

Company announcement from SGL TransGroup International A/S

20 April 2020

Company announcement no. 22

Initiation of a written procedure

SGL TransGroup International A/S (the "**Company**" and the Company together with TransGroup Global Inc., and all their respective Subsidiaries from time to time the "**Group**") has instructed the agent for the Company's up to EUR 315,000,000 senior secured bonds with ISIN SE0013101219 (the "**Bonds**") to initiate a written procedure to request that bondholders to vote in favour of temporarily (i) amending and restating item (p) of the definition "**Permitted Debt**" in the terms and conditions of the Bonds (the "**Terms and Conditions**"), (ii) including a new paragraph (j) in Clause 11.1 of the Terms and Conditions and (iii) amending and restating the definition of "**Super Senior Headroom**" in the Issuer Intercreditor Agreement (as defined in the Terms and Conditions) so that the threshold for the working capital facility for a period of time is calculated on a net basis as further described in the notice of written procedure (the "**Proposal**").

Bondholders together representing approximately 46% of the outstanding volume under the Bonds have expressed support for the Proposal.

The COVID-19 pandemic has already had, and is expected to continue to have, a significant impact on global trade flows, in particular between Europe, the US and Asia, which represent the Group's principal markets. As a consequence, over the coming months the Group expects to see disruption on air freight and in isolated cases ocean freight and road freight. The differentiated mix of the Group's customers may allow for disruptions in certain verticals to be offset by recovery in part, or in full, in other verticals. Further, the pandemic has driven a surge in global demand for medical and hygiene equipment such as face masks, hand sterilizer and ventilators, which in turn has led to higher volumes from the Group's NGO customers. Whilst these bodies are highly credit-worthy customers, with zero bad debts historically, they require longer payment terms which in turn drives higher working capital. When the pandemic recedes and global trade flows pick up, the Group expects a return in demand from many corporate customers, which will result in a one-time, short-term working capital demand peak. The proposed changes will allow the Group to maximise its efforts in providing its services to key clients in a situation of need, while at the same time giving the Group the necessary flexibility to seize attractive business cases in a distressed market.

The agent will deliver the notice to a written procedure to all bondholders on 20 April 2020. The written procedure will commence on 24 April and end on 15 May 2020. To be eligible to participate in the written procedure a person must fulfil the formal criteria for being a bondholder on 24 April 2020. This means

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Company Reg. No.: 37 52 10 43

that the person must be registered on a securities account with Euroclear Sweden AB as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

Pareto Securities AB has been retained as financial advisor in connection with the written procedure.

The notice to the written procedure is available on the Company's website (www.scangl.com) and on Stamdata (www.stamdata.com).

For further information, please contact:

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Information:

This information is information that SGL TransGroup International A/S is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 10:30 CEST on 20 April 2020.