

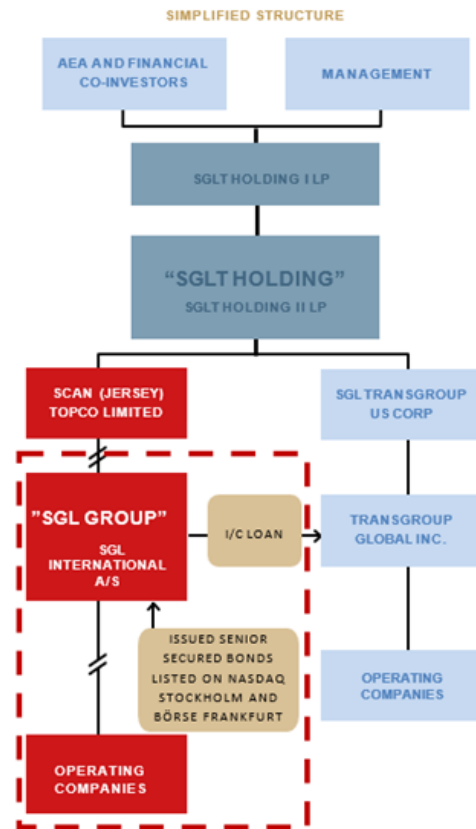
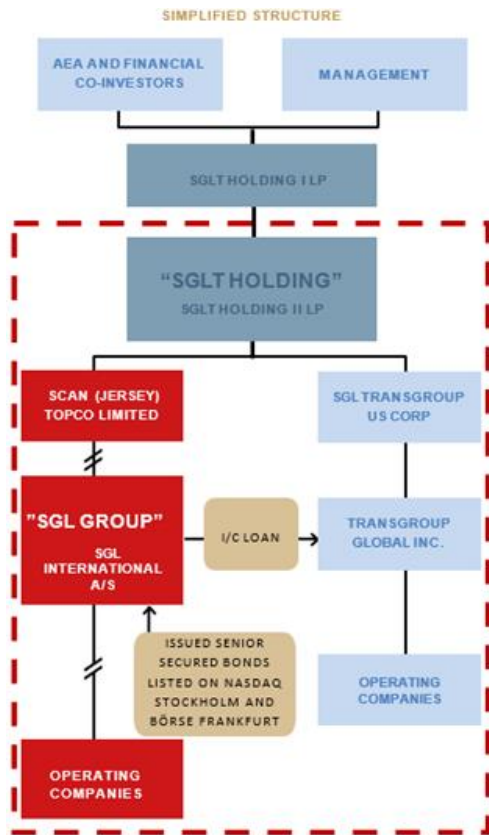


SGL International A/S

INTERIM FINANCIAL REPORT

**FIRST 9 MONTHS OF 2021,
Q3 2021**

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SGLT HOLDING

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

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 International A/S.

Reporting currency for SGLT Holding is USD.

SGL GROUP

SGL International A/S (SGL Group), formerly SGL TransGroup International A/S, 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 TransGroup Global Inc. 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 515m within a total framework amount of EUR 705m.

Reporting currency for SGL Group is DKK.

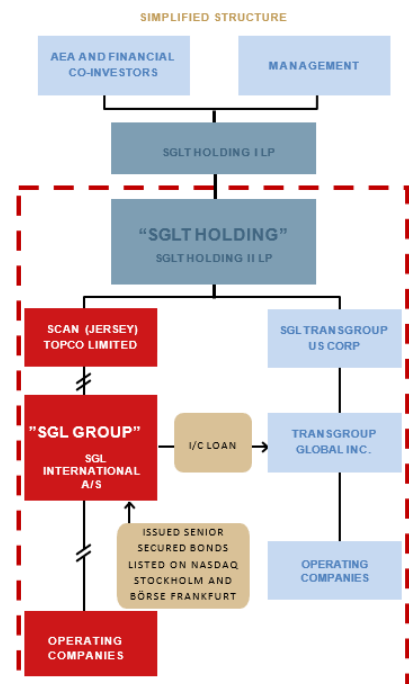
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SGLT Holding

FIRST 9 MONTHS OF 2021,
Q3 2021



» FINANCIAL HIGHLIGHTS

USDm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Income statement					
Revenue		580.4	310.9	1,429.9	866.7
Gross profit		88.3	54.4	212.7	148.9
EBITDA before special items		38.2	21.1	74.9	51.3
EBITDA before special items excluding IFRS 16 ¹		30.0	15.3	57.4	37.1
Operating profit (EBIT) before special items		28.6	12.3	47.2	24.6
Special items, net		-1.8	-5.4	-3.4	-10.8
Financial items, net		-7.5	-13.6	-22.1	-23.7
Profit before tax		19.3	-6.7	21.7	-9.9
Profit for the period		19.1	-7.5	21.8	-10.9
Income statement (Business Performance)²					
Adjusted EBITDA ³	1	34.3	16.1	63.0	39.1
Cash Flow					
Cash flows from operating activities before special items, interest and tax		-7.9	25.7	-39.6	56.3
Cash flows from operating activities		-18.5	12.8	-68.3	29.0
Cash flows from investing activities		-37.0	-4.9	-80.4	-16.0
Free cash flow		-55.5	7.9	-148.7	13.0
Cash flows from financing activities		158.0	23.4	252.6	12.4
Cash flow for the period		102.5	31.3	103.9	25.4
Financial position				30.09.2021	30.09.2020
Total Equity				169.3	132.3
Equity attributable to parent company				165.0	129.7
Net interest-bearing debt (NIBD)				414.6	284.9
Net interest-bearing debt (NIBD) excluding IFRS 16 ¹				374.9	237.4
Total assets				1,075.0	631.6
Financial ratios in %					
Gross margin		15.2	17.5	14.9	17.2
EBITDA margin before special items		6.6	6.8	5.2	5.9
EBITDA margin before special items excluding IFRS 16 ¹		5.2	4.9	4.0	4.3
EBIT margin before special items		4.9	4.0	3.3	2.8
Equity ratio				15.7	20.9

¹ EBITDA presented before applying the accounting of IFRS 16 Leases; where costs related to leased assets have been recognised in the PL impacting the result negatively. ² Business performance represents the underlying financial performance of SGLT Holding in the reporting period as results are adjusted for special items which are not in line with the ordinary course of business and other non-recurring items. Apart from this, there is no difference between business performance and IFRS results. ³ Excluding the impact of IFRS 16 Leases and before special items; ref. Annual Report 2020 Note 6.4 Financial definitions.

»» FINANCIAL PERFORMANCE

In Q3 2021, SGLT Holding delivered its best quarterly financial result to date. The adjusted EBITDA, totalling USD 34.3 million for Q3 2021, and USD 63.0 million for the first 9 months of 2021.

Although activity is increasing, the consequences of COVID-19 remain 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 many regions.

SGLT Holding has continued its disciplined execution of cost saving initiatives, which were initiated in the begin of COVID-19, throughout Q3 2021; however, at the same time, adjusted to match operational capacity for the increased activity levels, which has driven an increase in Adjusted EBITDA of 61.1% compared to the first 9 months of 2020.

Further, SGLT Holding remained committed to its organic initiatives and acquisition strategy. In 2021 acquisitions include the Air & Ocean activities of Grupo Contenosa in Spain and acquisition of Chicago based Expedited Solutions, LLC, both acquired in April 2021 and lastly Horizon International Cargo Limited (UK) and Orbis Global Logistics (New Zealand) which were acquired during Q3 2021.

Financial results for the period – First 9 months of 2021

- »» Revenue amounted to USD 1,429.9 million for the first 9 months of 2021, an increase of 65% compared to the first 9 months of 2020, including positive impact of FX translation of approximately USD 41.6 million. Revenue increases throughout the first 9 months was primarily driven by a mix of strong increase in activity and an exponential increase in freight rates globally due to capacity constraints – an aftermath of COVID-19. Illustrating this, the Shanghai Containerised index have risen continuously throughout the first 9 months of 2021. The increase in activity levels was experienced across all regions, especially Air and Ocean activities in the Nordics, Asia Pacific and North America have been impacted.
- »» Gross profit amounted to USD 212.7 million for the first 9 months of 2021; an increase of 43% compared with the first 9 months 2020, including positive impact FX translation of approximately USD 7.1 million. The significant increase in revenue, has been converted to a strong increase in gross profit; however due to the high rates, we have seen a slight decrease in gross margin of 2.3%-point compared to same period last year. The decline mainly relates to Air & Sea, where higher freight rates cause higher pass-through revenue and thus a lower gross margin.
- »» SG&A costs amounted to USD 137.8 million for the first 9 months of 2021; impacted by FX translation of approximately USD 5.7 million, resulting in an increase by 41% compared to the first 9 months of 2020. Excluding FX translation impact SG&A costs increased as expected constituting 9% of revenue, which is similar to the same period last year. The increase is coming from greenfield and M&A activities together with scaling Group functions for future growth.
- »» Adjusted EBITDA amounted to USD 63.0 million for the first 9 months of 2021; an increase of 61.1% compared to same period last year. The improved performance was driven both by organic growth and acquisitions.
- »» Special Items, net, amounted to USD -3.4 million for the first 9 months of 2021 mainly driven by greenfield activities and M&A related costs.

»» FINANCIAL PERFORMANCE – CONT'D

- »» Financial items amounted to net expenses of USD 22.1 million for the first 9 months of 2021, a decrease of 7% compared to same period last year. Net financial expenses mainly comprised interest expenses on the bond debt, exchange rate differences and IFRS 16 lease interest. As a result of new bond debt, interest expenses increased during Q3 2021 causing an increase in interest expenses for the first nine months of 2021. The overall net decrease in net financial items was however impacted by net exchange losses in the first nine months of 2021, compared to net exchange gains in the comparative period for 2020.
- »» Cash flow from operating activities before special items, interest and tax was negative with DKK 11.8 million for Q3 2021 and DKK 39.6 million for the first 9 months of 2021; a development driven by the increase in net working capital, but partly offset by the strong positive result in Q3 2021.
- »» Capital structure: The equity attributable to the Parent company was USD 165.0 million. The total equity ratio was 15.3% as per 30 September 2021 compared to 20,9% as per 30 September 2020 and 19% as per 31 December 2020. The decreased equity ratio is driven by increased debt levels as a result of issuing new bonds, but also impacted by FX translation having a negative impact to equity. A capital increase by cash payment of USD 35 million was made during Q3.
- »» Net Interest-Bearing Debt (NIBD) was USD 414.6 million and USD 374.9 million excluding lease liabilities as of 30 September 2021 (30 September 2020: USD 284.9 million and USD 237.4 million excluding lease liabilities). The increase was driven by the new issue of EUR 225 million senior secured fixed rate bonds, EUR 40 million subordinated unsecured bonds and repurchase of EUR 57.8 million bonds under the EUR 315 million framework. Bond debt was raised for acquisitions and general corporate purposes.
- »» Change in Net Working Capital increased with USD 108 million for the first 9 months of 2021, mainly impacted by increases in trade receivables. During 2021, and especially in Q2 and Q3, receivables from our customers were impacted by the record-high freight rates leading to an increase in revenue and thereby increase in trade receivables and NWC. Especially the carrier and port infrastructure challenges in China and US impacts the invoicing process due to delays in seaports and airports. The main NWC impact is primarily seen in Ocean, as this segment achieved a significant growth rate, and this this segment generally has a higher NWC than the other segments.

»» OUTLOOK

- »» SGLT Holding maintains its updated full-year outlook of Adjusted EBITDA of approx. USD 95m for 2021, including the full year impact of the two acquisitions made during Q3 2021, Orbis Global Logistics and Horizon International Group. The outlook was updated as part of the Interim Financial Report for first half of 2021.

	Maintained Guidance ³	Updated Guidance ²	Initial Guidance ¹
Adjusted EBITDA (USDm)	Approx. 95	70-75 ¹ / approx. 95 ³	65-70

¹ Adjusted EBITDA before special items (excluding the impact of IFRS 16), including acquisition of Grupo Contenosa and Werner Logistics.

² Updated 31 August 2021. Guidance including the acquisition of Orbis Global Logistics and Horizon International Group was approx. USD 95m, assuming both were acquired end Q3 2021.

³ Adjusted EBITDA before special items (excluding the impact of IFRS 16), including acquisition of Grupo Contenosa, Werner Logistics, Orbis Global Logistics and Horizon International Group. Updated 31 August 2021.

» INCOME STATEMENT

USDm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue		580.4	310.9	1,429.9	866.7
Cost of operation		-492.1	-256.5	-1,217.2	-717.8
Gross profit		88.3	54.4	212.7	148.9
Other external expenses		-7.9	-5.3	-23.0	-18.1
Staff costs		-42.2	-28.0	-114.8	-79.5
Earnings before interest, tax, depreciation, amortisation (EBITDA) and special items	1	38.2	21.1	74.9	51.3
Amortisation and depreciation		-9.6	-8.8	-27.7	-26.7
Operating profit (EBIT) before special items		28.6	12.3	47.2	24.6
Special items, net		-1.8	-5.4	-3.4	-10.8
Financial income		1.2	0.2	3.2	2.5
Financial expenses		-8.7	-13.8	-25.3	-26.2
Profit before tax		19.3	-6.7	21.7	-9.9
Tax for the period		-0.2	-0.8	0.1	-1.0
Profit for the period		19.1	-7.5	21.8	-10.9
Total income for the period attributable to					
Owners of the Parent company		14.6	-7.9	18.9	-11.9
Non-controlling interests		4.5	0.4	2.9	1.0
Total		19.1	-7.5	21.8	-10.9

» COMPREHENSIVE INCOME STATEMENT

USDm	Q3 2021	Q3 2020	9M 2021	9M 2020
Profit for the period	19.1	-7.5	21.8	-10.9
<i>Items that may be reclassified to income statement when certain conditions are met:</i>				
Exchange rate adjustment	-5.2	2.7	-6.8	1.2
Total comprehensive income for the period	13.9	-4.8	15.0	-9.7
Total comprehensive income for the period attributable to				
Owners of the Parent Company	12.5	-5.1	12.4	-10.7
Non-controlling interests	1.4	0.3	2.6	1.0
Total	13.9	-4.8	15.0	-9.7

» BALANCE SHEET

USDm	Note	30.09.2021	30.09.2020	31.12.2020
ASSETS				
Intangible assets		414.0	348.1	359.9
Right of use assets		37.4	44.6	46.8
Property, plant and equipment		10.4	7.7	8.1
Other receivables <small>long</small>		3.3	2.6	2.8
Deferred tax asset		1.7	0.4	1.7
Total non-current assets		466.8	403.4	419.3
Trade receivables		418.9	166.3	195.9
Income tax receivables		1.9	1.7	0.8
Receivables from related parties <small>short</small>		3.1	1.2	0.0
Other receivables		19.3	7.9	6.0
Prepayments		13.0	4.8	4.8
Cash and cash equivalents	2	152.0	46.3	49.9
Total current assets		608.2	228.2	257.4
Total assets		1,075.0	631.6	676.7
EQUITY AND LIABILITIES				
Partnership interest		221.2	186.2	186.2
Currency translation reserve		-1.6	-1.2	4.8
Retained earnings		-54.6	-55.3	-73.0
Equity attributable to the Parent Company		165.0	129.7	118.0
Non-controlling interests		4.3	2.6	3.9
Total equity		169.3	132.3	121.9
Bond debt	3	521.0	288.2	300.2
Lease Liabilities, Right of use assets <small>long</small>		21.2	32.4	34.8
Deferred tax liability		18.0	11.1	11.3
Other liabilities <small>long</small>		0.4	2.0	4.1
Total non-current liabilities		560.6	333.7	350.4
Bank debt	2	0.0	0.0	0.1
Lease Liabilities, Right of use assets <small>short</small>		18.5	15.1	15.2
Payables to related parties		0.0	0.0	2.0
Trade payables		253.4	106.1	145.6
Deferred income		16.6	12.7	16.4
Corporation tax		2.8	2.1	4.0
Other liabilities		53.8	29.6	21.1
Total current liabilities		345.1	165.6	204.4
Total liabilities		905.7	499.3	554.8
Total equity and liabilities		1,075.0	631.6	676.7

» CASH FLOW STATEMENT

USDm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Operating profit (EBIT) before special items		28.6	12.1	47.2	24.5
Depreciation and amortisation		12.6	8.9	30.7	26.7
Non-cash transactions		0.0	0.9	0.0	-3.4
Change in working capital		-49.1	3.8	-117.5	8.5
Cash flows from operating activities before special items, interest and tax		-7.9	25.7	-39.6	56.3
Special items, received		0.0	0.4	0.0	1.0
Special items, paid		-1.7	-6.1	-3.4	-9.4
Interest received		0.0	-0.8	0.3	0.0
Interest paid		-8.9	-5.2	-22.2	-14.7
Tax paid		0.0	-1.2	-3.4	-4.2
Cash flows from operating activities		-18.5	12.8	-68.3	29.0
Purchase of software and other intangible assets		0.0	-1.4	-4.3	-3.5
Purchase of property, plant and equipment		-3.4	-0.3	-4.8	-1.4
Sale of property, plant and equipment		0.0	0.0	0.0	0.0
Earn-out paid		0.0	-4.1	-0.2	-4.3
Investments in Group entities		-33.6	-0.7	-71.1	-8.4
Disposals of Group entities		0.0	1.6	0.0	1.6
Special items, transactions cost acquisitions		0.0	0.0	0.0	0.0
Cash flows from investing activities		-37.0	-4.9	-80.4	-16.0
Free cash flow		-55.5	7.9	-148.7	13.0
Capital increase		35.0	0.0	35.0	0.0
Purchase of non-controlling interest		-0.8	-0.2	-0.8	-0.2
Dividend paid to non-controlling interests		-0.3	-1.0	-1.9	-1.9
Short-term loan to related entities		-0.3	-0.9	-5.1	-0.9
Proceeds from issuing bonds		130.3	30.7	239.9	30.7
Redemption of lease liabilities, right of use assets		-5.9	-5.2	-14.5	-14.6
Redemption of other acquisition debt		0.0	0.0	0.0	-0.7
Cash flows from financing activities		158.0	23.4	252.6	12.4
Change in cash and cash equivalents		102.5	31.3	103.9	25.4
Cash and cash equivalents					
Cash and cash equivalents beginning of period		54.1	12.6	49.8	19.1
Exchange rate adjustment of cash and cash equivalents		-4.6	2.4	-1.7	1.8
Change in cash and cash equivalents		102.5	31.3	103.9	25.4
Cash and cash equivalents end of period	2	152.0	46.3	152.0	46.3

» CHANGES IN EQUITY

USDm	Partnership interest	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non-Controlling Interests	Total Equity
Equity at 1 January 2021	186.2	4.8	-73.0	118.0	3.9	121.9
Profit for the period	0.0	0.0	18.9	18.9	2.9	21.8
Currency exchange adjustment	0.0	-6.5	0.0	-6.6	-0.8	-7.4
Other comprehensive income, net of tax	0.0	-6.5	0.0	-6.6	-0.8	-7.4
Total comprehensive income, net of tax	0.0	-6.5	18.9	12.3	2.6	15.0
Purchase of non-controlling interests	0.0	0.0	-0.7	-0.7	0.1	-0.8
Dividend distributed, non-controlling interests	0.0	0.0	0.0	0.0	-1.9	-1.9
Transfer	0.0	0.0	0.2	0.2	-0.2	0.0
Capital increase by cash payment	35.0	0.0	0.0	35.0	0.0	35.0
Total transactions with owners	35.0	0.0	-0.5	34.5	-2.2	32.3
Equity at 30 September 2021	221.2	-1.7	-54.6	163.0	4.3	169.3

USDm	Partnership interest	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non-Controlling Interests	Total Equity
Equity at 1 January 2020	186.2	-2.4	-43.3	140.5	3.0	143.5
Profit for the period	0.0	0.0	-11.9	-11.9	1.0	-10.9
Currency exchange adjustment	0.0	1.3	0.0	1.3	0.1	1.3
Reclassified to income statement	0.0	-0.1	0.0	-0.1	0.0	-0.1
Other comprehensive income, net of tax	0.0	1.2	0.0	1.2	0.1	1.2
Total comprehensive income, net of tax	0.0	1.2	-11.9	-10.7	1.0	-9.7
Purchase of non-controlling interests	0.0	0.0	-0.1	-0.1	0.4	0.3
Dividend distributed, non-controlling interests	0.0	0.0	0.0	0.0	-1.9	-1.9
Total transactions with owners	0.0	0.0	-0.1	-0.1	-1.5	-1.6
Equity at 30 September 2020	186.2	-1.2	-55.3	129.7	2.6	132.3

NOTES

NOTE 1 – ALTERNATIVE PERFORMANCE MEASURES

USDm	Q3 2021	Q3 2020	9M 2021	9M 2020
<i>Adjusted EBITDA:</i>				
EBITDA before special items	38.2	21.1	74.9	51.2
IFRS 16 impact	-8.3	-5.8	-17.5	-14.2
Other adjustments ¹	4.4	0.8	5.6	2.0
Adjusted EBITDA	34.3	16.1	63.0	39.1

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	30.09.2021	30.09.2020	31.12.2020
Cash and cash equivalents	152.0	46.4	49.9
Bank debt	0.0	0.1	-0.1
Net cash	152.0	46.3	49.8
Credit facilities	88.0	64.2	66.0
Liquidity reserve	88.0	110.5	115.8

NOTE 3 – BOND DEBT

Please refer to Note 7 in SGL Group.

NOTE 4 – BUSINESS COMBINATIONS

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.

The acquisition price for the activities was USD 0,65 million and an additional earnout of USD 0,35 million, financed through the subsequent bonds issue. Closing was 18 January 2021

In line with accounting of IFRS 3 and embedded control definition, the activities was already fully consolidated in the Group's financial statements and accounted for a minority.

»» NOTES – CONT'D

Acquisition of Werner Global Logistics

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

The acquisition price for the activities was USD 0,85 million and an additional earnout of maximum USD 1.65 million, paid in cash from available sources.

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

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 owns subsidiary TransGroup Express LLC acquired 100% of shares in Boston-based Precision Worldwide Logistics, Inc. Precision Worldwide Logistics has been operating under the TransGroup umbrella for more than 20 years already and is a leader in apparel distribution, medical devices, high-tech, and manufacturing logistics. Closing was 31 March 2021.

The acquisition price for the activities was USD 8,25 million and an additional earnout of maximum USD 0,5 million, financed through the subsequent bonds issue.

In line with accounting of IFRS 3 and embedded control definition, the activities was already fully consolidated in the Group's financial statements and accounted for a minority.

Acquisitions of shares in Chicago-based Expedited Solutions, LLC

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

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

In line with accounting of IFRS 3 and embedded control definition, the activities was already fully consolidated in the Group's financial statements and accounted for a minority.

Acquisition of Grupo Contenosa

On 27 April 2021, the SGLT Holding has, through its wholly owned subsidiary, Scan Global Logistics A/S acquired Grupo Contenosa, a Spanish family-owned freight forwarding company. With the acquisition, the Group becomes a significant player in the Spanish third-party logistics market and enables the Group to grow its network and presence in Spain and Mexico. The Group gains access to new profitable niche markets and most importantly, the acquisition will bring additional human capital to a core Group country. With seven offices in Spain and Mexico, Grupo Contenosa generates yearly revenue above EUR 50 million.

NOTES – CONT'D

The acquisition price for the activities was USD 23.7 million, financed through the issue of new senior secured fixed-rate bonds.

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

For further details on the Grupo Contenosa acquisition please refer to note 8 in the Q3 interim financial statement for SGL Group.

Acquisition of Horizon International Group

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

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

The acquisition price for the activities was USD 67.3 million, financed through the issue of new senior secured fixed-rate bonds.

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

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.

Acquisition of Orbis Global Logistics

On 30 September 2021 SGL International A/S has, through its wholly owned subsidiary, Scan Global Logistics A/S, signed the acquisition of Orbis Global Logistics, a New Zealand freight forwarding company.

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

The initial acquisition price for the activities was USD 15.6 million, financed through the issue of new senior secured fixed-rate bonds and an additional earnout.

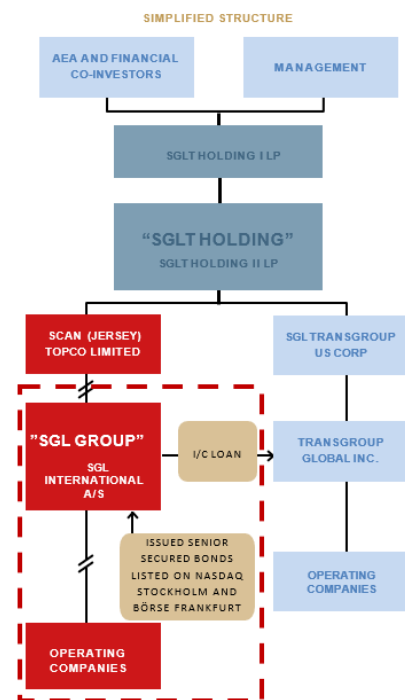
Closing was 30 September 2021; from which date the activities are consolidated in the Group's financial statements.

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



SGL GROUP

FIRST 9 MONTHS OF 2021,
Q3 2021



» FINANCIAL HIGHLIGHTS

DKKm	Q3 2021	Q3 2020	9M 2021	9M 2020
Income Statement				
Revenue	2,639.9	1,347.6	6,396.6	3,858.6
Gross profit	403.8	235.5	943.2	706.2
EBITDA before special items	182.1	97.8	337.9	252.5
EBITDA before special items excluding IFRS 16 ¹	139.5	71.6	249.1	183.3
Operating profit (EBIT) before special items	117.3	55.9	186.2	119.8
Special items, net	-9.2	-28.1	-17.5	-52.8
Financial items, net	-28.4	-68.1	-81.0	-94.9
Profit before tax	79.7	-40.3	87.7	-27.9
Profit for the period	78.7	-43.3	79.2	-32.9
Cash flow				
Cash flow from operating activities before special items, interest and tax	-51.7	91.2	-259.7	229.7
Cash flow from operating activities	-94.8	30.9	-381.4	108.4
Cash flow from investing activities	-239.6	-22.2	-420.1	-93.4
Free cash flow	-334.4	8.7	-801.5	15.0
Cash flow from financing activities	1,001.9	169.3	1,644.2	121.7
Cash flow for the period	665.5	178.0	842.7	136.7
Financial position				
			30.09.2021	30.09.2020
Total Equity			755.2	532.2
Equity attributable to parent company			754.6	526.2
Net interest-bearing debt (NIBD)			1,823.7	1,229.2
Net interest-bearing debt (NIBD) excluding IFRS 16			1,608.9	990.3
Total assets			6,396.8	3,437.2
Financial ratio in %				
Gross margin	15.3	18.8	14.7	18.3
EBITDA margin before special items	6.9	7.3	5.3	6.5
EBITDA margin before special items excluding IFRS 16 ¹	5.3	5.3	3.9	4.7
EBIT margin before special items	4.4	4.1	2.9	3.1
Equity ratio			11.8	15.5
Other				
Number of full-time employees at the end of the period			1,755	1,289

¹ EBITDA presented before applying the accounting of IFRS 16 Leases; where costs related to leased assets have been recognized in the PL impacting the result negatively.

»» FINANCIAL PERFORMANCE

SGL Group delivered its best quarterly financial result to date. EBITDA before special items, excluding IFRS 16 accounting was DKK 224.8 million.

Although activity is increasing, especially for the Air & Ocean segment, the consequences of COVID-19 remain 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 many regions. In turn, this puts pressure on cash flows.

SGL Group has continued its disciplined execution of cost saving initiatives, which were initiated in the begin of COVID-19, throughout Q3 2021; however at the same time, adjusted to match operational capacity for the increased activity levels, which has driven an increase in Adjusted EBITDA before special items and excluding IFRS 16 accounting of 35.9% compared to the first 9 months of 2020.

Further, SGL Group remained committed to its organic initiatives and acquisition strategy, and during Q3 2021, SGL Group acquired Horizon International Cargo Limited (UK) and Orbis Global Logistics (New Zealand).

Financial results for the period – First 9 months 2021

- »» Revenue amounted to DKK 6,396.6 million for the first 9 months of 2021, an increase of 66% compared to the first 9 months of 2020. Revenue increases throughout the first 9 months was primarily driven by a mix of strong increase in activity and an exponential increase in freight rates globally due to capacity constraints – an aftermath of COVID-19. Supporting this, the Shanghai Containerized index have risen continuously throughout the first 9 months of 2021. The increase in activity levels was experienced across all regions, especially Air and Ocean activities in the Nordics, Asia Pacific and North America have been impacted.
- »» Gross profit amounted to DKK 943.2 million for the first 9 months of 2021; an increase of 34% compared with the first 9 months of 2020. The significant increase in revenue, has been converted to a strong increase in gross profit; however due to the high rates, we have seen a slight decrease in gross margin of 3.6%-point compared to same period last year. The decline mainly relates to Air & Sea, where higher freight rates cause higher pass-through revenue and thus a lower gross margin.
- »» SG&A costs amounted to DKK 605.3 million for the first 9 months of 2021; an increase by 33.4% compared to same period last year. SG&A costs were 9.5% of the revenue, slightly below last year's level. The increase is coming from greenfield activities and M&A activities together with scaling Group functions for future growth resulting in an increase in FTEs of 35% from 1,296 as of 30 September 2020 to 1,755 as of 30 September 2021.
- »» EBITDA before special items and excluding IFRS 16 accounting amounted to DKK 249.1 million; an increase of 35.9% compared to same period last year, driven by organic growth and acquisitions.
- »» Depreciation and amortisation; DKK 151.7 million, an increase of 14% compared to the first 9 months of 2020. The increase was driven by IFRS 16 and specific changes in asset mix in the first 9 months of 2020.
- »» Special Items amounted to DKK -17.5 million for the first 9 months of 2021; driven by greenfield activities and M&A related costs and repayment of government incentive received in 2020.
- »» Net financial items amounted to a net expense of DKK 81.0 million. The development was mainly driven by interest expenses from issued bonds partly offset by foreign exchange gains and interest income from related parties related to the I/C loan to SGL's American entities.

»» FINANCIAL PERFORMANCE – CONT'D

- »» Cash flow from operating activities before special items, interest and tax was negative with DKK 53.3 million for Q3 2021 and DKK 239.7 million for the first 9 months of 2021; a development positively affected by EBIT, however offset by a significant use of cash from net working capital.
- »» Capital structure: The equity attributable to the Parent company was DKK 754.6 million. The total equity ratio was 11.8% as per 30 September 2021 compared to 15.5% as per 30 September 2020 and 14.2% as per 31 December 2020. The decreased equity ratio is driven by increased debt levels as a result of issuing new bond debt. A capital increase by cash payment of DKK 224.8 million was made during Q3.
- »» Net Interest-Bearing Debt (NIBD) was DKK 1,825.7 million and DKK 1,608.9 million excluding lease liabilities as of 30 September 2021 (30 September 2020: DKK 1,229.2 million and DKK 990.3 million excluding lease liabilities). The increase was driven by the new issue of EUR 225 million senior secured fixed rate bonds, EUR 40 million subordinated unsecured bonds and repurchase of EUR 57.8 million bonds under the EUR 315 million framework. Bond debt was raised for acquisitions and general corporate purposes.
- »» Change in Net Working Capital increased with DKK 495.1 million for the first 9 months of 2021. During 2021, and especially in Q2 and Q3, receivables from our customers were impacted by the record-high freight rates leading to an increase in revenue and thereby increase in trade receivables and NWC. Especially the infrastructure challenges in China impacts the invoicing process due to delays in seaports and airports. The main NWC impact is primarily seen in Ocean, as this segment achieved a significant growth rate, and this this segment generally has a higher NWC than the other segments.

»» OUTLOOK

- »» SGL Group maintains its updated full-year outlook of EBITDA before special items (excluding the impact of IFRS 16) in the range of DKK 320 million to DKK 350 million for 2021; including acquisition of Orbis Global Logistics and Horizon International Group. 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%.
- »» SGL Group still expects to achieve an EBITDA margin before special items (excluding the impact of IFRS 16) within the range of 3.5% to 4.5%; however, due to the pressure on capacity and the subsequently high levels, SGL Group expects the margin to be in the lower end of the range
- »» The outlook was updated as part of the Interim Financial Report for first half of 2021. Full year outlook for 2021 previously announced in the Annual report 2020 was in the range of DKK 270 million to DKK 300 million.

	New Guidance²	Initial Guidance ¹
Adjusted EBITDA (DKKm)	320-350	270-300
EBITDA margin (%) before special items	3.5-4.5	3.5-4.5

¹ Adjusted EBITDA before special items (excluding the impact of IFRS 16), including acquisition of Grupo Contenosa and Werner Logistics

² Adjusted EBITDA before special items (excluding the impact of IFRS 16), including acquisition of Grupo Contenosa, Werner Logistics, Orbis Global Logistics and Horizon International Group (both acquired and consolidated at 30 September 2021). Updated 31 August 2021.

» INCOME STATEMENT

DKKm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Revenue	1	2,639.9	1,347.6	6,396.6	3,858.6
Cost of operation	1	-2,236.1	-1,094.1	-5,453.4	-3,152.4
Gross profit		403.8	253.5	943.2	706.3
Other external expenses		-31.3	-29.6	-93.6	-83.7
Staff costs		-190.4	-126.2	-511.7	-370.1
Earnings before interest, tax, depreciation amortisation (EBITDA) and special items		182.1	97.8	337.9	252.5
Amortisation and depreciation		-64.8	-41.9	-151.7	-132.7
Operating profit (EBIT) before special items		117.3	55.9	186.2	119.8
Special items, net	2	-9.2	-28.1	-17.5	-52.8
Financial income	3	42.4	12.9	70.3	48.0
Financial expenses	3	-70.8	-81.0	-151.3	-142.9
Profit before tax		79.7	-40.3	87.7	-27.9
Tax for the period		-1.0	-3.0	-8.5	-5.0
Profit for the period		78.7	-43.3	79.2	-32.9
Total income for the period attributable to					
Owners of the Parent Company		79.1	-43.2	80.5	-32.9
Non-controlling interests		-0.4	-0.1	-1.3	-0.7
Total		78.7	-43.3	79.2	-32.9

» COMPREHENSIVE INCOME STATEMENT

DKKm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Profit for the period		78.7	-45.6	79.2	-32.9
Items that may be reclassified to income statement when certain conditions are met:					
Reclassified to income statement		0.0	-0.6	0.0	-0.6
Exchange rate adjustment		6.1	-4.7	-14.7	-9.1
Total comprehensive income for the period		72.6	-48.6	64.5	-42.6
Total comprehensive income for the year attributed to					
Owners of the Parent Company		55.8	-48.5	67.4	-41.9
Non-controlling interests		-0.4	-0.1	-2.9	-0.7
Total		55.4	-48.6	64.5	-42.6

» BALANCE SHEET

DKKm	Note	30.09.2021	30.09.2021	31.12.2020
ASSETS				
Intangible assets	4	1,848.5	1,439.0	1,451.5
Right of use assets		200.2	225.4	230.5
Property, plant and equipment		40.6	30.5	31.5
Receivables from related parties	5	772.8	662.8	694.7
Other receivables		18.8	14.8	15.0
Deferred tax assets		11.1	2.6	10.6
Total non-current assets		2,892.0	2,375.1	2,433.8
Trade receivables		2,334.6	790.4	803.7
Income tax receivables		4.3	9.8	4.2
Other receivables		113.4	26.1	29.4
Prepayments		34.5	27.1	23.7
Cash and cash equivalents	6	1,018.0	208.7	186.8
Total current assets		3,504.8	1,062.1	1,047.8
Total assets		6,396.8	3,437.2	3,481.6
EQUITY AND LIABILITIES				
Shared capital		0.5	0.5	0.5
Shared premium		202.7	2.8	2.8
Currency translation reserve		-16.8	-34.8	-30.6
Retained earning		568.2	557.7	487.1
Equity attributable to the Parent Company		754.6	526.2	459.8
Non-controlling interests		0.6	6.0	6.1
Total equity		755.2	532.2	465.9
Bond debt	7	3,361.6	1,832.8	1,833.0
Lease Liabilities, Right of use assets		111.3	162.6	169.4
Deferred tax liabilities		106.6	60.2	59.2
Other liabilities		2.1	12.7	24.8
Total non-current assets		3,581.6	2,068.3	2,086.4
Bank debt	6	0.0	0.1	0.3
Lease Liabilities, Right of use assets		103.5	76.3	75.0
Trade payables		1,583.4	542.0	668.6
Deferred income		50.9	43.8	56.1
Corporation tax		18.1	13.4	24.2
Other liabilities		304.1	161.1	105.1
Total current liabilities		2,006.0	836.7	929.3
Total liabilities		5,641.6	2,905.0	3,015.7
Total equity and liabilities		6,396.8	3,437.2	3,481.6

» CASH FLOW STATEMENT

DKKm	Note	Q3 2021	Q3 2020	9M 2021	9M 2020
Operating profit (EBIT) before special items		117.3	55.9	186.2	119.8
Depreciation and amortisation		64.8	41.9	151.7	132.7
Non-cash transactions		0.0	1.6	0.0	-11.4
Change in working capital		-233.8	-8.2	-597.6	-11.4
Cash flows from operating activities before special items, interest and tax		-51.7	91.2	259.7	229.7
Special items, received		0.0	2.5	0.0	6.4
Special items, paid		-9.2	-36.6	-17.5	-53.3
Interest received	3	13.7	15.6	47.3	45.7
Interest paid	3	-46.4	-34.9	-129.0	-93.7
Tax paid		-1.2	-6.9	-22.5	-26.4
Cash flows from operating activities		-94.8	30.9	-381.4	108.4
Purchase of software and other intangible assets		0.0	-8.3	-25.5	-20.6
Purchase of property, plant and equipment		-14.8	-1.1	-19.9	-6.7
Earn-out paid		0.0	-23.4	-1.5	-27.3
Investments in Group entities	8	-224.8	0.0	-373.2	-49.4
Disposals of Group entities		0.0	10.6	0.0	10.6
Cash flows from investing activities		-239.6	-22.2	-420.1	-93.4
Free cash flow		-334.4	8.7	-801.5	15.0
Capital increase		220.2	0.0	220.2	0.0
Loan to related entities		-42.9	0.0	-39.9	0.0
Proceeds from issuing bonds		854.8	195.5	1,540.3	195.5
Redemption of lease liabilities, right of use assets		-30.2	-26.2	-76.4	-69.2
Redemption of other acquisition debt		0.0	0.0	0.0	-4.2
Cash flows from financing activities		1,001.9	169.3	1,644.2	121.7
Change in cash and cash equivalents		665.9	178.0	842.7	136.7
Cash and cash equivalents					
Cash and cash equivalents beginning of period		363.6	40.2	186.8	86.3
Exchange rate adjustment of cash and cash equivalents		-13.1	-9.5	-11.5	14.3
Change in cash and cash equivalents		665.9	178.0	842.7	136.7
Cash and cash equivalents end of period	6	1,018.0	208.7	208.7	1208.7

» CHANGES IN EQUITY

	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non- Controlling Interests	Total Equity
DKKm							
Equity at 1 January 2021	0.5	2.8	-30.6	487.1	459.8	6.1	465.9
Profit for the period	0.0	0.0	0.0	80.5	80.5	-1.3	79.2
Currency exchange adjustment	0.0	0.0	-13.1	0.0	-13.1	-1.6	-14.7
Other comprehensive income, net of tax	0.0	0.0	-13.1	0.0	-13.1	-1.6	-14.7
Total comprehensive income, net of tax	0.0	0.0	-13.1	80.5	67.4	-2.9	64.5
Transfer	0.0	0.0	2.6	0.0	2.6	-2.6	0.0
Capital increase by cash payment	0.0	224.8	0.0	0.0	224.8	0.0	224.8
Total transactions with owners	0.0	224.8	2.6	0.0	227.4	-2.6	224.8
Equity at 30 September 2021	0.5	227.6	-41.1	567.6	754.6	0.6	755.2

	Share Capital	Share Premium	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non- Controlling Interests	Total Equity
DKKm							
Equity at 1 January 2020	0.5	2.8	-25.1	589.9	568.1	6.7	574.8
Profit for the period	0.0	0.0	0.0	-32.2	-32.2	-0.7	-32.9
Reclassified to income statement	0.0	0.0	-0.6	0.0	-0.6	0.0	-0.6
Currency exchange adjustment	0.0	0.0	-9.1	0.0	-9.1	0.0	-9.1
Other comprehensive income, net of tax	0.0	0.0	-9.7	0.0	-9.7	0.0	-9.7
Total comprehensive income, net of tax	0.0	0.0	-9.7	-32.2	-41.9	-0.7	-42.6
Equity at 30 September 2020	0.5	2.8	-34.8	557.7	526.2	6.0	532.2

NOTE 1 – SEGMENT INFORMATION

DKKm	Air 9M 2021	Ocean 9M 2021	Road 9M 2021	Solution 9M 2021	Total 9M 2021
Revenue (services)	3,484.7	4,756.0	608.7	153.0	9,002.4
Intercompany revenue	-1,127.2	-1,465.3	-6.6	-6.7	-2,605.8
Net revenue (services)	2,357.5	3,290.7	602.1	146.3	6,396.6
Cost of operation	-1,993.5	-2,847.7	-501.2	-111.0	-5,453.4
Gross profit	364.0	443.0	100.9	35.3	943.2
Sales, distribution and administration costs, not allocated to segments					-605.3
Earnings before interest, tax, depreciation, amortisation (EBITDA) and special items					337.9
Depreciation and amortisation					-151.7
Operating profit (EBIT) before special items					186.2
Special items, net					-17.5
Financial items, net					-81.0
Profit before tax					87.7

DKKm	Air 9M 2020	Ocean 9M 2020	Road 9M 2020	Solution 9M 2020	Total 9M 2020
Revenue (services)	2,979.7	1,533.1	506.1	142.0	4,978.9
Intercompany revenue	-939.4	-153.0	-27.9	0.0	-1,120.3
Net revenue (services)	1,858.3	1,380.1	478.2	142.0	3,858.6
Cost of operation	-1,526.3	1,154.0	390.1	82.0	-3,152.3
Gross profit	332.1	226.1	88.1	60.0	706.2
Sales, distribution and administration costs, not allocated to segments					-453.8
Earnings before Interest, tax, depreciation, amortisation (EBITDA) and special items					252.5
Depreciation and amortisation					-132.7
Operating profit (EBIT) before special items					119.8
Special items, net					-52.8
Financial items, net					-94.9
Profit before tax					-27.9

NOTE 2 – SPECIAL ITEMS, NET

DKKm	Q3 2021	Q3 2020	9M 2021	9M 2020
COVID-19 activities ¹	1.1	16.5	2.0	37.6
M&A activities ² and Green field activities ³	8.1	3.9	15.5	10.1
Gain on disposed entities, Airlog companies	0.0	0.0	0.0	-7.6
Other cost	0.0	-0.8	0.0	4.3
Total special items, net	9.2	28.1	17.5	52.8

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 Orbis and Horizon.

³ Mainly related to Greenfield activities in France.

NOTE 3 – FINANCIAL ITEMS

DKKm	Q3 2021	Q3 2020	9M 2021	9M 2020
Financial income from related parties	16.3	12.9	49.9	46.9
Interest income	0.0	0.0	0.0	1.1
Exchange rate gains	26.1	0.0	20.4	0.0
Total financial income	42.4	12.9	70.3	48.0

DKKm	Q3 2021	Q3 2020	9M 2021	9M 2020
Interest expenses	7.8	2.3	14.3	4.8
Lease interest expenses	5.1	4.7	13.6	11.9
Bond interest expenses	54.9	31.7	116.0	89.2
Amortisation of capitalised loan costs	3.0	1.2	7.4	3.3
Exchange rate losses	0.0	41.1	0.0	33.7
Total financial expenses	70.8	81.0	151.3	142.9

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

DKKm	Air 9M 2021	Ocean 9M 2021	Road 9M 2021	Solution 9M 2021	Total 9M 2021
Balance at 1 January	618.8	693.6	56.4	4.0	1,372.8
Exchange rate adjustments	-1.7	-0.6	-0.4	0.0	-2.7
Additions from acquisitions	152.1	262.2	0.0	20.4	434.7
Additions	0.0	0.0	0.0	0.0	0.0
Amortisation	-17.3	-21.1	-2.4	-0.1	-40.9
Balance at 30 September	751.9	934.1	53.6	24.3	1,763.9
Software					84.6
Total Intangible Assets					1,848.5

DKKm	Air 9M 2020	Ocean 9M 2020	Road 9M 2020	Solution 9M 2020	Total 9M 2020
Balance at 1 January	637.3	633.8	53.4	4.1	1,328.6
Exchange rate adjustments	-2.2	-2.1	-0.6	0.0	-4.9
Additions from acquisitions	1.2	79.0	3.8	0.0	84.2
Additions	1.0	1.0	0.0	0.0	2.0
Amortisation	-23.3	-18.1	-2.4	-0.1	-43.9
Balance at 30 September	614.0	693.6	54.2	4.0	1,365.8
Software					73.2
Total Intangible Assets					1,439.0

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 – RECEIVABLES FROM RELATED PARTY

DKKm		30.09.2021	30.09.2020	31.12.2020
Total receivable from Transgroup Global Inc.				
		772.8	662.8	694.7
	Cash flow ¹	Carrying amount	Carrying amount	Carrying amount
Receivable falling due between 1 and 5 years	909.3	772.8	662.8	694.7
Total non-current receivable from Transgroup Global Inc.	974.0	772.8	662.8	694.7
Current receivable Transgroup Global Inc.	64.7			

¹ Total cash flows including interest.

NOTE 6 – CASH AND LIQUIDITY RESERVE

DKKm		30.09.2021	30.09.2020	31.12.2020
Cash and cash equivalents		1,018.0	208.7	186.8
Bank debt		0.0	-0.1	0.0
Net Cash		1,018.0	208.6	186.8
Credit facilities ¹		404.5	248.5	248.2
Liquidity reserve		1,422.5	457.0	434.7

¹ In July 2021 the credit facilities were increased to DKK 300 million and extended to 31st August 2022.

NOTE 7 – BOND DEBT

DKKm		30.09.2021	30.09.2020	31.12.2020
Issued bonds, EUR 250 million, interest rate 1 month EURIBOR + 6.75% ¹		1,859.1	1,861.6	1,859.9
Issued bonds, EUR 225 million, interest rate 7.75%		1,673.1	0.0	0.0
Issued bonds, EUR 40 million, interest rate 11.50%		297.4	0.0	0.0
Bonds held by SGL Group ¹		-429.9	0.0	0.0
Capitalised loan costs		-38.1	-28.8	-26.9
Total bond debt		3,361.6	1,832.8	1,833.0
	Cash flow ⁴	Carrying amount	Carrying amount	Carrying amount
Total Bond debt ⁵	4,825.8	3,829.6	1,861.6	1,859.8
Total non-current financial liabilities	4,567.1	3,829.6	1,861.6	1,859.8
Current portion of financial liabilities	258.7			

¹ At 30 September 2021 SGL Group held EUR 57.8 million of Bonds with an interest rate of 6.75%. The net nominal value of the bond (6.75%) debt was EUR 192.2 million (DKK 1,429.1 million).

⁴ Total cash flows including interest.

⁵ Total cash flows excluding bonds held by SGL Group is DKK 4,304.7 million.

The fair value of the issued bonds with ISIN SE0013101219 were EUR 253.8 million, totalling DKK 1,886.9 million, based on quoted bond rates of 101.50 at Börse Frankfurt on 30 September 2021.

The fair value of the issued bonds with ISIN SE0015810759 were EUR 231.8 million, totalling DKK 1,148.9 million, based on quoted bond rates of 103.0 at Börse Frankfurt on 30 September 2021.

The fair value of the issued bonds with ISIN SE0016797625 were EUR 39.6 million, totalling DKK 294.5 million, based on quoted bond rates of 103.0 at Börse Frankfurt on 30 September 2021.

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 its customers more effectively 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 DKK 5,2 million thousand and an additional earn-out of maximum DKK 10,1 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.

Acquisitions of Grupo Contenosa

On 27 April 2021, the SGLT Holding has, through its wholly owned subsidiary, Scan Global Logistics A/S acquired Grupo Contenosa, a Spanish family-owned freight forwarding company. With the acquisition, the Group becomes a significant player in the Spanish third-party logistics market and enables the Group to grow its network and presence in Spain and Mexico. The Group gains access to new profitable niche markets and most importantly, the acquisition will bring additional human capital to a core Group country. With seven offices in Spain and Mexico, Grupo Contenosa generates yearly revenue above EUR 50 million.

The acquisition price for the activities was DKK 167,8 million, financed through the issue of new senior secured fixed-rate bonds.

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

Fair value of acquired net assets and recognised goodwill

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

DKKm	Fair value at date of acquisition
Provisional fair value at date of acquisition:	
ASSETS	
Other Intangible assets	2.0
Property, plant and equipment	3.4
Non-current receivables	0.1
Trade receivables	73.4
Other receivables	1.0
Cash and cash equivalents	25.3
Total assets	105.2
LIABILITIES	
Finance liabilities	0.7
Provisions	1.5
Trade payables	56.1
Deferred tax	0.1
Corporation tax	1.9
Other payables	10.4
Total liabilities	70.6
Acquired net assets	34.6
Goodwill	68.5
Customer relations	85.2
Trademarks	1.0
Deferred tax	-21.6
Fair value of total consideration	167.8
Cash consideration	167.8
Adjustment for cash and cash equivalents taken over	-25.3
Cash consideration for the acquisitions	142.5
Transaction costs for acquisitions included in special items	2.1
Investments in Group entities (cash outflow)	144.5

» NOTES – CONT'D

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

Earnings impact

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

During the 5 months after the acquisition date, Grupo Contenosa contributed with DKK 315 million to the Group's revenue and DKK 23 million to the Group's operating profit before special items. If the acquisition had taken place 1 January 2021 the Group's consolidated proforma revenue and operating profit before special items would have amounted approx. to DKK 2.748 million and DKK 129 million, respectively.

Fair value measurement

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

Customer relationships

Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valued using an IRR of 19,5% as discount rate. In total, customer relationships amounting to DKK 85.2 million have been included in the opening balance.

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

Trade receivables and payables

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

Financial liabilities

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

» NOTES – CONT'D

Acquisition of Horizon International Group

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

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

The acquisition price for the activities was DKK 432 million, financed through the issue of new senior secured fixed-rate bonds.

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

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.

Acquisition of Orbis Global Logistics

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

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

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

The initial acquisition price for the activities was DKK 100 million, financed through the issue of new senior secured fixed-rate bonds and an additional earnout.

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

NOTE 9 – 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.

» NOTES – CONT'D

New accounting regulation adopted in 2021

SGL Group has implemented the latest International Financial Reporting Standards (IFRS) and amendments effective as of 30 September 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)

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 2020.

» MANAGEMENT'S 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 30) for the period 1 January to 30 September 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 30 September 2021 and operations and cash flow for the period 1 January - 30 September 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, 22 November 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