



# INTERIM FINANCIAL REPORT

## FIRST QUARTER OF 2022

### Q1 2022

**SGL International A/S**

10 May 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 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 bonds through SGL International A/S.

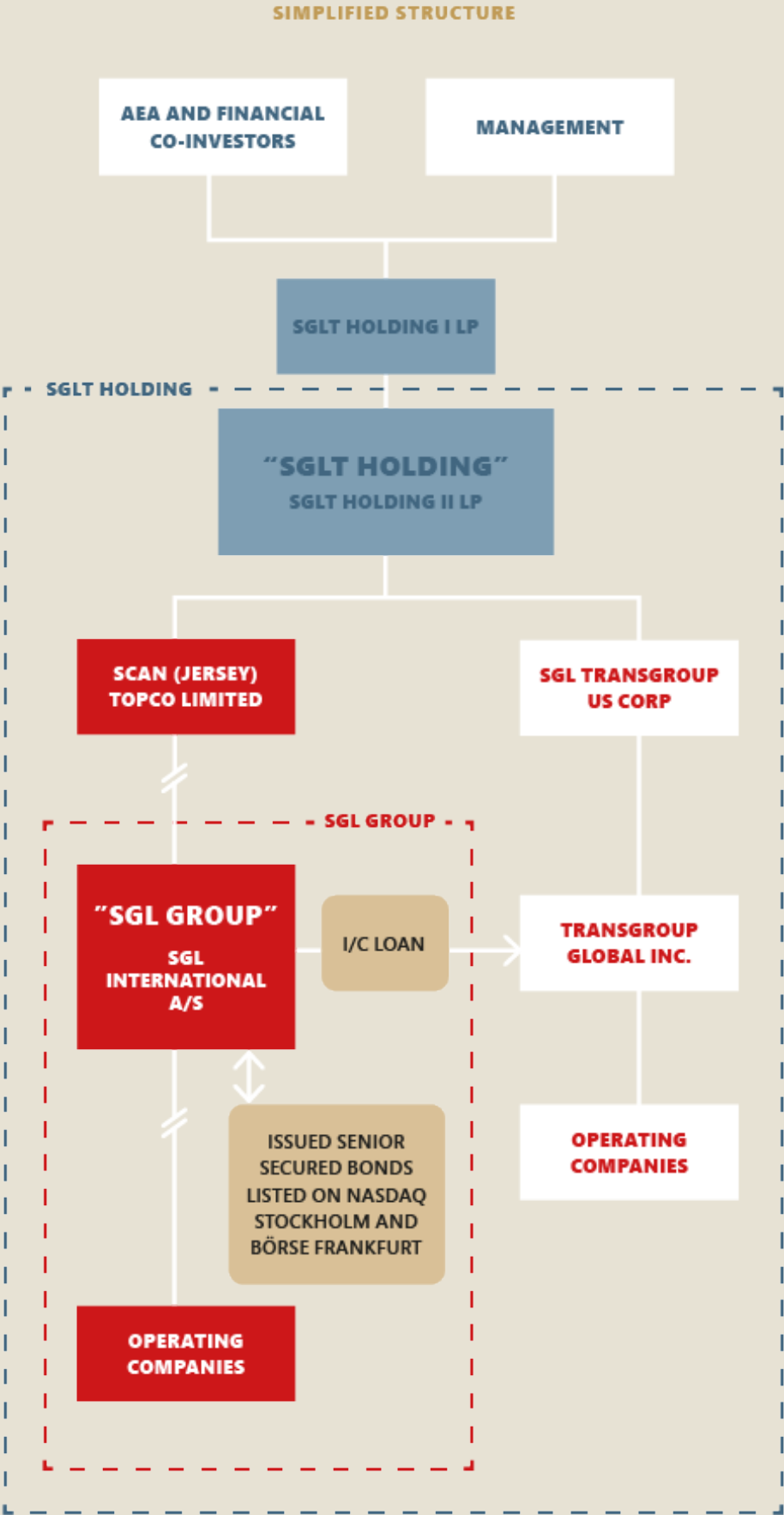
Reporting currency for SGLT Holding is USD.

## 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 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 590 million at 31 March 2022, within a total framework of EUR 705 million.

Reporting currency for SGL Group is DKK.



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# SGLT HOLDING

## Q1 2022



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# FINANCIAL HIGHLIGHTS

## SGLT HOLDING

SIMPLIFIED STRUCTURE

Key figures (in USDm)	Q1 2022	Q1 2021	FY 2021
<b>Income statement</b>			
Revenue	903	381	2,274
Gross profit	123	55	333
EBITDA before special items	60	13	129
Operating profit (EBIT)	46	3	74
Special items, net	-3	-1	-12
Financial items, net	-14	-2	-37
Result for the period	24	-5	22
<b>Income statement (Business Performance)</b>			
Adjusted EBITDA*	55	9	112
<b>Cash flow</b>			
Cash flows from operating activities	98	-19	-144
Cash flows from investing activities	-4	-13	-84
Free cash flow	94	-32	-228
Cash flows from financing activities	77	-9	249
Cash flow for the period	171	-41	21

Key figures (in USDm)	Q1 2022	Q1 2021	FY 2021
<b>Financial position</b>			
Total equity	197	117	169
Net working capital	192	43	256
Net interest-bearing debt (NIBD) excl. IFRS 16 and PIK note**	356	326	401
Total assets	1,250	675	1,127
<b>Financial ratios in %</b>			
Gross margin	13.6	14.3	14.6
EBITDA margin before special items	6.6	3.4	5.7
Adjusted EBITDA margin*	6.1	2.4	4.8
EBIT margin	5.1	0.8	3.3
Equity ratio	15.8	17.4	15.0
<b>Other</b>			
Number of average full-time employees	2,663	1,810	2,322

\*\*Payment-in-kind



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

# FINANCIAL PERFORMANCE

## SGLT HOLDING

SGLT Holding once again delivered its best quarterly financial results to date. The adjusted EBITDA totaled USD 55 million for the first quarter 2022.

The year 2022 picked up where 2021 ended. SGLT Holding delivered a strong organic growth including greenfield activities of 385% on operating profit from major trade lanes and markets. Total growth compared to first quarter 2021 was 496% of which M&A activities contributed with 111%. Further, SGLT Holding has seen a strong growth in activity levels and performance in companies acquired during 2021. The volatility and continued complexity in the market enables SGLT Holding to apply its entrepreneurial business model in providing complex solutions to its customers. Net working capital development and strong results amounted to a positive free cash flow of USD 94 million compared to negative USD 32 million first quarter last year. SGLT Holding remains committed to its organic initiatives and acquisition strategy.

### *Financial results for the period – First quarter 2022*

- Revenue amounted to USD 903 million for the first quarter of 2022, an increase of 137% compared to the first quarter 2021 including negative impact of FX translation of approximately USD 23 million. The increased revenue was driven by several factors. A mix of strong 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. The acquisitions made in Q2-Q4 2021 also contributed. The increase in activity levels was experienced across all regions, especially Air & Ocean activities in the Nordics, Asia Pacific and North America.
- Gross profit amounted to USD 123 million for the first quarter 2022 (gross margin 13.6%); an increase of 124% compared with the first quarter 2021, including positive impact FX translation of approximately USD 6 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 13.6%; equivalent to a decrease of 1.3% point compared to same period last year. The decline 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 but limited effect on unit level gross profit.
- SG&A costs amounted to USD 63 million for the first quarter of 2022; impacted by a positive FX translation of approximately USD 3 million, resulting in an increase of 50% compared to the first quarter 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 16% in first quarter 2021 to 44% in first quarter 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 together with scaling Group functions for future growth.

- Adjusted EBITDA amounted to USD 55 million for the first quarter of 2022; compared to USD 9 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 USD -3 million for the first quarter of 2022 mainly driven by greenfield activities and M&A related costs from activities in 2021.
- Operating Profit (EBIT) amounted to USD 46 million for the first quarter of 2022 compared to USD 3 million same period last year.
- Financial items amounted to net expenses of USD 14 million for the first quarter of 2022. The development was mainly driven by interest expenses from issued bonds and foreign exchange losses.
- Cash flow from operating activities was positive with USD 98 million in first quarter 2022; a development positively affected by EBIT, supported by cash flows from decreased Net working capital from the high levels in 2021. Payments for investments in Group entities relates to previous periods.
- Capital structure: the equity attributable to the parent company was USD 193 million. The total equity ratio was 15.8% as per 31 March 2022. Compared to 31 March 2021 the equity ratio decreased 1.6% point driven by increased debt levels as a result of issuing new and subsequent bond debt. A capital increase by cash payment of USD 35 million was made during Q3 2021.
- Net interest-bearing debt (NIBD) was USD 356 million excluding lease liabilities as of 31 March 2022 (31 March 2021: USD 326 million excluding lease liabilities). The increase was driven by new and subsequent bond debt issued in 2021 and EUR 75 million under the framework of EUR 350 million subsequent bonds in first quarter 2022. Bond debt was raised for acquisitions and general corporate purposes.
- Net working capital improved with USD 64 million for the first quarter of 2022. Total NWC position was USD 192 million 31 March 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 in overdue trade receivables.

# OUTLOOK 2022

## SGLT HOLDING

SGLT Holding had a record year in 2021, and the strong performance has continued in the first quarter 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.

Therefore, SGLT Holding has updated the guidance upwards on Adjusted EBITDA to be the range of USD 170 million to USD 180 million.

### *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.

<b>SGLT Holding</b>	<b>New guidance</b>	<b>Initial guidance</b>
<b>Adjusted EBITDA</b>	USD 170 million - USD 180 million	USD 145 million - USD 155 million

# INCOME STATEMENT

SGLT HOLDING

USDm	Note	Q1 2022	Q1 2021	FY 2021
Revenue		903	381	2,274
Cost of operation		-780	-326	-1,941
<b>Gross profit</b>		<b>123</b>	<b>55</b>	<b>333</b>
Other external expenses		-11	-8	-42
Staff costs		-52	-34	-162
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>	1	<b>60</b>	<b>13</b>	<b>129</b>
Amortisation and depreciation		-11	-9	-43
<b>Operating profit (EBIT) before special items</b>		<b>49</b>	<b>4</b>	<b>86</b>
Special items, net		-3	-1	-12
<b>Operating profit (EBIT)</b>		<b>46</b>	<b>3</b>	<b>74</b>
Financial income		3	5	5
Financial expenses		-17	-7	-42
<b>Profit before tax</b>		<b>32</b>	<b>1</b>	<b>37</b>
Income tax for the period		-8	-6	-15
<b>Profit for the period</b>		<b>24</b>	<b>-5</b>	<b>22</b>
Total income for the period attributable to Owners of the Parent Company		23	-6	18
Non-controlling interests		1	1	4
<b>Total</b>		<b>24</b>	<b>-5</b>	<b>22</b>

# STATEMENT OF OTHER COMPREHENSIVE INCOME

USDm	Note	Q1 2022	Q1 2021	FY 2021
<b>Profit for the period</b>		<b>24</b>	<b>-5</b>	<b>22</b>
Items that will be reclassified to income statement when certain conditions are met:				
Exchange rate adjustment		8	2	-7
<b>Other comprehensive income, net of tax</b>		<b>8</b>	<b>2</b>	<b>-7</b>
<b>Total comprehensive income for the period</b>		<b>32</b>	<b>-3</b>	<b>15</b>
Total comprehensive income for the period attributable to				
Owners of the Parent Company		31	-4	10
Non-controlling interests		1	1	5
<b>Total</b>		<b>32</b>	<b>-3</b>	<b>15</b>



# BALANCE SHEET

## SGLT HOLDING

USDm	Note	31.03.2022	31.03.2021	31.12.2021
<b>ASSETS</b>				
Intangible assets		427	354	431
Property, plant and equipment		57	50	61
Other receivables		4	2	5
Deferred tax asset		3	1	1
<b>Total non-current assets</b>		<b>491</b>	<b>407</b>	<b>498</b>
Trade receivables		492	212	525
Contract assets		8	17	5
Receivables from related parties		4	5	2
Income tax receivables		2	1	3
Other receivables		3	8	1
Prepayments		14	2	14
Cash and cash equivalents	2	236	23	79
<b>Total current assets</b>		<b>759</b>	<b>268</b>	<b>629</b>
<b>Total assets</b>		<b>1,250</b>	<b>675</b>	<b>1,127</b>

USDm	Note	31.03.2022	31.03.2021	31.12.2021
<b>EQUITY AND LIABILITIES</b>				
Partnership interest		221	186	221
Currency translation reserve		5	7	-3
Retained earnings		-33	-80	-56
<b>Equity attributable to Parent Company</b>		<b>193</b>	<b>113</b>	<b>162</b>
Non-controlling interests		4	4	7
<b>Total equity</b>		<b>197</b>	<b>117</b>	<b>169</b>
Bond debt	3	593	287	519
Lease liabilities		31	31	33
Deferred tax liability		18	9	18
Other payables		14	4	11
<b>Total non-current liabilities</b>		<b>656</b>	<b>331</b>	<b>581</b>
Bank debt		4	16	7
Trade payables		183	75	221
Accrued trade expenses		108	85	41
Current tax liabilities		15	3	18
Lease liabilities		19	14	21
Payable to related parties		11	-	9
Deferred income		3	16	1
Other payables		54	18	59
<b>Total current liabilities</b>		<b>397</b>	<b>227</b>	<b>377</b>
<b>Total liabilities</b>		<b>1,053</b>	<b>558</b>	<b>958</b>
<b>Total equity and liabilities</b>		<b>1,250</b>	<b>675</b>	<b>1,127</b>

# STATEMENT OF CHANGES IN EQUITY

## SGLT HOLDING

<b>USDm</b> <b>Q1 2022</b>	Partnership Interests	Currency Translation Reserve	Retained Earnings	Equity Attributable to Parent Company	Non Controlling Interests	Total Equity
<b>Equity at 1 January 2022</b>	221	-3	-56	162	7	169
Profit for the period	-	-	23	23	1	24
Other comprehensive income, net of tax	-	8	-	8	-	8
<b>Total comprehensive income, net of tax</b>	-	8	23	31	1	32
Dividend distributed, non-controlling interests	-	-	-	-	-4	-4
<b>Total transfer with owners</b>	-	-	-	-	-4	-4
<b>Equity at 31 March 2022</b>	221	5	-33	193	4	197
<b>Q1 2021</b>						
<b>Equity at 1 January 2021</b>	186	5	-73	118	4	122
Profit for the period	-	-	-6	-6	1	-5
Other comprehensive income, net of tax	-	2	-	2	-	2
<b>Total comprehensive income, net of tax</b>	-	2	-6	-4	1	-3
Purchase of non-controlling interests	-	-	-1	-1	-	-1
Dividend distributed, non-controlling interests	-	-	-	-	-1	-1
<b>Total transfer with owners</b>	-	-	-1	-1	-1	-2
<b>Equity at 31 March 2021</b>	186	7	-80	113	4	117

# STATEMENT OF CASHFLOW

## SGLT HOLDING

USDm	Note	Q1 2022	Q1 2021
Profit for the period		24	-5
<i>Adjustment of non-cash items:</i>			
Income taxes in the income statement		8	6
Depreciation and amortisation		11	9
Financial income		-3	-5
Financial expenses		17	7
Other non-cash items		-	2
Change in working capital		52	-27
Interest paid		-10	-5
Tax paid		-1	-1
<b>Cash flows from operating activities</b>		<b>98</b>	<b>-19</b>
Purchase of software and other intangible assets		-1	-2
Purchase of property, plant and equipment		-1	-1
Investments in Group entities		-2	-10
<b>Cash flows from investing activities</b>		<b>-4</b>	<b>-13</b>
<b>Free cash flow</b>		<b>94</b>	<b>-32</b>

USDm	Note	Q1 2022	Q1 2021
Dividend paid to non-controlling interests		-4	-1
Repayment of loan from related entities		-	-8
Investment in deposits		1	-
Proceeds from issuing bonds		85	-
Redemption of lease liabilities		-5	-
<b>Cash flows from financing activities</b>		<b>77</b>	<b>-9</b>
<b>Change in cash and cash equivalents</b>		<b>171</b>	<b>-41</b>
Cash and cash equivalents			
Cash and cash equivalents beginning of period		72	50
Exchange rate adjustment of cash and cash equivalents		-11	-2
Change in cash and cash equivalents		171	-41
<b>Cash and cash equivalents end of period</b>		<b>232</b>	<b>7</b>

# NOTES

## SGLT HOLDING

### NOTE 1 - ALTERNATIVE PERFORMANCE MEASURES

USDm	Q1 2022	Q1 2021	FY 2021
<i>Adjusted EBITDA:</i>			
EBITDA before special items	60	13	129
IFRS 16 impact	-6	-5	-21
Other adjustments*	1	1	4
<b>Adjusted EBITDA</b>	<b>55</b>	<b>9</b>	<b>112</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

USDm	31.03.2022	31.03.2021	31.12.2021
Cash and cash equivalents	236	23	50
Credit facilities	100	64	66
<b>Liquidity reserve</b>	<b>336</b>	<b>87</b>	<b>116</b>

### NOTE 3 - BOND DEBT

Refer to note 5 in SGL Group.

# SGL GROUP Q1 2022



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# FINANCIAL HIGHLIGHTS

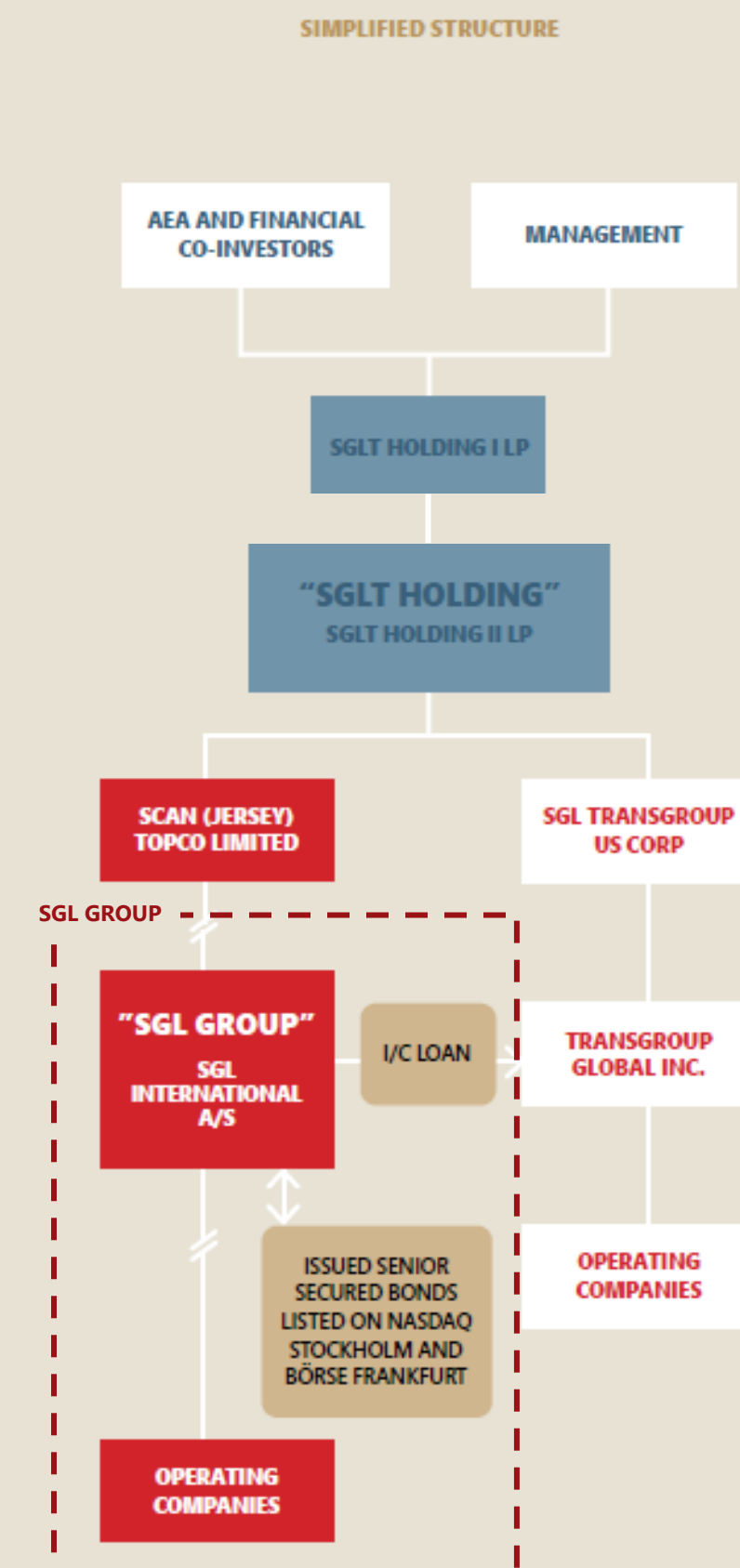
## SGL GROUP

Key figures (in DKKm)	Q1 2022	Q1 2021	FY 2021
<b>Income statement</b>			
Revenue	4,344	1,654	10,339
Gross profit	601	239	1,497
EBITDA before special items	315	59	626
Operating profit (EBIT)	248	11	344
Special items, net	-10	-4	-73
Financial items, net	-55	6	-139
Profit for the period	146	11	159
<b>Income statement (Business Performance)</b>			
EBITDA before special items*	286	35	511
<b>Cash flow</b>			
Cash flows from operating activities	550	-127	-825
Cash flows from investing activities	-23	-21	-446
Free cash flow	527	-148	-1,271
Cash flows from financing activities	529	-10	1,599
Cash flow for the period	1,056	-158	328

\*EBITDA excluding the impact of IFRS 16 leases

Key figures (in DKKm)	Q1 2022	Q1 2021	FY 2021
<b>Financial position</b>			
Total equity	995	478	848
Net working capital	505	119	872
Net interest-bearing debt (NIBD) excl. IFRS 16 and PIK note**	2,379	1,094	2,880
Total assets	7,715	3,684	6,763
<b>Financial ratios in %</b>			
Gross margin	13.8	14.4	14.5
EBITDA margin before special items	7.3	3.6	6.1
EBITDA margin before special items*	6.6	2.1	4.9
EBIT margin	5.7	0.7	3.3
Equity ratio	12.9	13.0	12.5
<b>Other</b>			
Number of average full-time employees	2,089	1,452	1,913

\*\*Payment-in-kind



# FINANCIAL PERFORMANCE

## SGL GROUP

SGL Group once again delivered its best quarterly financial result to date. EBITDA before special items, excluding IFRS 16 accounting was DKK 286 million.

The year 2022 picked up where 2021 ended. SGL Group delivered a strong organic growth including greenfield activities of 437% on operating profit from major trade lanes and markets. Total growth compared to first quarter 2021 was 594% of which M&A activities contributed with 157%. Further, SGL Group has seen a strong growth in activity levels and performance in companies acquired during 2021. The volatility and continued complexity in the market enables SGL Group to apply its entrepreneurial business model in providing complex solutions to its customers. Net working capital development and strong results made free cash flow positive DKK 527 million compared to negative DKK 32 million first quarter last year. SGL Group remains committed to its organic initiatives and acquisition strategy.

### Financial results for the period – First quarter 2022

- Revenue amounted to DKK 4,344 million for the first quarter of 2022, an increase of 163% compared to first quarter 2021. The increased revenue was primarily driven by a mix of strong increase in activity levels, coming from higher activity levels and larger share of wallet with both new and existing customers. To some extent also impacted by volatility in the market creating higher carrier rates than the same period last year. The acquisitions made in Q2-Q4 2021 also contributed. The increase in activity levels was experienced across all regions, especially Air & Ocean activities in the Nordics and Asia Pacific.
- Gross profit amounted to DKK 601 million first quarter 2022; an increase of 151% compared with first quarter 2021. The increase in gross profit is mainly driven by strong organic growth, combined with the significant increase in activity levels through acquired business in Q2-Q4 2021 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 13.8%; equivalent to a decrease of 0.6% point compared to the same period last year. The decline 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 but limited effect on unit level gross profit.
- SG&A costs amounted to DKK 286 million first quarter 2022; an increase of 59% compared to last year. SG&A costs were 7% of the revenue, 4% points below the level same period last year. The increase is coming primarily from increased headcount driving higher salaries expense as a result of greenfield and M&A activities together with scaling Group functions for future growth resulting in an increase in FTEs of 44% from 1,452 as of 31 March 2021 to 2,089 as of 31 March 2022.

- Special Items amounted to DKK -10 million first quarter 2022; driven by greenfield activities, restructuring and M&A related costs from activities in 2021.
- Operating Profit (EBIT) amounted to DKK 248 million compared to DKK 11 million the same period last year following the high activity described under revenue and the ability to keep cost under control while growing.
- Net financial items amounted to a net expense of DKK -55 million. The development was mainly driven by interest expenses from issued bonds, foreign exchange losses partly offset by interest income from related parties related to the I/C loan to SGL's American entities.
- Cash flow from operating activities was positive with DKK 550 million in first quarter 2022; a development positively affected by EBIT, supported by cash flows from decreased net working capital from the high levels in 2021. Payments for investments in Group entities relates to previous periods.
- Capital structure: the equity attributable to the parent company was DKK 993 million. The total equity ratio was 12.9% as per 31 March 2022. Compared to 31 March 2021 the equity ratio decreased 0.1% point driven by increased debt levels as a result of issuing new and subsequent bond debt. A capital increase by cash payment of DKK 225 million was made during Q3 2021.
- Net interest-bearing debt (NIBD) was DKK 2,379 million excluding lease liabilities as of 31 March 2022 (31 March 2021: DKK 1,094 million excluding lease liabilities). The increase was driven by new and subsequent bond debt issued in 2021 and EUR 75 million under the framework of EUR 350 million subsequent bonds in first quarter 2022. Bond debt was raised for acquisitions and general corporate purposes.
- Net working capital improved with DKK 367 million for the first quarter of 2022. The NWC position was DKK 505 million 31 March 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 segments. 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 in overdue trade receivables.

# OUTLOOK 2022

## SGL GROUP

SGL Group had a record year in 2021, and the strong performance has continued in the quarter 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. Therefore, SGL Group has updated the guidance upwards on EBITDA before special items and excluding IFRS 16 accounting to be the range of DKK 775 million to DKK 825 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.

### **SGL Group**

**EBITDA before special items  
excluding IFRS 16 accounting**

### **New guidance**

DKK 775 million - DKK 825 million

### **Initial guidance**

DKK 625 million - DKK 700 million



# INCOME STATEMENT

SGL GROUP

DKKm	Note	Q1 2022	Q1 2021	FY 2021
Revenue	1	4,344	1,654	10,339
Cost of operation	1	-3,743	-1,415	-8,842
<b>Gross profit</b>		<b>601</b>	<b>239</b>	<b>1,497</b>
Other external expenses		-40	-32	-144
Staff costs		-246	-148	-727
<b>Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items</b>		<b>315</b>	<b>59</b>	<b>626</b>
Amortisation and depreciation		-57	-44	-209
<b>Operating profit (EBIT) before special items</b>		<b>258</b>	<b>15</b>	<b>417</b>
Special items, net	2	-10	-4	-73
<b>Operating profit (EBIT)</b>		<b>248</b>	<b>11</b>	<b>344</b>
Financial income	3	30	44	99
Financial expenses	3	-85	-38	-238
<b>Profit before tax</b>		<b>193</b>	<b>17</b>	<b>205</b>
Income tax for the period		-47	-6	-46
<b>Profit for the period</b>		<b>146</b>	<b>11</b>	<b>159</b>
Total income for the period attributable to				
Owners of the Parent Company		145	12	161
Non-controlling interests		1	-1	-2
<b>Total</b>		<b>146</b>	<b>11</b>	<b>159</b>

# STATEMENT OF OTHER COMPREHENSIVE INCOME

DKKm	Note	Q1 2022	Q1 2021	FY 2021
<b>Profit for the period</b>		<b>146</b>	<b>11</b>	<b>159</b>
Items that will be reclassified to income statement when certain conditions are met:				
Exchange rate adjustment		1	1	-2
<b>Other comprehensive income, net of tax</b>		<b>1</b>	<b>1</b>	<b>-2</b>
<b>Total comprehensive income for the period</b>		<b>147</b>	<b>12</b>	<b>157</b>
Total comprehensive income for the period attributable to				
Owners of the Parent Company		146	13	159
Non-controlling interests		1	-1	-2
<b>Total</b>		<b>147</b>	<b>12</b>	<b>157</b>

# BALANCE SHEET

## SGL GROUP

DKKm	Note	31.03.2022	31.03.2021	31.12.2021
<b>ASSETS</b>				
Intangible assets		1,969	1,650	1,961
Property, plant and equipment		236	35	251
Receivables from related parties		814	738	798
Other receivables		26	15	22
Deferred tax asset		18	4	3
<b>Total non-current assets</b>		<b>3,063</b>	<b>2,442</b>	<b>3,035</b>
Trade receivables		2,171	951	2,319
Contract assets		56	17	41
Receivables from related parties		790	88	788
Income tax receivables		3	3	9
Other receivables		13	44	8
Prepayments		37	12	43
Cash and cash equivalents	4	1,582	127	520
<b>Total current assets</b>		<b>4,652</b>	<b>1,242</b>	<b>3,728</b>
<b>Total assets</b>		<b>7,715</b>	<b>3,684</b>	<b>6,763</b>

DKKm	Note	31.03.2022	31.03.2021	31.12.2021
<b>EQUITY AND LIABILITIES</b>				
Shared capital		1	1	1
Shared premium		228	3	228
Currency translation reserve		-29	-30	-30
Retained earnings		793	499	648
<b>Equity attributable to Parent Company</b>		<b>993</b>	<b>473</b>	<b>847</b>
Non-controlling interests		2	5	1
<b>Total equity</b>		<b>995</b>	<b>478</b>	<b>848</b>
Bond debt	5	3,984	1,834	3,416
Lease liabilities	5	109	157	111
Deferred tax liability		107	51	108
Other payables		84	24	64
<b>Total non-current liabilities</b>		<b>4,284</b>	<b>2,066</b>	<b>3,699</b>
Bank debt		-	100	-
Trade payables		907	683	1,149
Accrued trade expenses		894	85	448
Current tax liabilities		95	16	68
Lease liabilities	5	97	69	109
Payable to related parties		113	42	150
Deferred income		2	49	1
Other payables		328	96	291
<b>Total current liabilities</b>		<b>2,436</b>	<b>1,140</b>	<b>2,216</b>
<b>Total liabilities</b>		<b>6,720</b>	<b>3,206</b>	<b>5,915</b>
<b>Total equity and liabilities</b>		<b>7,715</b>	<b>3,684</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>Q1 2022</b>							
Equity at 1 January 2022	1	228	-30	648	847	1	848
Profit for the period	-	-	-	145	145	1	146
Other comprehensive income, net of tax	-	-	1	-	1	-	1
<b>Total comprehensive income, net of tax</b>	-	-	1	145	146	1	147
<b>Equity at 31 March 2022</b>	<b>1</b>	<b>228</b>	<b>-29</b>	<b>793</b>	<b>993</b>	<b>2</b>	<b>995</b>
<b>Q1 2021</b>							
Equity at 1 January 2021	1	3	-31	487	460	6	466
Profit for the period	-	-	-	12	12	-1	11
Other comprehensive income, net of tax	-	-	1	-	1	-	1
<b>Total comprehensive income, net of tax</b>	-	-	1	12	13	-1	12
<b>Equity at 31 March 2021</b>	<b>1</b>	<b>3</b>	<b>-30</b>	<b>499</b>	<b>473</b>	<b>5</b>	<b>478</b>

# STATEMENT OF CASHFLOW

## SGL GROUP

DKKm	Note	Q1 2022	Q1 2021
Profit for the period		146	11
<i>Adjustment of non-cash items:</i>			
Income taxes in the income statement		47	6
Depreciation and amortisation		57	44
Financial income		-30	-44
Financial expenses		85	38
Change in working capital		317	-154
Interest received		-	16
Interest paid		-64	-35
Tax paid		-8	-9
<b>Cash flows from operating activities</b>		<b>550</b>	<b>-127</b>
Purchase of software and other intangible assets		-10	-12
Purchase of property, plant and equipment		-5	-3
Investments in Group entities		-8	-6
<b>Cash flows from investing activities</b>		<b>-23</b>	<b>-21</b>
<b>Free cash flow</b>		<b>527</b>	<b>-148</b>

DKKm	Note	Q1 2022	Q1 2021
Investment in deposits		-4	-
Repayment of loan from related entities		-	-10
Proceeds from issuing bonds		558	-
Redemption of lease liabilities		-25	-
<b>Cash flows from financing activities</b>		<b>529</b>	<b>-10</b>
<b>Change in cash and cash equivalents</b>		<b>1,056</b>	<b>-158</b>
Cash and cash equivalents			
Cash and cash equivalents beginning of period		520	187
Exchange rate adjustment of cash and cash equivalents		6	-2
Change in cash and cash equivalents		1,056	-158
<b>Cash and cash equivalents end of period</b>		<b>1,582</b>	<b>27</b>

# NOTES

## SGL GROUP

### NOTE 1 - SEGMENT INFORMATION

DKKm	Air & Ocean	Road	Solution	Total	Air & Ocean	Road	Solution	Total
	Q1 2022	Q1 2022	Q1 2022	Q1 2022	Q1 2021	Q1 2021	Q1 2021	Q1 2021
Revenue (services)	5,523	195	61	5,779	2,021	164	54	2,239
Intercompany revenue	-1,428	-7	-	-1,435	-581	-4	-	-585
<b>Net revenue (services)</b>	<b>4,095</b>	<b>188</b>	<b>61</b>	<b>4,344</b>	<b>1,440</b>	<b>160</b>	<b>54</b>	<b>1,654</b>
Cost of operation	-3,543	-160	-40	-3,743	-1,243	-136	-36	-1,415
<b>Gross profit</b>	<b>552</b>	<b>28</b>	<b>21</b>	<b>601</b>	<b>197</b>	<b>24</b>	<b>18</b>	<b>239</b>
Sales, distribution and administration costs	-252	-24	-10	-286	-152	-20	-8	-180
<b>Earnings before interests, tax, depreciation, amortisation (EBITDA) and special items</b>	<b>300</b>	<b>4</b>	<b>11</b>	<b>315</b>	<b>45</b>	<b>4</b>	<b>10</b>	<b>59</b>
Depreciation and amortisation				-57				-44
<b>Operating profit (EBIT) before special items</b>				<b>258</b>				<b>15</b>
Special items, net				-10				-4
Financial items, net				-55				6
<b>Profit before tax</b>				<b>193</b>				<b>17</b>

# NOTES

## SGL GROUP

### NOTE 2 - SPECIAL ITEMS, NET

DKKm	Q1 2022	Q1 2021
M&A activities, greenfield activities and other transaction specific costs	7	3
COVID-19 activities and net of compensations received	-	1
Restructuring and other costs	3	-
<b>Total special items, net</b>	<b>10</b>	<b>4</b>

### NOTE 3 - FINANCIAL ITEMS

DKKm	Q1 2022	Q1 2021
Financial income from related parties	30	16
Exchange rate gains	-	28
<b>Total financial income</b>	<b>30</b>	<b>44</b>
Interest expenses	-8	-1
Lease interest expenses	-4	-4
Bond interest expenses	-57	-31
Amortisation of capitalised loan costs	-4	-2
Exchange rate losses	-12	-
<b>Total financial expenses</b>	<b>-85</b>	<b>-38</b>

### NOTE 4 - CASH AND LIQUIDITY RESERVE

DKKm	31.03.2022	31.03.2021	31.12.2021
Cash and cash equivalents	1,582	27	520
Credit facilities	405	248	1,396
<b>Liquidity reserve</b>	<b>1,987</b>	<b>275</b>	<b>1,916</b>

# NOTES

## SGL GROUP

### NOTE 5 - CHANGES TO FINANCIAL LIABILITIES

	Effective interest rate	Carrying amount 1 January	Cashflow	Non-cash change			Other	Q1 2022
				Business combinations	Foreign exchange effect	Additional lease liability during the period		Carrying amount 31 Mar
<b>DKKm</b>								
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	-	-	-	-	2,231
Issued bonds, EUR 40 million	11.50%	297	-	-	-	-	17	314
Bonds held by SGL Group		-430	-	-	-	-	-	-430
Capitalised loan costs		-40	-	-	-	-	-2	-42
Payable bond interest		57	-	-	-	-	-6	51
Lease liabilities		220	-25	-	-	7	2	204
<b>Total</b>		<b>3,636</b>	<b>533</b>	<b>-</b>	<b>1</b>	<b>7</b>	<b>11</b>	<b>4,188</b>
<b>Q1 2021</b>								
Bond debt								
Issued bonds, EUR 250 million	1 month EURIBOR + 6.75%	1,860	-	-	-	-	-1	1,859
Capitalised loan costs		-27	-	-	-	-	2	-25
Lease liabilities		224	-	-	-	-	2	226
<b>Total</b>		<b>2,057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>2,060</b>

# NOTES

## SGL GROUP

### NOTE 6 – 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 31 March 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 Q1 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 13 to 24) for the period 1 January to 31 March 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 31 March 2022 and operations and cash flow for the period 1 January - 31 March 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, 10 May 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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