position in the Nordics. Closing is 31 October 2022. The acquisition price for the activities was SEK 26 million, financed through previously issued bonds. 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.

#### *Acquisition of AFL Logistics GmbH and the American Freight Line Southeast Inc.*

On 16 June 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S acquired AFL Logistics GmbH and through TransGroup Express LLC, acquired the assets of American Freight Line Southeast Inc., a specialists within Automotive Special Logistics between EU and US. Acquisition price was USD 0.9 million. The acquisition was financed through previously issued bonds. Closing is expected to be August 2022, 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.

#### *Acquisition of Sea-Air Logistics*

On 29 June 2022 SGL Group has through its wholly owned subsidiary Scan Global Logistics A/S acquired 100% of shares in the Hong Kong based Sea-Air Logistics (Hong Kong) Limited. With the acquisition, the Group strengthen its position in Hong Kong and strategically complement our strong growth in profitable niche markets, combined with increase in its global presence in current SGL offerings. Closing is 5 July 2022. The acquisition price for the activities was USD 22 million, financed through previously issued bonds. SGL Group is still assessing assets acquired and liabilities assumed. As a result, it is not possible to include the disclosures required under IFRS 3.

# NOTES

## SGL GROUP

### NOTE 7 – SUBSEQUENT EVENTS

#### *Acquisition of Gelders Forwarding BC*

On 1 July 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S, acquired Gelders Forwarding BV, a well-established air and ocean forwarder based in the Netherlands with a strong footprint in the semiconductor segment. With the acquisition, the Group is increasing the market share significantly in the import market. Gelders Forwarding generates yearly revenue above EUR 30 million. Acquisition price was EUR 7.7 million. The acquisition of Grupo Contenosa was financed through previously issued bonds. Closing was 1 July 2022, 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.

#### *Acquisition of Advection Logistics Kft.*

On 7 July 2022, the Group has, through its wholly owned subsidiary Scan Global Logistics A/S, acquired 100 % of the shares in Hungary-based Advection Logistics Kft. Closing was 7 July 2022. The acquisition price for the activities was EUR 1.5 million, financed through previously issued bonds.

# NOTES

## SGL GROUP

### NOTE 8 – GENERAL ACCOUNTING POLICIES

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 2022*

SGL Group has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 30 June 2022 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 or endorsed by the EU and therefore not relevant for the preparation of the Q2 2022 Interim Financial Report. None of these are currently expected to carry any significant impact on the financial statements of the SGL Group when implemented.

#### *Material accounting estimates*

In connection with the preparation of the interim report, Management makes material accounting estimates, assessments and assumptions which form the basis of the presentation, recognition and measurement of SGL Group's assets and liabilities for accounting purposes. There are no significant changes in the material estimates from the assessments presented in SGL International A/S' Annual Report 2021.



# MANAGEMENT STATEMENT

The Board of Directors and Executive Management have today considered and approved the interim financial report of SGL International A/S (page 16 to 29) for the period 1 January to 30 June 2022.

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

In our opinion, the interim financial report gives a true and fair view of the SGL Group's assets and liabilities and financial position on 30 June 2022 and operations and cash flow for the period 1 January - 30 June 2022.

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.

Copenhagen, 8 August 2022

**Executive Management:**

Allan Dyrgaard Melgaard

*CEO*

Claes Brønsgaard Pedersen

*CFO*

**Board of directors:**

Henrik von Sydow

*Chairman*

Allan Dyrgaard Melgaard

Claes Brønsgaard Pedersen

Thomas Thellufsen Nørgaard

Jørgen Agerbro Jessen

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