

ANNUAL REPORT 2022/23

# GROWTH, AMBITIONS & STRATEGIC EXPANSION









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**Growth through M&A  
and organic growth  
remain a strategic  
cornerstone for us**

**Søren Gran Hansen**

Group CEO  
SDK FREJA A/S





The 2022/23 financial year called for an exceptional level of adaptability and customer focus in a market characterised by low visibility, volatile energy prices, rising inflation, increasing interest rates and the enduring challenges of securing sufficient freight and storage capacity. Despite these challenges, SDK FREJA delivers extraordinary financial performance.

# STRONG FINANCIAL PERFORMANCE

**ACROSS ALL BUSINESS AREAS ENSURES  
RECORD FINANCIAL RESULTS YET AGAIN**

Faced with volatile market conditions, all three business areas have demonstrated their impressive degree of adaptability and strong competitiveness, not least thanks to our dedicated and solution-oriented employees.

At the same time, the continued strengthening of our organisation and our business platform, including a strong and consistent focus on IT and digitalisation, has contributed to building a position for SDK FREJA which is stronger than ever.

During the financial year, we took a further step up the ESG agenda, as the green transition goes hand in hand with long-term accountability and healthy economic development. This is not least reflected in the fact that we cater to the needs of our customers and partners and help them achieve their goals. Thus, we have allocated additional resources and skills to the realisation of our ESG ambitions.

Having acquired 49% of DSH Environment in the 2021/22 financial year, in the 2022/23 financial year we went on to acquire additional shares in DSH Environment, and SDK FREJA now is the majority owner of our Environmental & Recycling business.

M&A can add value through further geographical expansion, economies of scale, complementary services and added core competencies. Therefore, we have a proactive M&A approach, having identified a number of relevant acquisition candidates and continually evaluates M&A opportunities.





Our ambition is to grow significantly in the next few years, both organically and not least through M&As, which remains a strategic cornerstone for SDK FREJA Group.

### DEVELOPMENT IN THE YEAR

The SDK FREJA Group achieved a revenue of DKKm 6,585 (DKKm 6,003 in the previous year). EBIT amounted to DKKm 331 (DKKm 265). At the end of the year, equity amounted to DKKm 917 (DKKm 785).

Activity and results for 2022/23 have exceeded our expectations at the start of the year. Compared to last year, EBIT has increased by DKKm 66, corresponding to a 25% increase.

### EXPECTATIONS FOR THE YEAR AHEAD

SDK FREJA is in good shape to continue the positive development in the year to come. However, the Group's level of activity, revenue and earnings are in general affected by a number of external factors, such as the development on the global freight market (expected to find a normal level again after the pandemic), the general structures on our markets, the macro economic development and not least the current war in Ukraine.

Given the changes and the uncertainties described above, our expectations for 2023/24 are lower than 2022/23 and EBIT are expected to reach 65-75% of 2022/23.

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**Faced with volatile market conditions, all three business areas have demonstrated their impressive degree of adaptability and strong competitiveness, not least thanks to our dedicated and solution-oriented employees.**

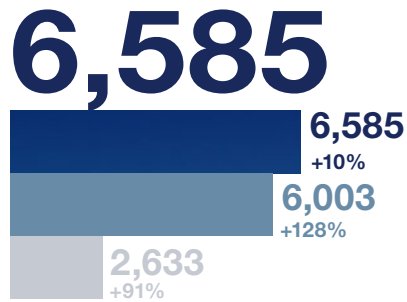
**Søren Gran Hansen**

Group CEO  
SDK FREJA A/S

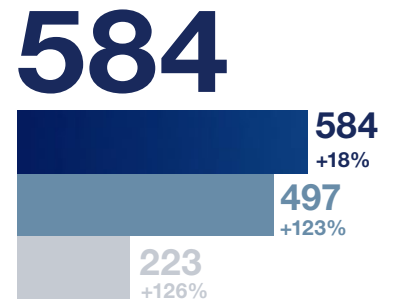


■ 2022/23 ■ 2021/22 ■ 2020/21

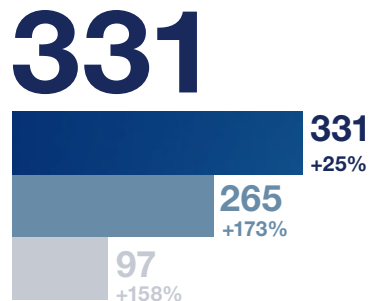
REVENUE  
DKK M



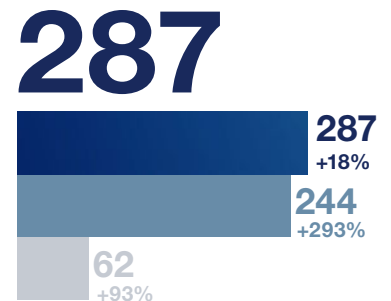
EBITDA (BEFORE SPECIAL ITEMS)  
DKK M



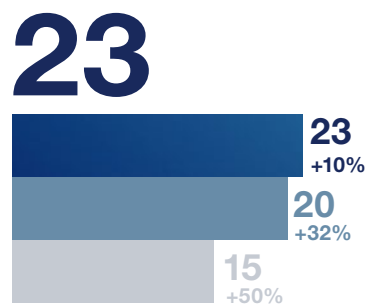
EBIT (BEFORE SPECIAL ITEMS)  
DKK M



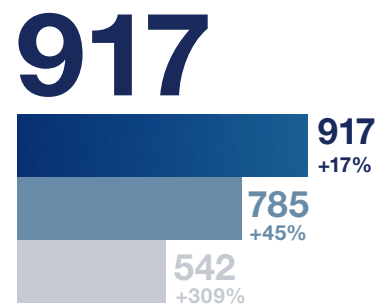
EBT  
DKK M



CONVERSION RATIO  
PCT



TOTAL EQUITY  
DKK M





# WHAT WE DO

SDK FREJA is a full-service shipping and logistics company as well as an environmental and recycling company.

SDK FREJA is a dynamic and growing company with the objective to continuously develop the core business to be at the forefront of the latest advancements that cater to our customers' wishes and expectations.

SDK FREJA is one of the few independent and privately owned local mid sized shipping, logistics, and environment companies. The main objective of the parent company, SDK FREJA A/S, is as a holding company to hold shares in the subsidiaries and contribute to their continued development.







The shipping and logistics activities of SDK FREJA include freight forwarding within Road, Air & Sea and Project Cargo, Contract Logistics as well as Stevedoring, Port Agency, Customs Clearing, Chartering, Liner and Cruise services. We offer specialist logistics solutions within Healthcare, Warehousing and Refrigeration.

Our Environment & Recycling business focuses on environmental sustainability by meeting our customers' demand for circular eco-friendly solutions, offering to receive and reprocess waste fractions and especially polluted soil with a view to recycling or recovering the waste for new products. The business subsegments comprises Land Recovery, Raw Materials Recovery, Environmental Innovation and Soil Treatment.



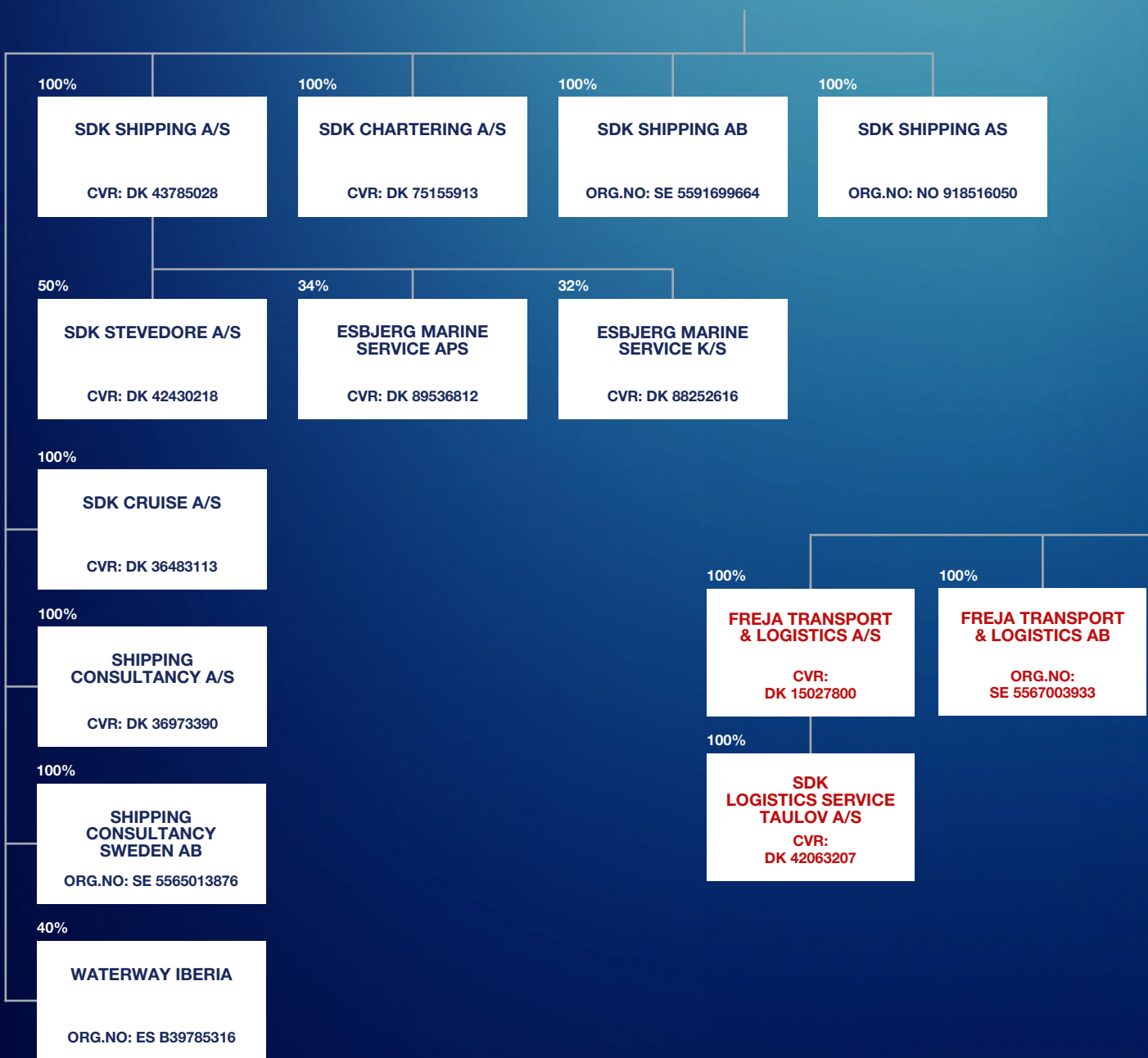


# GROUP

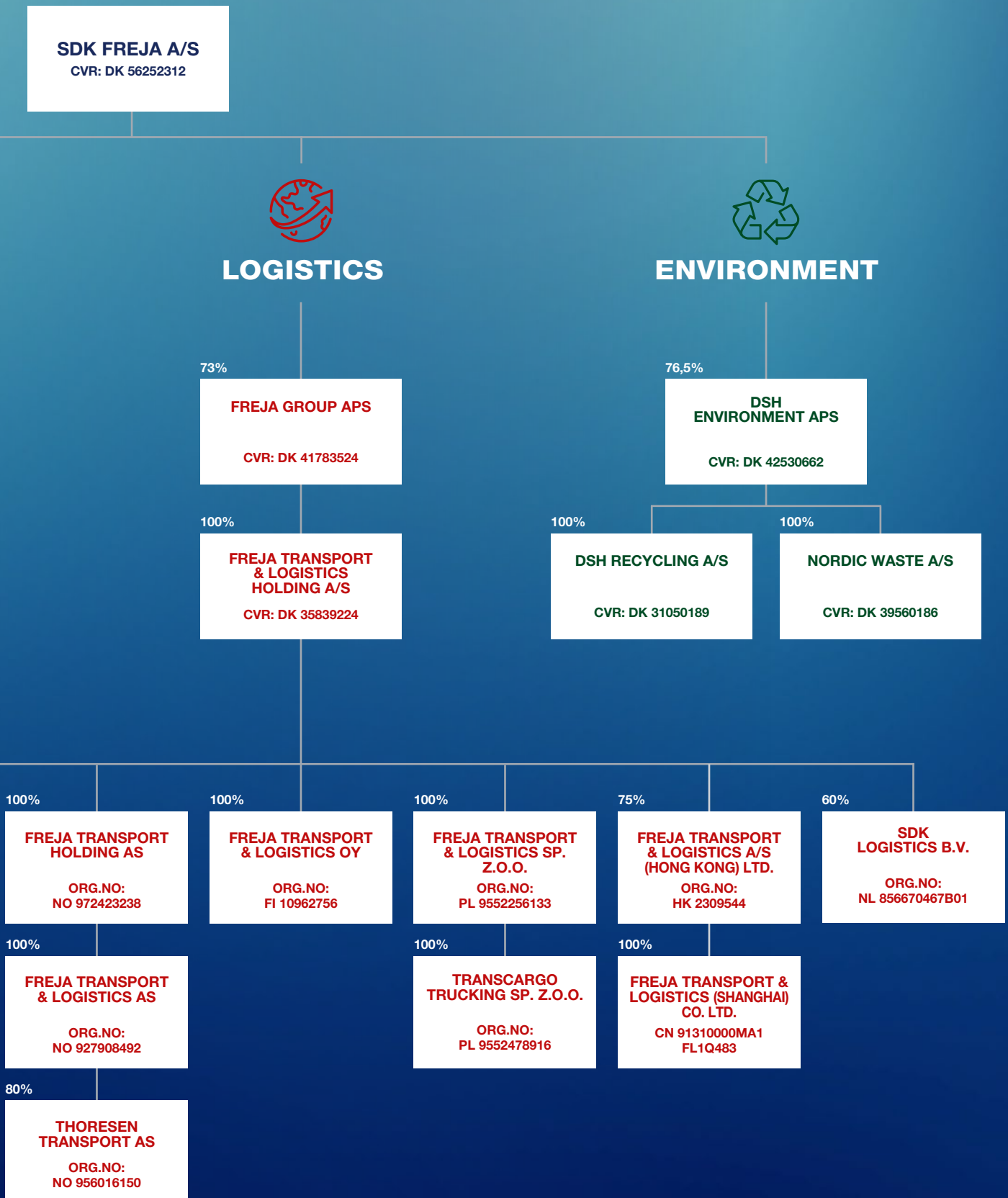
## STRUCTURE



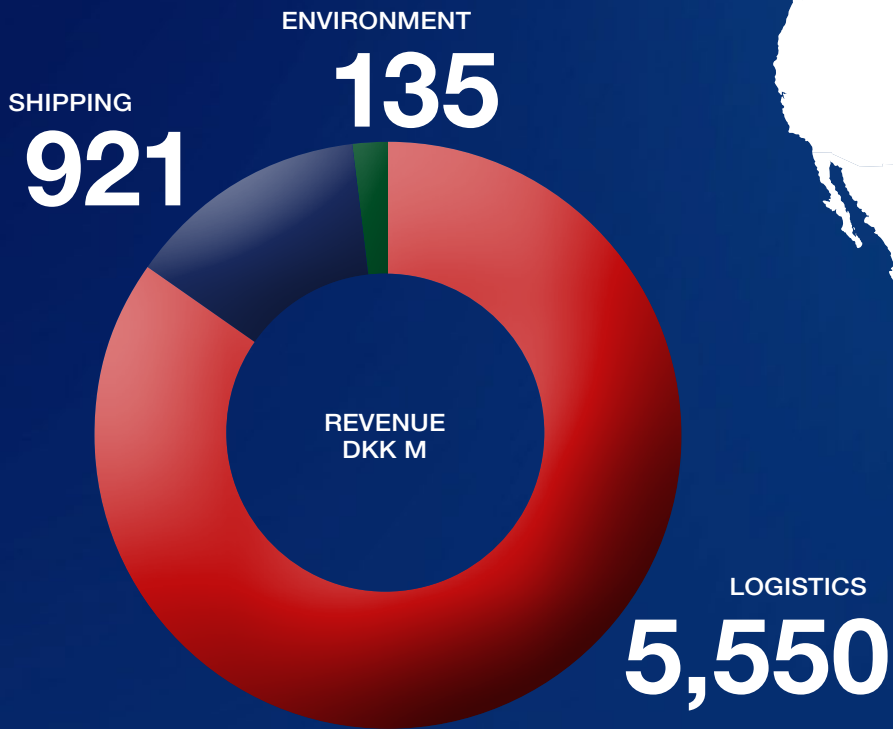
### SHIPPING







Group Structure as per signing date of Annual Report 2022/2023



2022/23

# AT A GLANCE





We are locally based in Northern Europe with strategic positions in China and Spain, which makes it possible to quickly fulfil our customers' needs, also by drawing on our global network.

COVERING EUROPE WITH

**+3,300**

TRAILERS

AND

**+210,000**

SQ M  
MULTI-TERMINALS AND  
WAREHOUSE SPACE

**+7,900**

AGENCY  
CALLS HANDLED

AND

**+8 mill.**

TONS  
HANDLED OVER QUAY

BY

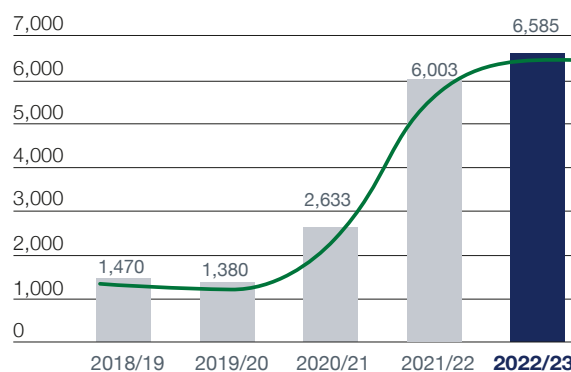
**+1,500**

DEDICATED  
EMPLOYEES

# FIVE YEAR OVERVIEW

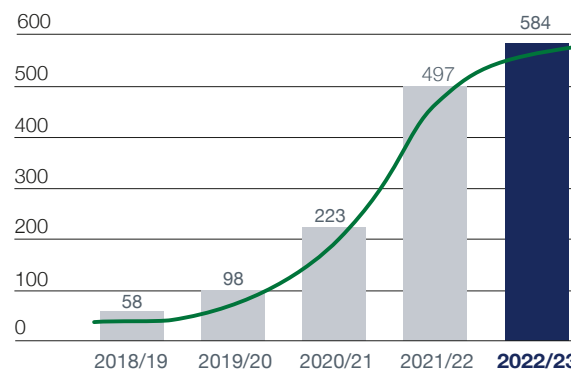
## REVENUE

(DKKm)



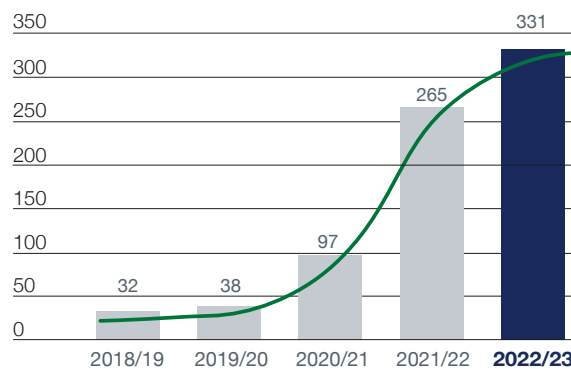
## OPERATING PROFIT (EBITDA) BEFORE SPECIAL ITEMS

(DKKm)



## PROFIT BEFORE TAX (EBIT) BEFORE SPECIAL ITEMS

(DKKm)





## FIVE YEAR OVERVIEW

| DKK'000  | 2022/23          | 2021/22   | 2020/21   | 2019/20   | 2018/19*  |
|--|------------------|-----------|-----------|-----------|-----------|
| <b>RESULTS</b>   |                  |           |           |           |           |
| Revenue  | <b>6,585,012</b> | 6,003,410 | 2,633,007 | 1,379,864 | 1,469,841 |
| Gross profit   | <b>1,468,781</b> | 1,301,701 | 629,962   | 366,625   | 330,301   |
| Operating profit/loss before amortisation and depreciation (EBITDA) before special items | <b>584,165</b>   | 497,344   | 222,784   | 98,390    | 57,703    |
| Operating profit (EBIT) before special items   | <b>330,810</b>   | 265,316   | 97,170    | 37,691    | 31,995    |
| Net financial expenses   | <b>(44,233)</b>  | (29,868)  | (14,817)  | (5,597)   | 6,943     |
| Profit before tax (EBT) before special items   | <b>287,433</b>   | 244,686   | 82,529    | 32,189    | 25,052    |
| Profit before tax (EBT)  | <b>287,433</b>   | 243,722   | 62,037    | 32,189    | 25,052    |
| Profit for the year  | <b>225,499</b>   | 194,056   | 45,869    | 26,431    | 17,966    |
| <b>FINANCIAL POSITION</b>  |                  |           |           |           |           |
| Balance sheet total  | <b>3,910,883</b> | 3,732,836 | 3,237,323 | 689,445   | 467,563   |
| Equity, parent company's share   | <b>616,799</b>   | 513,519   | 383,910   | 131,269   | 111,056   |
| Total equity   | <b>916,623</b>   | 784,573   | 542,323   | 132,470   | 112,927   |
| Net working capital  | <b>(352,885)</b> | (353,455) | (323,208) | (64,617)  | 10,675    |
| Net interest bearing debt  | <b>857,647</b>   | 1,087,241 | 1,247,849 | 299,266   | 84,202    |
| Investments in fixed assets  | <b>(270,696)</b> | (207,278) | (738,824) | (101,843) | (82,689)  |
| <b>CASH FLOW</b>   |                  |           |           |           |           |
| Cash flows from operating activities   | <b>453,472</b>   | 374,888   | 307,831   | 105,032   | 61,290    |
| Cash flows from investing activities   | <b>(15,722)</b>  | (127,849) | (760,508) | (82,901)  | (23,195)  |
| - Cash flows from investment in PP&E   | <b>(6,838)</b>   | (8,781)   | (14,759)  | (65,985)  | (22,764)  |
| Free cash flows  | <b>392,884</b>   | 247,039   | (452,677) | 22,131    | 38,095    |
| Cash flows from financing activities   | <b>(229,547)</b> | (197,059) | 669,344   | (51,275)  | 8,562     |
| Total cash flows   | <b>208,203</b>   | 49,980    | 216,667   | (29,144)  | 46,657    |
| <b>FINANCIAL RATIOS (%)</b>  |                  |           |           |           |           |
| Gross margin   | <b>22,3</b>      | 21.7      | 23.9      | 26.6      | 22.5      |
| Operating margin   | <b>8,9</b>       | 8.3       | 8.5       | 7.1       | 3.9       |
| Profit margin  | <b>5,0</b>       | 4.4       | 3.7       | 2.7       | 2.2       |
| Conversion ratio   | <b>22,5</b>      | 20.4      | 15.4      | 10.3      | 9.7       |
| ROIC before tax  | <b>18,5</b>      | 15.1      | 9.2**     | 12.6      | 12.9      |
| Return on equity (ROE)   | <b>26,5</b>      | 29.2      | 13.6**    | 21.5      | 17.6      |
| Solvency ratio   | <b>23,4</b>      | 21,0      | 16.8      | 19.2      | 23.8      |
| Gearing ratio  | <b>1,5</b>       | 2.2       | 5.6**     | 3.0       | 1.5       |
| <b>NON-FINANCIALS</b>  |                  |           |           |           |           |
| Number of full-time employees  | <b>1,515</b>     | 1,350     | 1,247     | 400       | 399       |

Definitions for the ratios above are specified in note 28 in the Consolidated Financial Statement.

\*) The company has implemented IFRS on 1 May 2020. The comparative figures for 2018/19 are presented in accordance with the Danish Financial Statement Act.

\*\*) The ratio of the year 2020/21 is negatively affected by only 4 months of full EBITDA (FREJA figures only included in EBITDA as from 29 December 2020).



**We will continue  
to develop  
uniquely tailored  
transport and  
logistics solutions  
covering all our  
products and  
services**

**Ulrik Rasmussen**  
Group CEO  
Logistics







The execution of the strategy of creating strong customer relations and constantly developing valuable and customer-centric solutions, combined with good teamwork, has again paid off and resulted in record financial results for our logistics activities.

## GROUP PERFORMANCE

# LOGISTICS

The past financial year has been unpredictable and characterised by many and major challenges that have presented themselves within a short space of time. This has called for extreme adaptability. Our business model has once again demonstrated its worth, and we have proven that our asset-light business model is both efficient and sufficiently agile to ensure that we remain flexible and competitive.

We are in the 'people business', and we take that seriously. It is therefore highly satisfying that our strategy of constantly being close to our customers and understanding their needs has given positive results. Through close dialogue with our customers, we have continuously adjusted and improved our services and solutions in order to remain competitive and continue to ensure high customer service and quality.

### FOCUS ON PEOPLE

This has been achieved through the extraordinary and dedicated efforts of our valuable employees, who have been exceptional in navigating in a world that is constantly changing. In close cooperation across departments, locations and countries, we have – through teamwork and a strong team spirit – worked to continuously improve our customers' supply chains. We have focused on living up to our customers' expectations of us as their dedicated consultant in the area of transport and logistics.

During the last financial period, we worked hard to strengthen our organisation and our services in order to improve our position as a strong full-service provider. Our customer-centric ambition is to continue to develop

uniquely tailored transport and logistics solutions covering all our products and services.

We want to maintain our strong position in FREJA, which is why acquisitions are also an essential part of our strategy and intended to support our ambition of continuously improving our services and of being a flexible, efficient and innovative partner at all times.

## POSITIVE RESULTS IN ALL COUNTRIES

Our financial development in the past financial year is in line with our strategic plans in all countries. We are very pleased that all countries and products have contributed positively to the impressive developments in the 2022/23 financial year, resulting in record top and bottom lines.

ESG has advanced further up the agenda in FREJA. In the past financial year, we have developed our organisation and competencies in this area to meet and fulfil the goals of our customers and partners as well as our own goals for the future. We want to contribute to the green transition and conduct ourselves responsibly.

We are once again looking into a financial year characterised by considerable uncertainty. Consumer spending has weakened, which has led to a general decline in freight volumes worldwide. Despite these challenging times, we are convinced that the market will continue to work with a flexible, efficient and robust transport and logistics partner with a strong customer focus at all times. We believe that our business model, in conjunction with our strategy, will safeguard our position as such a partner.

We are therefore comfortable with our future development, where we want to remain our customers' preferred choice.

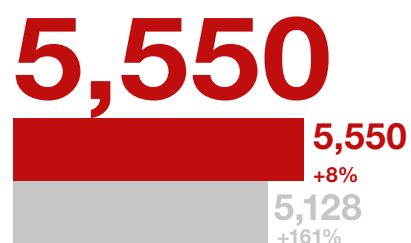
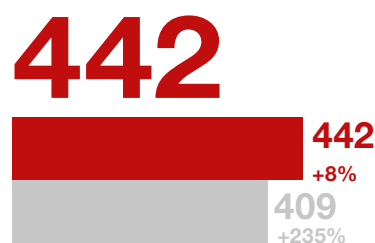
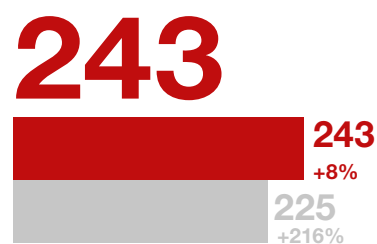
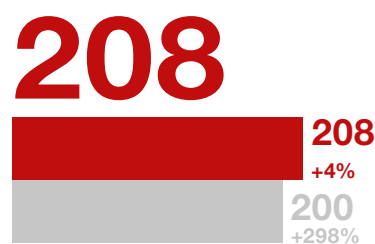




## CONDENSED INCOME STATEMENT AND KEY FIGURES

FOR THE PERIOD 1 MAY - 30 APRIL

| (DKKm)   | 2022/23        | 2021/22      | Change      |
|--|----------------|--------------|-------------|
| Revenue  | 5,549,6        | 5,127,7      | 421,9       |
| Direct costs   | (4,466,6)      | (4,120,2)    | (346,4)     |
| <b>Gross profit</b>  | <b>1,083,0</b> | 1,007,5      | 75,5        |
| Other external expenses  | (210,5)        | (186,6)      | (23,9)      |
| Staff costs  | (432,8)        | (412,8)      | (20,0)      |
| Other operating income   | 2,5            | 1,3          | 1,2         |
| <b>Operating profit before amortisation and depreciation (EBITDA) before special items</b> | <b>442,2</b>   | <b>409,4</b> | <b>32,8</b> |
| Amortisation and depreciation  | (199,1)        | (184,1)      | (15,0)      |
| <b>Operating profit (EBIT) before special items</b>  | <b>243,1</b>   | <b>225,3</b> | <b>17,8</b> |
| Special items  | 0,0            | 0,0          | 0,0         |
| Financial income/expenses  | (34,9)         | (25,2)       | (9,7)       |
| <b>Profit before tax (EBT)</b>   | <b>208,2</b>   | <b>200,1</b> | <b>8,1</b>  |
| Gross margin   | 19,5%          | 19,6%        | (0,1)%      |
| Conversion ratio   | 22,4%          | 22,4%        | 0,1%        |
| Operating margin   | 8,0%           | 8,0%         | 0,0%        |
| EBT margin   | 3,8%           | 3,9%         | (0,1)%      |

REVENUE  
DKK MEBITDA  
DKK MEBIT  
DKK MEBT  
DKK M

■ 2022/23   ■ 2021/22



In a year characterised by difficult market conditions, high adaptability ensures record financial results for the company's shipping unit.

## GROUP PERFORMANCE

# SHIPPING

The 2022/23 financial year was another great year in a market that is still heavily impacted by significant challenges. Delivering on the needs of our customers has required a high level of adaptability.

In the past year, our incredibly skilled and flexible employees have again succeeded in offering the best solutions and services to our customers. We are pleased to have

succeeded in overcoming the perpetual challenges associated with freight and storage capacity, much to the satisfaction also of our customers.

Due to the energy crisis and the sanctions that remain in place, we have been looking into an exceptionally volatile market and uniquely challenging times when it comes to meeting customer needs.





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**2023/24 will be another challenging year, but thanks to our highly skilled employees, loyal customers and robust owners, we are in a strong position**

**Lars Jespersen**  
Group CEO  
Shipping



The year brought new and exciting stevedore tasks and projects. An increasing number of large vessels have been unloaded, following by the re-shipping of goods and cargo to our neighbouring countries. Moreover, we have been involved in a number of large-scale construction projects, with SDK Shiping supplying a range of door-to-door solutions comprising chartering, stevedoring and deliveries to several construction sites.

## **CRUISE INDUSTRY BACK TO PRE-PANDEMIC LEVELS**

The cruise industry was back to normal, offering a number of new and exciting destinations. We have seen strong growth in the Scandinavian market, with new destinations being added and more ships calling at existing ports.

We remain strongly focused on leveraging digitalisation opportunities within our agency business, which has contributed to us being able to handle a larger number of ships every day of the year.

The execution of our strategy 2025, centered around accelerated growth, is progressing as planned. We have achieved organic

growth in all areas and continue to pursue growth through acquisitions.

We have a strong focus on ESG and, of course, on our carbon footprint. Over the past year, we have implemented several initiatives, and our buildings, terminals and handling machines have been optimised for a green profile.

## **COMPETITIVE SOLUTIONS WITH A HIGH LEVEL OF SERVICE**

We can therefore conclude that in what was a challenging year, we have managed to deliver competitive solutions combined with a high level of service, while at the same time delivering a satisfactory financial performance in all our core areas, which include chartering, stevedoring, project cargo, agency, passage services, cruise and STS.

We expect 2023/24 to be another challenging year, but thanks to our highly skilled employees, loyal customers and strong owners, we have absolutely no doubt that SDK Shipping will remain strong.



## CONDENSED INCOME STATEMENT AND KEY FIGURES

FOR THE PERIOD 1 MAY - 30 APRIL

| (DKKm)   | 2022/23      | 2021/22      | Change      |
|--|--------------|--------------|-------------|
| Revenue  | 921,0        | 806,2        | 114,8       |
| Direct costs   | (622,1)      | (540,6)      | (81,5)      |
| <b>Gross profit</b>  | <b>298,9</b> | <b>265,6</b> | <b>33,3</b> |
| Other external expenses  | (28,0)       | (23,4)       | (4,6)       |
| Staff costs  | (164,1)      | (155,6)      | (8,5)       |
| Other operating income   | 3,2          | 2,0          | 1,2         |
| <b>Operating profit before amortisation and depreciation (EBITDA) before special items</b> | <b>110,0</b> | <b>88,6</b>  | <b>21,4</b> |
| Amortisation and depreciation  | (38,3)       | (43,6)       | 5,3         |
| <b>Operating profit (EBIT) before special items</b>  | <b>71,7</b>  | <b>45,0</b>  | <b>26,7</b> |
| Special items  | 0            | 0            | 0           |
| Financial income/expenses  | (0,5)        | (1,6)        | 1,1         |
| <b>Profit before tax (EBT)</b>   | <b>71,2</b>  | <b>43,4</b>  | <b>27,8</b> |
| Gross margin   | 32,5%        | 32,9%        | (0,5)%      |
| Conversion ratio   | 24,0%        | 16,9%        | 7,0%        |
| Operating margin   | 11,9%        | 11,0%        | 1,0%        |
| EBT margin   | 7,7%         | 5,4%         | 2,3%        |

### REVENUE DKK M

921



### EBITDA DKK M

110



### EBIT DKK M

72



### EBT DKK M

71



■ 2022/23   ■ 2021/22



**In five years, the organisation has grown from three to 40 employees – from a small start-up to a medium-sized enterprise**

David York  
Group CEO  
Environment and Recycling

A unique soil reception facility in combination with a strong strategic focus on raw material recovery has yet again generated impressive results for the Group's environmental activities.

## GROUP PERFORMANCE

# ENVIRONMENT & RECYCLING

As a company, we supply important services to society as regards the remediation of contaminated soil as well as the recycling of sand and gravel.

In the course of the year, our soil treatment facility in Ølst took delivery of approx. 1 million tonnes of soil from the building and construction industry in Denmark and other countries, generating record revenue.

In 2022, we established Denmark's first and so far only facility for washing contaminated soil. At the end of the year, we also established a mobile facility for washing non-contaminated soil. We now have the capacity to wash 300,000 tonnes of soil a year, and in the coming years capacity will be expanded further. The process comprises the decontamination of the soil and the separation of the soil into recyclable materials such as sand and gravel, which can then be used as building materials in new construction projects. In this way, we remove contaminants, while at the same time reducing demand for virgin raw materials.

### ONE-STOP-SHOP SOLUTION FOR CONTRACTORS AND HAULIERS

We thus offer our customers – contractors and hauliers – a one-stop-shop solution, whereby they can deliver contaminated soil to us and pick up clean sand and gravel.







Our solution therefore contributes to increasing efficiency for our customers as well as circular resource management.

Any contaminated soil that is not suitable for washing is treated using biological remediation technologies. If the soil is sufficiently clean, it is placed in our recovery facility, an old clay pit, which at the end of the year had a residual capacity of approx. 11 million tonnes of soil.

In the five years that the company has now been in operation, the organisation has grown from 3 to approx. 40 employees, and what started out as a small entrepreneurial company has grown into a medium-sized company. Our employees are key to the company's continued success, and we are proud of being able to attract and retain talented employees in all functions.

On 1 October 2022, SDK FREJA took over the majority shareholding in the environmental group, and we are thus strongly geared to shouldering the need to invest in growth in the coming years; also, being part of SDK FREJA, we are uniquely positioned to work together on freight and capacity utilisation of machinery and human resources.

In autumn 2022, Randers City Council finally adopted a local plan that allows us to establish an additional concrete deck covering almost 70,000 square metres and establish more halls and basins. The construction project is now underway, and the first phase of the concrete deck is expected to be completed before the end of the year. The expansion of our facilities will pave the way for both efficiency improvements and continued growth.

In the coming years, we expect to see an increase in our handling of especially wet fractions in the form of, for example, port sediments excavated in connection with the maintenance and expansion of ports in Denmark and the Nordic countries.

As part of the continued professionalisation of the company, we were certified under the ISO 14001 environmental standard in December 2022, and we now have a clear management system for reducing the environmental impacts of our activities and ensuring environmental compliance.

Our strategic focus is still to stay ahead of market demand, and in spring and summer 2023, we will be carrying out a research project on the removal of PFAS from soil together with the Danish Technological Institute. Through our membership of various industry forums, we will continue to promote the circular transition of our industry, and not least highlight the potential for recycling raw materials.

## CONDENSED INCOME STATEMENT AND KEY FIGURES

FOR THE PERIOD 1 MAY - 30 APRIL

| (DKKm)   | 2022/23     | 2021/22 | Change  |
|--|-------------|---------|---------|
| Revenue  | 135,0       | 111,1   | 23,9    |
| Direct costs   | (49,0)      | (35,9)  | (13,1)  |
| <b>Gross profit</b>  | <b>86,0</b> | 75,2    | 10,8    |
| Other external expenses  | (4,5)       | (3,3)   | (1,2)   |
| Staff costs  | (18,8)      | (9,0)   | (9,8)   |
| Other operating income   | 1,4         | 0,4     | 1,0     |
| <b>Operating profit before amortisation and depreciation (EBITDA) before special items</b> | <b>64,1</b> | 63,3    | 0,8     |
| Amortisation and depreciation  | (18,1)      | (10,3)  | (7,8)   |
| <b>Operating profit (EBIT) before special items</b>  | <b>46,0</b> | 53,0    | (7,0)   |
| Special items  | 0,0         | (5,1)   | 5,1     |
| Financial income/expenses  | (1,0)       | (1,0)   | 0       |
| <b>Profit before tax (EBT)</b>   | <b>45,0</b> | 46,9    | (1,9)   |
| Gross margin   | 63.7%       | 67.7%   | (4.0)%  |
| Conversion ratio   | 53.5%       | 70.5%   | (17.0)% |
| Operating margin   | 47.5%       | 57.0%   | (9,5)%  |
| EBT margin   | 33.3%       | 42.2%   | (8,9)%  |

The Unit is established with effect from 15 July 2021 - given a period of 9,5 month in the financial year 2021/22.

### REVENUE DKK M

135



### EBITDA DKK M

64



### EBIT DKK M

46



### EBT DKK M

45



■ 2022/23   ■ 2021/22



# CORPORATE

## SOCIAL RESPONSIBILITY

### STATUTORY STATEMENT ON SUSTAINABILITY IN ACCORDANCE WITH SECTION 99 A OF THE DANISH FINANCIAL STATEMENTS ACT

#### BUSINESS MODEL

SDK FREJA is a shipping, logistics and environment & recycling company, and our main activities include Road, Air & Sea, Logistics, Stevedoring, Agency, Customs Clearing, Commercial Chartering, Liner Services, Cruise Services and treatment of polluted soil. We are locally based in Northern Europe but operate in a global network. We guarantee high quality and customized personal service, and we focus on what we do best, so our customers can focus on their core business.

SDK FREJA publishes its ESG report simultaneously with this annual report, and despite this, we have chosen to include this statutory statement in this report as well this year.

#### ENVIRONMENT AND CLIMATE CHANGE

As part of the transport industry, we recognise that we have certain risks regarding CO<sub>2</sub> emissions from fuel combustion. The transport sector is responsible for 24% of direct CO<sub>2</sub> emissions from fuel combustion and, therefore, we have risks associated with stakeholder expectations and regulatory requirements regarding our CO<sub>2</sub> emissions that require us to make an effort to reduce our emissions.

We have seen a small expected increase in our scope 1, expected because we have increased the number of cars and moved our leased vessels from scope 3 to scope 1.

Our efforts in facility management have paid off, and we have seen a significant reduction in our Scope 2 emissions, equivalent to 82 tons of CO<sub>2</sub> emissions.

97% of our total emissions still come from Scope 3, with transportation being the largest part. We closely monitor the developments, and until the right technology is found, which is not only sufficiently available but also economically sustainable, we will continue our efforts to optimize route planning and maximize cargo capacity utilization.

In collaboration with customers and suppliers, we will continue our work to find improvement opportunities that can contribute to reducing the impact of our activities on the climate.

In 2022, 62% of our waste was sent to recycling. Our goal is a minimum of 65% sent for recycling in 2025. We aim to sort and recycle as much waste as possible throughout our operations. Furthermore, we also have a goal to continuously reduce the consumption of electricity, water and heating in all our buildings to minimise our environmental footprint.





## HUMAN RIGHTS

We acknowledge that our involvement in road transport, air and sea projects, logistics, stevedoring, agency services, customs clearing, commercial chartering, liner services, and cruise services exposes us to potential risks such as the exploitation of workers through underpayment or poor working conditions, as well as inadequate compliance with legal requirements. Therefore, it is crucial for us that our partners and suppliers uphold the same values and principles of business ethics as we do.

In order to mitigate the risk of human rights violations, SDK FREJA has established written agreements, including our Code of Conduct, which can be accessed here: <https://www.freja.com/wp-content/uploads/2021/06/Conduct-for-Suppliers-to-FREJA-2021.pdf>. These agreements are in place with all major subcontractors, with the objective of ensuring adherence to our standards and relevant laws. As of 2022, over 90% of our subcontractors in road transportation have signed the Code of Conduct.

New joint SDK FREJA Code of Conduct has been developed for both employees and suppliers, and it is expected to be released in June 2023. This will ensure awareness of the requirements for best practices. Additionally, we are expanding our supplier evaluations by sending out questionnaires based on risk assessments.

## HUMAN RIGHTS VIOLATIONS

SDK FREJA has a whistle-blower program. In 2022 there were no reports of unethical behaviour and we have no knowledge of any violations in relation to our operations.

## EMPLOYEES

Being a shipping, logistics and environment & recycling company, we prioritize the health and safety of our employees due to the inherent risks associated with cargo handling and freighting. Our employees are required to adhere to our health and safety guidelines, which encompass the use of personal protective equipment and preventive measures. We diligently record any incidents that occur and have established follow-up procedures and reporting mechanisms to ensure timely reporting to the relevant authorities. Moving forward, we will place particular emphasis on proactive behavior, including reporting near-miss incidents. This approach aims to enhance our health and safety protocols, prevent future injuries, and foster a culture of prioritizing safety above all else, known as our 'Safety First' culture.

SDK FREJA has conducted its first joint employee satisfaction analysis, benchmarked against other companies within USTC, with a satisfactory result. Nevertheless, we aim to continuously improve as a workplace to both retain valuable employees and attract new talents. Our HR department actively utilizes the analysis in efforts to ensure a positive working environment for all.

## ANTI-CORRUPTION

We acknowledge the presence of risks associated with bribery, corruption, and facilitation payments in the areas where we operate. As a result, SDK FREJA has established guidelines that mandate compliance for the Board of Directors, Executive Board, and all individual employees. These guidelines require responsible conduct and adherence to high ethical standards. It is essential for all employees to possess knowledge of and comply with relevant legislation, both at the national and international levels, concerning all our activities, including regulations pertaining to corruption, money laundering, fraud, and so on. All new employees are obligated to familiarize themselves with our guidelines. In the upcoming period, we will ensure that all employees are offered anti-corruption training through E-learning.

SDK FREJA has a whistle-blower program. In 2022 there were no reports of unethical behaviour and we have no knowledge of any violations in relation to our operations.

## STATUTORY STATEMENT ON GENDER DIVERSITY IN ACCORDANCE WITH SECTION 99 B OF THE DANISH FINANCIAL STATEMENTS ACT

### GENDER COMPOSITION IN LEADERSHIP POSITIONS

SDK FREJA A/S's Board of Directors is the supreme management body in the company and currently consists of 8 members, 3 female and 5 male. Our target to reach 33% of the

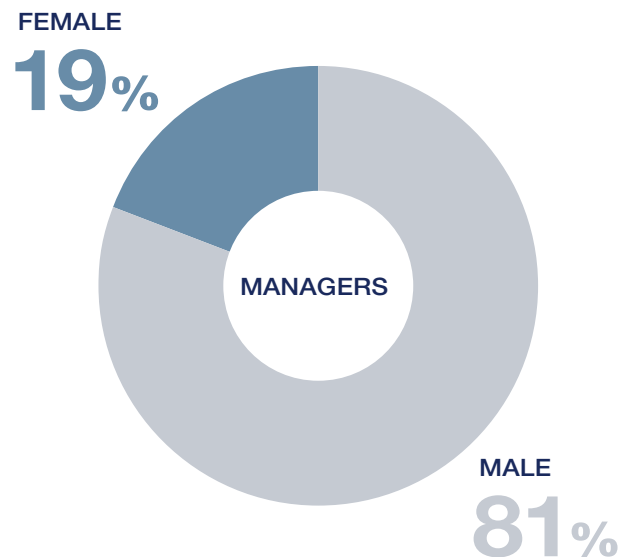
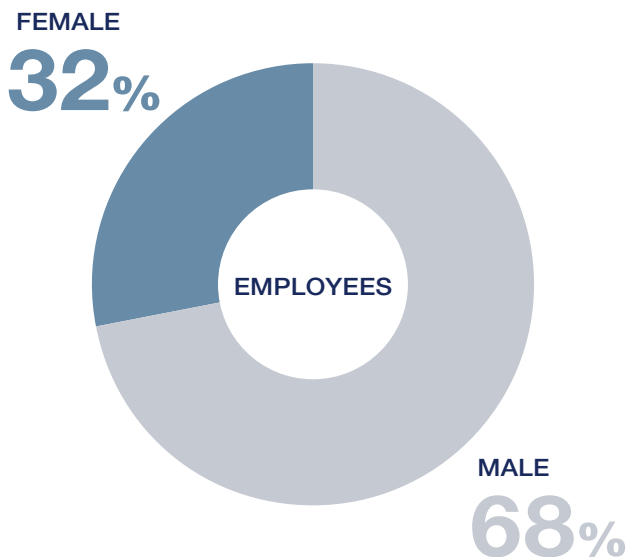
underrepresented gender have been reached with success. Today, the percentage of female members of the Board elected by the shareholders is 37,5%.

We aim to attract employees from a wide diversity spectrum. Despite technological advancements that enable individuals of all genders to work in any part of our company, we acknowledge that we have traditionally been a male-dominated workplace. It is important for us to communicate this knowledge to the public. We have not achieved a more equal gender balance on management level. For the year 2022 the balance where 19% female and 81% male. For the general employees the balance is 32% female and 68% male.

The Group's policy ensures equal career and management opportunities for employees regardless of gender. Furthermore, the Group recognizes gender diversity as a valuable asset and actively promotes it at all management levels through the following measures:

- requiring to be presented with both male and female candidates when using external recruitment partners
- inviting qualified candidates of both genders for an interview when filling management positions
- increasing focus on identifying and encouraging potential female management talents within the organization to apply for management roles.

Despite these efforts, there have been no changes in gender representation at other management levels in 2022. Moving forward, we will persist in our endeavors to foster gender diversity across all management levels.



## STATUTORY STATEMENT ON DATA ETHICS IN ACCORDANCE WITH SECTION 99 D OF THE DANISH FINANCIAL STATEMENTS ACT

As a company covering shipping, logistics and environment and recycling, SDK FREJA deals with substantial volumes of data in our daily operations. This data includes supplier and customer information, GPS data, and personal data related to our employees. We are deeply committed to managing this data responsibly and ethically, in compliance with all relevant laws and regulations. Our dedication to ethical data processing is of utmost importance to us, which is why we have established internal policies and guidelines that our employees must adhere to when handling data in the context of our operations.

One of our key considerations in data management is ensuring appropriate access to data. While transparency to our customers regarding the transportation of their goods is vital, we also recognize our responsibility to safeguard the data of our customers, suppliers, and employees. Hence, we follow the principle of least privilege access within our organization. This means that individuals are granted access only to the data that is strictly necessary for them to perform their duties. The same principle extends to our customers and suppliers, who can access only the data directly relevant to their goods. Our IT policy formalizes these internal data management processes and is accessible to all employees.

To support our guidelines and policies, we have implemented a structured data management system that ensures employees have access only to the data required for their responsibilities. We conduct quarterly reviews of access rights as part of our data management processes. Furthermore, we have established a human resources (HR) system specifically designed to manage employee data, with stringent access requirements in place to ensure that only authorized personnel can access the data.

# FINANCIAL AND OPERATIONAL RISKS

## FOREIGN EXCHANGE RISKS

The Group monitors and assesses on a current basis the financial consequences of foreign exchange rates changes and hedges the foreign exchange rates if considered required.

## CREDIT RISKS

The majority of the Group's customers and other business partners are credit insured. All customers are credit rated regularly in accordance with the Group's policy for assuming credit risks.

## INTEREST RATE RISKS

The Group's interest-bearing debt is based on a mix between fixed and variable interest rates, and therefore earnings are partly affected by any changes in the level of interest. The Group monitors and assesses on a current basis the financial consequences of interest rate changes and hedges the interest rate risk if considered adequate.

## TRADING RISKS

The Group's trading activities are widely spread on the various customer segments and no single customer or supplier has a significant part of the Group's sales or purchases.

An elaboration of the Group's financial risk management can be viewed in note 18 in the Consolidated Financial Statement.



# CORPORATE GOVERNANCE

## MANAGEMENT STRUCTURE

Together, the Board of Directors and the Executive Board constitute the governing body of SDK FREJA. The ultimate authority rests with the shareholders at the general meeting.

The Board of Directors supervises and outlines the overall vision, strategies and objectives for the development of the Group's business activities.

The Executive Board is responsible for the day-to-day management and the execution of the strategy, and furthermore contributes essential input to the work of the Board of Directors.

The allocation of responsibilities between the Board of Directors and the Executive Board is laid down in the relevant Rules of Procedure.

The individual division managers are responsible for the day-to-day operations of the divisions supported by centralised Group functions.

## BOARD OF DIRECTORS

### Composition

The Board of Directors of SDK FREJA A/S currently has eight members. The Board of Directors consists of three to nine members appointed by the general meeting. An alternate may be appointed for each member. The members must retire from office at the next annual general meeting, but they are eligible for re-appointment.

### Competencies of the Board

The composition of the Board of Directors is intended to ensure that the Board's competency profile is diverse and that the Board is able to perform its duties effectively.

Overboarding is also taken into consideration when considering the Board composition.

Current competencies required of and possessed by the Board are knowledge of the shipping, transport & logistics and environmental sector, international commercial experience and experience in strategy, M&A and risk management.

In instances where specialised knowledge or insight is required in supporting the work of the Board, services may be obtained from external advisers or specialists.

See pages 34-35 for a description of the individual board members' competencies and experience.

### Board of Directors self-evaluation

On a regular basis, the Board of Directors performs an overall self-evaluation, focusing on the results, composition and competencies of the Board. In this regard, diversity, overboarding, internal management cooperation, succession planning and focus areas for the coming period are also considered.

The Chairman of the Board is in charge of the self-evaluation process. When completed, the self-evaluation report is presented to and discussed by the Board.

The result of the self-evaluation conducted in 2021/22 concluded a wish to add extra competencies which has now been fulfilled.

With this supplement, the Board is considered to have the right competencies supporting the long-term value creation for our shareholders.

### Board meetings

The Board of Directors held five ordinary board meetings in 2022/23. The content of the meetings is determined by the annual cycle of the Board, thus ensuring that all important policies are reviewed.





**TORBEN ØSTERGAARD-NIELSEN**

**Chairman**

Born in 1954.  
Board member since 1994.  
Chairman since 2014.  
Chairman of the board, founder and owner of the USTC Group (A/S United Shipping & Trading Company).

**Special competences**

Extensive background and global experience within the shipping and bunker industry.

**Other directorships**

Chairman and member of the boards in most USTC Group companies. Member of the boards in Fayard Holding ApS, Fayard A/S, FLCO Holding ApS, H.J. Hansen Holding A/S and Group Companies, Gottfred Petersen Holding A/S and Selected Car Group A/S. Chairman of the board in Middelfart Bycenter A/S.

**Other**

German Honorary Consul from 1988-2020. Member of Corps Consulaire since 1988. Member of Danske Bank Erhvervsråd from 2006-2022.



**NINA ØSTERGAARD BORRIS**

**Deputy Chairman**

Born in 1983.  
Board member since 2014.  
Deputy chairman since 2022.  
CEO and owner of the USTC Group (A/S United Shipping & Trading Company).

**Special competences**

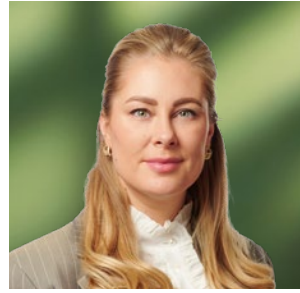
Company evaluations, mergers and acquisitions, financial due diligence, business restructuring, reorganisation, turnarounds and compliance.

**Other directorships**

Member of the boards in Uni-Tankers A/S, CM Biomass Partners A/S, Bunker Holding A/S, the USTC Group (A/S United Shipping & Trading Company), Middelfart Erhvervsråd and Marius Pedersens Fond. Chairman of the board in Unit IT A/S. Member of Beiratsitzung Nord, Deutsche Bank.

**Education**

Master's degree in applied economics and finance (Cand. merc. AEF) supplemented by courses at Harvard University and London School of Economics and Political Science.



**MIA ØSTERGAARD REHNITZER**

**Board member**

Born in 1989.  
Board member since 2022.  
Chief Governance Officer and owner of the USTC Group (A/S United Shipping & Trading Company).

**Special competences**

C-suite succession planning, C-level and board composition, board and leadership assessments, governance structure, development and implementation of ESG strategy.

**Other directorships**

Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, and the USTC Group (A/S United Shipping & Trading Company).

**Education**

MSc in Human Resource Management supplemented by courses at Harvard University and London School of Economics.



**PETER APPEL**

**Board member**

Born in 1961.  
Board member since 2019. Partner, Gorrissen Federspiel law firm.

**Special competences**

In-depth knowledge and extensive experience within legal matters related to the shipping industry, as an adviser to and member of directors in a number of Danish shipping companies. Specialised in the transport sector and infrastructure projects, including extensive knowledge about ferry service, train and harbour projects.

**Other directorships**

Chairman of the boards in Deloitte Fonden, Clipper Group A/S, Fayard Holding Aps, and Fayard A/S. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, the USTC Group (A/S United Shipping & Trading Company), Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, Sølvudsvalget, and Northern Offshore Services.

**Education**

LL.M. (Master of Laws), Copenhagen. Maritime Law, University of Oslo LL.M with Merit in Commercial and Corporate Law, London School of Economics.

**BOARD OF DIRECTORS**





**LARS KREJBERG  
PETERSEN**

**Board member**

Born in 1963.  
Board member since 2012.  
CEO Dansk Retursystem A/S.

**Special competences**

Supply Chain, Logistics,  
Digitalization and ESG, and  
Business Processes.

**Other directorships**

Member of the boards in  
Nemco 98 A/S.

**Education**

BBA and BBA(M).



**FLEMMING  
DALGAARD**

**Board member**

Born in 1964.  
Board member since 2015.  
Managing Partner, FLEDAL  
Advisory & Consulting.

**Special competences**

Executive management  
within the ports, shipping and  
logistics industry including M&A  
activities. 35 years of global  
experience both in mature/  
developed as well as emerging  
markets.

**Other directorships**

Non Exec Director at Harwich  
Haven Authority (UK), Non  
Exec Director at Mass Cereales  
(Morocco), Non Exec Director  
at Arise Ports & Logistics (UK),  
Non Exec Director at MIP  
Mersin (Turkey), Independent  
Maritime Specialist Adviser for  
IFM Investors (UK), MD & Head  
of Asset Management APLM  
(DK).

**Education**

Shipping education from  
A.P. Moller-Maersk as well  
as Chartered Director (CDIR)  
from IOD and Chartered  
Fellow at the UK Institute  
for Logistics and Transport  
(FCILT), supplemented by  
courses at London Business  
School, Insead and Columbia  
University.



**ANN CHRISTIN  
ANDERSEN**

**Board member**

Born in 1966.  
Board member since 2022.  
Board Member, Strategic  
Advisor).

**Special competences**

Experienced executive/  
board member mainly in the  
energy sector. 30+ years  
operational experience in  
the maritime and oil&gas  
industry. Experience with  
orchestrating transformation  
(safety , digital/technology and  
ESG) and scaling start-ups in  
green industries and circular  
economy.

**Other directorships**

Non-Exec Director at Rotork  
PLC (UK), Å Energi AS (N) and  
Gen2Energy AS (N). Chair  
of the Board for the Port  
of Drammen (N). 20 years  
previous experience as board  
member/chair of the board.

**Education**

Engineering degree (B.Eng 1st)  
from Heriot Watt University  
(UK), Executive MBA (w.  
Honors) from IMD (Ch),  
supplemented by leadership  
training and courses relevant  
for career moves.



**JØRGEN HANSEN**

**Board member**

Born in 1959.  
Board member since 2021.  
CEO of JJH Invest, CEO of  
JJH Advize, Founder of FREJA  
Transport & Logistics A/S.

**Special competences**

+40 years of experience in the  
transport and logistics industry,  
30 of which as General  
Manager.  
Mergers and acquisitions.  
Business Management.

**Other directorships**

Previous member of the board  
of JCI International, Skive fH,  
Nordea Erhvervsråd Skive.

**Education**

Transportation and logistics.



# EXECUTIVE BOARD

## HENRIK KLAUSEN

**Group CFO  
SDK FREJA A/S**

Born in 1964.  
Employed since August 2014.

### **Education/Background**

Master of Science in Business  
Economics and Auditing.

## LARS JESPERSEN

**Group CEO  
Shipping**

Born in 1968.  
Employed since November 1998.

### **Education/Background**

Bachelor, Insead.

### **Other external positions**

Chairman Danish Shipping & Harbour  
Associations. Chairman Aabenraa  
Employers Association. British consul.

## ULRIK RASMUSSEN

**Group CEO  
Logistics**

Born in 1975.  
Employed since April 2010.

### **Education/Background**

Roskilde Business School.  
Extensive background and global  
experience within the freight and  
logistics industry, with different  
director and board positions.





**SØREN GRAN HANSEN**

**Group CEO  
SDK FREJA A/S**

Born in 1968.  
Employed since September 2013.

**Education/Background**

Bachelor of economy.  
Global experience with listed companies and extensive background within freight and logistics industry, primarily through 24 years with DSV A/S, with different director and board positions.

**LARS BAKKEGAARD**

**Group CFO  
Logistics**

Born in 1971.  
Employed since March 2011.

**Education/Background**

Norwegian Business School,  
Bachelor in Audit.  
22 years of experience as CFO within the transport and logistics industry. Extensive experience in Finance and IT projects within the Nordic region. Board experience from the Nordics and UK/IR.

**DAVID YORK**

**Group CEO  
Environment and Recycling**

Born in 1960.  
Employed since 2004.

**Education/Background**

Bachelor of Maritime Transport and Nautical Science.



# CONSOLIDATED FINANCIAL STATEMENTS



## INCOME STATEMENT

### FOR THE PERIOD 1 MAY - 30 APRIL

| DKK '000   | Notes | 2022/23          | 2021/22          |
|--|-------|------------------|------------------|
| Revenue  | 1     | 6,585,012        | 6,003,410        |
| Direct costs   |       | (5,116,231)      | (4,701,709)      |
| <b>Gross profit</b>  |       | <b>1,468,781</b> | <b>1,301,701</b> |
| Other external expenses  |       | (253,718)        | (217,847)        |
| Staff costs  | 2     | (642,139)        | (594,572)        |
| Other operating income and expenses  | 3     | 11,241           | 8,062            |
| <b>Operating profit before amortisation and depreciation (EBITDA) before special items</b> |       | <b>584,165</b>   | <b>497,344</b>   |
| Depreciation of property, plant and equipment  | 9+10  | (235,881)        | (218,479)        |
| Amortisation of intangible assets  | 8     | (17,474)         | (13,549)         |
| <b>Operating profit (EBIT) before special items</b>  |       | <b>330,810</b>   | <b>265,316</b>   |
| Share of profit from associates and joint ventures   | 12    | 856              | 9,238            |
| Special items  | 4     | 0                | (964)            |
| Financial income   | 5     | 15,982           | 2,504            |
| Financial expenses   | 6     | (60,215)         | (32,372)         |
| <b>Profit before tax</b>   |       | <b>287,433</b>   | <b>243,722</b>   |
| Tax on profit for the year   | 7     | (61,934)         | (49,666)         |
| <b>Profit for the year</b>   |       | <b>225,499</b>   | <b>194,056</b>   |
| <b>Profit is attributable to:</b>  |       |                  |                  |
| Owners of SDK FREJA A/S  |       | 165,168          | 142,197          |
| Non-controlling interests  |       | 60,331           | 51,859           |
| <b>Profit for the year</b>   |       | <b>225,499</b>   | <b>194,056</b>   |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### FOR THE PERIOD 1 MAY - 30 APRIL

| DKK '000   | 2022/23         | 2021/22        |
|--|-----------------|----------------|
| <b>Profit for the period</b>                                   | <b>225,499</b>  | <b>194,056</b> |
| Other comprehensive income                                     | 0               | 0              |
| Items that will be subsequently reclassified to profit or loss | 0               | 0              |
| Exchange differences on translation of foreign operations      | (24,162)        | (2,184)        |
| Fair value adjustments to cash flow hedges                     | 0               | 1,211          |
| Other adjustments  | (576)           | 475            |
| Income tax relating to these items                             | 0               | (266)          |
| <b>Other comprehensive income for the period, net of tax</b>   | <b>(24,738)</b> | <b>(764)</b>   |
| <b>Total comprehensive income for the year</b>                 | <b>200,761</b>  | <b>193,292</b> |
| <b>Total comprehensive income is attributable to:</b>          |                 |                |
| Owners of SDK FREJA A/S  | 146,821         | 141,251        |
| Non-controlling interests                                      | 53,940          | 52,041         |
| <b>Total comprehensive income for the year</b>                 | <b>200,761</b>  | <b>193,292</b> |

## BALANCE SHEET

### ASSETS

| DKK'000                                      | Notes | 30 April 2023    | 30 April 2022    |
|--|-------|------------------|------------------|
| Goodwill                                     | 8     | 798,816          | 812,802          |
| Intangible assets                            | 8     | 279,911          | 293,825          |
| Property, plant and equipment                | 9     | 301,872          | 312,858          |
| Right-of-use assets                          | 10    | 806,622          | 775,706          |
| Deposits                                     |       | 8,360            | 8,212            |
| Deferred tax assets                          | 11    | 10,085           | 11,882           |
| Securities                                   |       | 7,446            | 7,313            |
| Investments in associates and joint ventures | 12    | 3,574            | 2,863            |
| Receivables from group companies             |       | 346,100          | 237,800          |
| <b>Total non-current assets</b>              |       | <b>2,562,786</b> | <b>2,463,261</b> |
| Trade receivables                            | 13    | 766,877          | 886,060          |
| Receivables from group companies             |       | 21               | 722              |
| Receivables from associates                  |       | 853              | 0                |
| Inventories                                  |       | 382              | 179              |
| Corporation tax                              |       | 2,053            | 9,595            |
| Other receivables                            |       | 79,446           | 72,052           |
| Prepayments                                  |       | 21,150           | 31,855           |
| Cash and cash equivalents                    |       | 477,315          | 269,112          |
| <b>Total current assets</b>                  |       | <b>1,348,097</b> | <b>1,269,575</b> |
| <b>Total assets</b>                          |       | <b>3,910,883</b> | <b>3,732,836</b> |



## BALANCE SHEET

### EQUITY AND LIABILITIES

| DKK '000   | Notes | 30 April 2023    | 30 April 2022    |
|--|-------|------------------|------------------|
| Share capital                                      | 14    | 6,500            | 6,500            |
| Foreign currency reserve                           |       | (19,183)         | (1,441)          |
| Retained earnings                                  |       | 629,482          | 508,460          |
| <b>Capital and reserves attributable to owners</b> |       | <b>616,799</b>   | <b>513,519</b>   |
| Non-controlling interests                          | 15    | 299,824          | 271,054          |
| <b>Total equity</b>                                |       | <b>916,623</b>   | <b>784,573</b>   |
| Borrowings   | 18    | 370,133          | 323,238          |
| Lease liabilities                                  | 10    | 667,276          | 607,031          |
| Deferred tax liabilities                           | 11    | 79,861           | 85,580           |
| Provisions   | 16    | 14,009           | 19,076           |
| Other liabilities                                  | 17    | 357,564          | 251,816          |
| Debt to non-controlling shareholders               |       | 100,000          | 100,000          |
| <b>Total non-current liabilities</b>               |       | <b>1,588,843</b> | <b>1,386,741</b> |
| Borrowings   | 18    | 15,803           | 118,480          |
| Lease liabilities                                  | 10    | 181,750          | 207,604          |
| Income tax payables                                |       | 58,787           | 35,706           |
| Trade payables                                     |       | 835,679          | 860,186          |
| Payables to group companies                        |       | 1,870            | 0                |
| Payables to associates                             |       | 2,632            | 1,743            |
| Contract liabilities                               |       | 2,192            | 647              |
| Provisions   | 16    | 6,030            | 2,904            |
| Other payables                                     |       | 300,674          | 334,252          |
| <b>Total current liabilities</b>                   |       | <b>1,405,417</b> | <b>1,561,522</b> |
| <b>Total liabilities</b>                           |       | <b>2,994,260</b> | <b>2,948,263</b> |
| <b>Total equity and liabilities</b>                |       | <b>3,910,883</b> | <b>3,732,836</b> |

## CHANGES IN EQUITY

### EQUITY AT 30 APRIL 2023

| DKK '000  | Notes | Share capital | Foreign currency reserve | Retained earnings | Hedging reserve | Total           | Non-controlling interests | Total equity    |
|---|-------|---------------|--------------------------|-------------------|-----------------|-----------------|---------------------------|-----------------|
| <b>Equity at 1 May 2022</b>                                       | 14    | 6,500         | (1,441)                  | 508,460           | 0               | 513,519         | 271,054                   | 784,573         |
| Profit for the year   |       | 0             | 0                        | 165,168           | 0               | 165,168         | 60,331                    | 225,499         |
| Other comprehensive income  |       | 0             | (17,742)                 | (604)             | 0               | (18,346)        | (6,392)                   | (24,738)        |
| <b>Total comprehensive income for the period</b>                  |       | <b>0</b>      | <b>(17,742)</b>          | <b>164,564</b>    | <b>0</b>        | <b>146,822</b>  | <b>53,939</b>             | <b>200,761</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |       |               |                          |                   |                 |                 |                           |                 |
| Capital increase, net of transaction costs                        |       | 0             | 0                        | 0                 | 0               | 0               | 0                         | 0               |
| Dividend paid and payable   |       | 0             | 0                        | (20,000)          | 0               | (20,000)        | (4,200)                   | (24,200)        |
| Additions of non-controlling interests                            |       | 0             | 0                        | (23,897)          | 0               | (23,897)        | (20,969)                  | (44,866)        |
| Put-option liability related to non-controlled interest           |       | 0             | 0                        | (108,300)         | 0               | (108,300)       | 0                         | (108,300)       |
| Contribution from owners  |       | 0             | 0                        | 108,300           | 0               | 108,300         | 0                         | 108,300         |
| Transactions with non-controlling interests                       |       | 0             | 0                        | 0                 | 0               | 0               | 0                         | 0               |
| Shared-based payments   |       | 0             | 0                        | 355               | 0               | 355             | 0                         | 355             |
| <b>Total transactions with owners in their capacity as owners</b> |       | <b>0</b>      | <b>0</b>                 | <b>(43,542)</b>   | <b>0</b>        | <b>(43,542)</b> | <b>(25,169)</b>           | <b>(68,711)</b> |
| <b>Equity at 30 April 2023</b>                                    |       | <b>6,500</b>  | <b>(19,183)</b>          | <b>629,482</b>    | <b>0</b>        | <b>616,799</b>  | <b>299,824</b>            | <b>916,623</b>  |

### EQUITY AT 30 APRIL 2022

| DKK '000  | Notes | Share capital | Foreign currency reserve | Retained earnings | Hedging reserve | Total           | Non-controlling interests | Total equity   |
|---|-------|---------------|--------------------------|-------------------|-----------------|-----------------|---------------------------|----------------|
| <b>Equity at 1 May 2021</b>                                       | 14    | 6,500         | 303                      | 377,022           | 85              | 383,910         | 158,413                   | 542,323        |
| Profit for the year   |       | 0             | 0                        | 142,197           | 0               | 142,197         | 51,859                    | 194,056        |
| Other comprehensive income  |       | 0             | (1,744)                  | 883               | (85)            | (946)           | 182                       | (764)          |
| <b>Total comprehensive income for the period</b>                  |       | <b>0</b>      | <b>(1,744)</b>           | <b>143,080</b>    | <b>(85)</b>     | <b>141,251</b>  | <b>52,041</b>             | <b>193,292</b> |
| <b>Transactions with owners in their capacity as owners</b>       |       |               |                          |                   |                 |                 |                           |                |
| Dividend paid and payable   |       | 0             | 0                        | 0                 | 0               | 0               | (11,155)                  | (11,155)       |
| Additions of non-controlling interests                            |       | 0             | 0                        | (814)             | 0               | (814)           | 72,927                    | 72,113         |
| Put-option liability related to non-controlled interest           |       | 0             | 0                        | (100,259)         | 0               | (100,259)       | 0                         | (100,259)      |
| Sale of subsidiary without changes in control                     |       | 0             | 0                        | (10,828)          | 0               | (10,828)        | (1,172)                   | (12,000)       |
| Contribution from owners  |       | 0             | 0                        | 100,259           | 0               | 100,259         | 0                         | 100,259        |
| <b>Total transactions with owners in their capacity as owners</b> |       | <b>0</b>      | <b>0</b>                 | <b>(11,642)</b>   | <b>0</b>        | <b>(11,642)</b> | <b>60,600</b>             | <b>48,958</b>  |
| <b>Equity at 30 April 2022</b>                                    |       | <b>6,500</b>  | <b>(1,441)</b>           | <b>508,460</b>    | <b>0</b>        | <b>513,519</b>  | <b>271,054</b>            | <b>784,573</b> |

## CASH FLOW STATEMENT

| DKK '000  | Notes | 2022/23          | 2021/22          |
|---|-------|------------------|------------------|
| Profit for the year   |       | 225,499          | 194,056          |
| Adjustments   | 24    | 351,614          | 301,797          |
| Changes in net working capital                                | 25    | (43,582)         | (54,891)         |
| Interest received   |       | 15,914           | 2,504            |
| Interest paid   |       | (60,215)         | (32,372)         |
| Income taxes paid   |       | (35,758)         | (36,206)         |
| <b>Net cash flow from operating activities</b>                |       | <b>453,472</b>   | <b>374,888</b>   |
| Purchase of intangible assets                                 |       | (8,603)          | (5,249)          |
| Change in deposits etc.                                       |       | (281)            | (5,850)          |
| Purchase of property, plant and equipment                     | 9     | (20,764)         | (16,109)         |
| Sale of property, plant and equipment                         |       | 13,926           | 7,328            |
| Purchase of interests in associated companies                 |       | 0                | (47,230)         |
| Payment for acquisition of subsidiary, net of cash acquired   |       | 0                | (60,739)         |
| <b>Net cash flow from investing activities</b>                |       | <b>(15,722)</b>  | <b>(127,849)</b> |
| Repayment of borrowings                                       | 21    | (116,282)        | (124,241)        |
| Proceeds from borrowings                                      | 21    | 60,500           | 38,127           |
| Principal elements of lease payments                          |       | (212,999)        | (202,989)        |
| Cash capital increase   |       | 108,300          | 100,259          |
| Transactions with non-controlling interest                    |       | (44,866)         | 0                |
| Dividend paid   |       | (24,200)         | (11,155)         |
| Dividend received   |       | 0                | 2,940            |
| <b>Cash flow from financing activities</b>                    |       | <b>(229,547)</b> | <b>(197,059)</b> |
| <b>Net cash flow for the year</b>                             |       | <b>208,203</b>   | <b>49,980</b>    |
| Cash and cash equivalents, beginning of the year              |       | 269,112          | 219,132          |
| Effects of exchange rate changes on cash and cash equivalents |       | 0                | 0                |
| <b>Cash and cash equivalents at end of the year</b>           |       | <b>477,315</b>   | <b>269,112</b>   |
| Cash and cash equivalents comprise the following:             |       |                  |                  |
| <b>Cash at bank and in hand</b>                               |       | <b>477,315</b>   | <b>269,112</b>   |



# NOTES

## TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 1. REVENUE

The group derives revenue from the transfer of goods and services over time in the following major revenue streams:

| DKK '000                        | 2022/23          | 2021/22          |
|---------------------------------|------------------|------------------|
| <b>Business area overview</b>   |                  |                  |
| Logistics and road activities   | 5,549,596        | 5,111,602        |
| Shipping (Stevedore and Agency) | 901,670          | 842,738          |
| Environmental                   | 133,746          | 49,070           |
|                                 | <b>6,585,012</b> | <b>6,003,410</b> |
| <b>Geographical overview</b>    |                  |                  |
| Denmark                         | 2,007,972        | 1,785,139        |
| Sweden                          | 898,383          | 1,176,461        |
| Norway                          | 1,019,905        | 639,882          |
| Finland                         | 783,672          | 608,929          |
| Poland                          | 164,733          | 168,635          |
| Other                           | 1,710,347        | 1,624,364        |
|                                 | <b>6,585,012</b> | <b>6,003,410</b> |

## 2. STAFF COSTS

| DKK '000                    | 2022/23        | 2021/22        |
|-----------------------------|----------------|----------------|
| Wages and salaries          | 537,000        | 493,783        |
| Pensions                    | 47,431         | 42,988         |
| Other social security       | 57,708         | 57,801         |
|                             | <b>642,139</b> | <b>594,572</b> |
| Average number of employees | 1,515          | 1,350          |

| DKK '000   | 2022/23 | 2021/22 |
|--|---------|---------|
| Salaries and remuneration to the Board of Directors and the Executive Board amount to: | 19,344  | 17,083  |

A member of Key Management has during 2022/23 been granted an option to acquire 917 shares in SDK FREJA A/S at an exercise price of DKK 14k per share. The option becomes exercisable from 2025, subject to continued employment. Fair value amounts to 2.5 MDKK based on the following main assumptions: The Share price is equal to the exercise price. The expected volatility is 24.3% based on historical volatility for a peer group of listed entities. Expected term 3.2 years.

### Key management compensation

Key management consists of Executive Board. The compensation paid or payables to key management for employee services is shown below.

| DKK '000                     | 2022/23       | 2021/22       |
|------------------------------|---------------|---------------|
| Short term employee benefits | 36,399        | 30,433        |
| Share-based payment          | 355           | 0             |
|                              | <b>36,754</b> | <b>30,433</b> |

### 3. OTHER OPERATING INCOME AND EXPENSES

| DKK '000   | 2022/23       | 2021/22      |
|--|---------------|--------------|
| <b>Other operating income</b>                            |               |              |
| Gains from the disposal of property, plant and equipment | 7,613         | 3,534        |
| Governmental grants                                      | 0             | 345          |
| Other operating income                                   | 3,980         | 4,639        |
|  | <b>11,593</b> | <b>8,518</b> |

Governmental grants comprise of grants received in connection with the COVID-19 pandemic and cover expenses for fixed costs and salaries. There are no unfulfilled conditions or other contingencies attached to these grants.

#### Other operating expenses

|  |               |              |
|--|---------------|--------------|
| Losses from disposals of right-of-use assets and property, plant and equipment | 137           | 456          |
| Other operating expenses   | 215           | 0            |
|  | <b>352</b>    | <b>456</b>   |
| <b>Net other operating income and expenses</b>                                 | <b>11,241</b> | <b>8,062</b> |

### 4. SPECIAL ITEMS

| DKK '000   | 2022/23  | 2021/22    |
|--|----------|------------|
| Transaction and integration costs from business acquisitions | 0        | 964        |
|  | <b>0</b> | <b>964</b> |

If special items had been recognised in operating profit before special items, they would have been included in other external expenses.

### 5. FINANCIAL INCOME

| DKK '000  | 2022/23       | 2021/22      |
|---|---------------|--------------|
| Interest from parent company                                      | 4,947         | 0            |
| Interest income from financial assets measured at amortised costs | 7,549         | 2,445        |
| Foreign exchange rate gains                                       | 2,897         | 0            |
| Fair value adjustments of security investments                    | 589           | 59           |
|   | <b>15,982</b> | <b>2,504</b> |



## 6. FINANCIAL EXPENSES

| DKK '000   | 2022/23       | 2021/22       |
|--|---------------|---------------|
| Interest to parent company   | 7,585         | 0             |
| Foreign exchange rate losses   | 12,641        | 2,456         |
| Interest expense on financial liabilities measured at amortised cost | 20,399        | 12,794        |
| Interest expense on leases   | 18,757        | 16,341        |
| Other financial expenses   | 833           | 781           |
|  | <b>60,215</b> | <b>32,372</b> |

## 7. TAX ON PROFIT FOR THE YEAR

| DKK '000  | 2022/23       | 2021/22       |
|---|---------------|---------------|
| Current tax on profit for the year                                    | 66,381        | 52,093        |
| Current tax on profit for previous years                              | 567           | 1,275         |
| Deferred tax on profit for the year                                   | (5,014)       | (3,702)       |
|   | <b>61,934</b> | <b>49,666</b> |
| <b>Calculated 22.0 % tax on profit for the year before income tax</b> | <b>63,235</b> | <b>53,619</b> |
| <b>Tax effects of:</b>  |               |               |
| Differences in the tax rates in foreign subsidiaries relative to 22 % | (2,701)       | (2,376)       |
| Non-taxable income  | (1,943)       | (5,310)       |
| Different tax legislation   | (158)         | (90)          |
| Non-deductible expenses   | 3,443         | 2,705         |
| Deferred tax, effect of change in tax rate                            | (51)          | (37)          |
| Adjustment of tax relating to previous years                          | 109           | 1,155         |
|   | <b>61,934</b> | <b>49,666</b> |
| <b>Effective tax rate</b>   | <b>21,5%</b>  | <b>20,3%</b>  |

## 8. INTANGIBLE ASSETS

| DKK '000                                 | Goodwill       | Brands         | Customer relations | Technologies and know-how | Software      | Total            |
|--|----------------|----------------|--------------------|---------------------------|---------------|------------------|
| Cost:                                    |                |                |                    |                           |               |                  |
| <b>At 1 May 2022</b>                     | <b>812,802</b> | <b>164,460</b> | <b>59,814</b>      | <b>68,697</b>             | <b>18,579</b> | <b>1,124,352</b> |
| Additions during the year                | 4,000          | 0              | 0                  | 0                         | 4,603         | 8,603            |
| Exchange difference                      | (17,986)       | (765)          | (321)              | 0                         | (72)          | (19,144)         |
| <b>At 30 April 2023</b>                  | <b>798,816</b> | <b>163,695</b> | <b>59,493</b>      | <b>68,697</b>             | <b>23,110</b> | <b>1,113,811</b> |
| Accumulated amortisation and impairment: |                |                |                    |                           |               |                  |
| <b>At 1 May 2022</b>                     | <b>0</b>       | <b>0</b>       | <b>10,037</b>      | <b>1,576</b>              | <b>6,112</b>  | <b>17,725</b>    |
| Amortisation for the year                | 0              | 0              | 7,714              | 4,723                     | 5,037         | 17,474           |
| Exchange difference                      | 0              | 0              | (39)               | 0                         | (76)          | (115)            |
| <b>At 30 April 2023</b>                  | <b>0</b>       | <b>0</b>       | <b>17,712</b>      | <b>6,299</b>              | <b>11,073</b> | <b>35,084</b>    |
| <b>Carrying amount 30 April 2023</b>     | <b>798,816</b> | <b>163,695</b> | <b>41,781</b>      | <b>62,398</b>             | <b>12,037</b> | <b>1,078,727</b> |

| DKK '000                                 | Goodwill       | Brands         | Customer relations | Technologies and know-how | Software      | Total            |
|--|----------------|----------------|--------------------|---------------------------|---------------|------------------|
| Cost:                                    |                |                |                    |                           |               |                  |
| <b>At 1 May 2021</b>                     | <b>773,005</b> | <b>160,000</b> | <b>57,416</b>      | <b>0</b>                  | <b>13,666</b> | <b>1,004,087</b> |
| Additions during the year                | 336            | 0              | 0                  | 0                         | 4,913         | 5,249            |
| Acquisition of business                  | 39,569         | 4,384          | 2,396              | 68,697                    | 0             | 115,046          |
| Exchange difference                      | (108)          | 76             | 2                  | 0                         | 0             | (30)             |
| <b>At 30 April 2022</b>                  | <b>812,802</b> | <b>164,460</b> | <b>59,814</b>      | <b>68,697</b>             | <b>18,579</b> | <b>1,124,352</b> |
| Accumulated amortisation and impairment: |                |                |                    |                           |               |                  |
| <b>At 1 May 2021</b>                     | <b>0</b>       | <b>0</b>       | <b>2,478</b>       | <b>0</b>                  | <b>1,698</b>  | <b>4,176</b>     |
| Amortisation for the year                | 0              | 0              | 7,559              | 1,576                     | 4,414         | 13,549           |
| <b>At 30 April 2022</b>                  | <b>0</b>       | <b>0</b>       | <b>10,037</b>      | <b>1,576</b>              | <b>6,112</b>  | <b>17,725</b>    |
| <b>Carrying amount 30 April 2022</b>     | <b>812,802</b> | <b>164,460</b> | <b>49,777</b>      | <b>67,121</b>             | <b>12,467</b> | <b>1,106,627</b> |

## 8. INTANGIBLE ASSETS (CONTINUED)

### IMPAIRMENT TEST

#### Goodwill

For the purpose of impairment testing, Goodwill and Brands have been allocated to the Group's CGU as follows:

| DKK '000                                    | 30 April 2023  | 30 April 2022  |
|---|----------------|----------------|
| FREJA Goodwill                              | 620,000        | 620,000        |
| FREJA Brands                                | 159,311        | 160,076        |
| Multiple units without significant goodwill | 183,200        | 197,186        |
| <b>Carrying amount 30 April</b>             | <b>962,511</b> | <b>977,262</b> |

For Goodwill and Brand impairment testing a number of estimates are made on the development in revenues, gross profits, operating margins, future capital expenditures, discount rates and growth expectations in the terminal period. These are based on an assessment of current and future developments in the cash-generating units and on historical data and assumptions of future expected market developments, including expected long-term average market growth rates.

The expected future net cash flows are based on budgets and business plans approved by Management.

For Goodwill and Brand impairment testing regarding FREJA the future cash flows are based on budget and business plans for the year 2023/24 and projections for the subsequent four years up to and including 2027/28. From 2028/29 and onwards SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry, equal to 2.0% (2021/22: 1,5%) and operating margin of 4.0% (2021/22: 4,4%). The applied pre-tax discount rate amounts to 8.3% (2021/22: 8,0%). No impairment losses on Goodwill and Brand in FREJA have been recognized in either 2021/22 or 2022/23. The Goodwill and Brand have been tested for impairment as of 30 April 2023.

For Goodwill impairment testing on units without significant goodwill 183,200k (2021/22: 197,186k) the cash flows are based on budget and business plans for the year 2023/24 and projections for the subsequent four years up to and including 2027/28. From 2028/29 onwards SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry, equal to 2.0% (2021/22: 2,0%) and an operating margin of 8,3% (2021/22: 4,5%). The applied pretax discount rate amounts to 8,3% (2021/22: 6,2%). No impairment losses on goodwill from units without significant goodwill have been recognized in either 2021/22 or 2022/23. The Goodwill has been tested for impairment as of 30 April 2023.

A reasonable change in the applied key assumptions on which the management has based its estimation of the recoverable amounts would not cause the carrying amounts to exceed the recoverable amount of the goodwill.



## 9. PROPERTY, PLANT AND EQUIPMENT

| DKK '000                                       | Land and buildings | Plant and equipment | Leasehold improvements | Total          |
|--|--------------------|---------------------|------------------------|----------------|
| <b>Cost</b>                                    |                    |                     |                        |                |
| <b>At 1 May 2022</b>                           | <b>331,893</b>     | <b>112,882</b>      | <b>6,360</b>           | <b>451,135</b> |
| Additions during the year                      | 3,799              | 15,801              | 1,164                  | 20,764         |
| Reclassification of financial lease assets     | 0                  | 4,173               | 0                      | 4,173          |
| Disposals during the year                      | 0                  | (35,208)            | (634)                  | (35,842)       |
| Transfers for the year                         | 0                  | (10,336)            | 10,336                 | 0              |
| Exchange difference                            | 1,064              | (4,031)             | (256)                  | (3,223)        |
| <b>At 30 April 2023</b>                        | <b>336,756</b>     | <b>83,281</b>       | <b>16,970</b>          | <b>437,007</b> |
| <b>Accumulated depreciation and impairment</b> |                    |                     |                        |                |
| <b>At 1 May 2022</b>                           | <b>75,240</b>      | <b>61,380</b>       | <b>1,657</b>           | <b>138,277</b> |
| Depreciation for the year                      | 12,343             | 14,389              | 2,105                  | 28,837         |
| Impairment for the year                        | 0                  | 0                   | 0                      | 0              |
| Disposal during the year                       | 0                  | (28,551)            | (841)                  | (29,392)       |
| Transfers for the year                         | 0                  | (863)               | 863                    | 0              |
| Exchange difference                            | 169                | (2,587)             | (169)                  | (2,587)        |
| <b>At 30 April 2023</b>                        | <b>87,752</b>      | <b>43,768</b>       | <b>3,615</b>           | <b>135,135</b> |
| <b>Carrying amount 30 April 2023</b>           | <b>249,004</b>     | <b>39,513</b>       | <b>13,355</b>          | <b>301,872</b> |

| DKK '000                                       | Land and buildings | Plant and equipment | Leasehold improvements | Total          |
|--|--------------------|---------------------|------------------------|----------------|
| <b>Cost</b>                                    |                    |                     |                        |                |
| <b>At 1 May 2021</b>                           | <b>253,252</b>     | <b>101,390</b>      | <b>6,353</b>           | <b>360,995</b> |
| Additions during the year                      | 3,507              | 12,602              | 0                      | 16,109         |
| Acquisition of business                        | 76,919             | 14,752              | 0                      | 91,671         |
| Disposals during the year                      | 0                  | (15,902)            | (24)                   | (15,926)       |
| Exchange difference                            | (1,785)            | 40                  | 31                     | (1,714)        |
| <b>At 30 April 2022</b>                        | <b>331,893</b>     | <b>112,882</b>      | <b>6,360</b>           | <b>451,135</b> |
| <b>Accumulated depreciation and impairment</b> |                    |                     |                        |                |
| <b>At 1 May 2021</b>                           | <b>66,792</b>      | <b>59,116</b>       | <b>429</b>             | <b>126,337</b> |
| Depreciation for the year                      | 8,618              | 13,729              | 1,205                  | 23,552         |
| Impairment for the year                        | 0                  | 0                   | 0                      | 0              |
| Disposal during the year                       | 0                  | (11,676)            | 0                      | (11,676)       |
| Exchange difference                            | (170)              | 211                 | 23                     | 64             |
| <b>At 30 April 2022</b>                        | <b>75,240</b>      | <b>61,380</b>       | <b>1,657</b>           | <b>138,277</b> |
| <b>Carrying amount 30 April 2022</b>           | <b>256,653</b>     | <b>51,502</b>       | <b>4,703</b>           | <b>312,858</b> |



## 10. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group has recognised the following amounts relating to leases:

| DKK '000                   | 30 April 2023  | 30 April 2022  |
|----------------------------|----------------|----------------|
| <b>Right-of-use assets</b> |                |                |
| Properties                 | 384,564        | 440,407        |
| Vehicles and equipment     | 422,058        | 335,299        |
|                            | <b>806,622</b> | <b>775,706</b> |

Additions to the right-of-use assets during the 2022/23 financial year was DKK 239,715k (2021/22: DKK 141,150k)

| DKK '000                 | 30 April 2023  | 30 April 2022  |
|--------------------------|----------------|----------------|
| <b>Lease liabilities</b> |                |                |
| Current                  | 181,750        | 207,604        |
| Non-current              | 667,276        | 607,031        |
|                          | <b>849,026</b> | <b>814,635</b> |

The statement of profit or loss shows the following amounts relating to leases:

| DKK '000   | 2022/23        | 2021/22        |
|--|----------------|----------------|
| <b>Depreciation charge of right-of-use assets</b>  |                |                |
| Properties   | 77,564         | 76,932         |
| Equipment  | 129,480        | 117,995        |
|  | <b>207,044</b> | <b>194,927</b> |
| Interest expense (included in financial expenses)  | 18,757         | 16,341         |
| Expense relating to short-term leases (included in direct costs and other external expenses) | 29,780         | 9,981          |

The total cash outflow for leases in 2022/23 was DKK 212,999k (2021/2022: 202,989k).

The Group has entered leases of properties for a fixed period of up to 30 years, of which some may have extension options. Furthermore, the Group leases plant and equipment, such as trucks, trailers etc for a fixed period of 2 to 6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.



## 11. DEFERRED TAX

| DKK '000   | 30 April 2023   | 30 April 2022 |
|--|-----------------|---------------|
| <b>At 1 May</b>  | 73,698          | 42,179        |
| Deferred tax recognised in the statement of profit or loss | (5,014)         | (3,702)       |
| Other adjustments  | 1,092           | 4,426         |
| Additions relating to acquisition of subsidiaries          | 0               | 30,795        |
| <b>At 30 April</b>   | <b>69,776</b>   | <b>73,698</b> |
| <b>Deferred tax relates to:</b>                            |                 |               |
| Intangible assets  | 66,304          | 68,375        |
| Tangible assets  | 42,618          | 37,798        |
| Trade receivables  | (2,378)         | (1,811)       |
| Right-of-use assets  | (29,403)        | (22,227)      |
| Borrowing costs  | (71)            | (82)          |
| Provisions   | (7,942)         | (5,399)       |
| Other  | 648             | (2,646)       |
| Tax loss carry forwards                                    | 0               | (310)         |
|  | <b>69,776</b>   | <b>73,698</b> |
| Of which presented as deferred tax assets                  | 10,085          | 11,882        |
| Of which presented as deferred tax liabilities             | (79,861)        | 85,580        |
| <b>Net deferred tax</b>                                    | <b>(69,776)</b> | <b>73,698</b> |

The Group has a unrecognised tax loss DKK 18,917k (2021/2022 21,209k) of tax losses carried forward, which relates to previous years tax result.

The Group has decided that it cannot recognise deferred tax assets on the tax losses carried forward due to uncertainty about the future utilisation.

## 12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

| DKK '000  | 30 April 2023 | 30 April 2022 |
|---|---------------|---------------|
| <b>ASSOCIATES</b>   |               |               |
| Aggregate carrying amount of individually immaterial associates | 3,574         | 2,863         |
| <b>Aggregate amounts of the group's share of:</b>               |               |               |
| Profit from continuing operations                               | 856           | 463           |
| Other comprehensive income                                      | (148)         | 0             |
| <b>Total comprehensive income</b>                               | <b>708</b>    | <b>463</b>    |
| <b>Opening balance</b>  |               |               |
| Share of operating profits                                      | 856           | 463           |
| Addition of shares  | 3             | 736           |
| Disposals of shares   | 0             | (214)         |
| Share of other comprehensive income                             | (148)         | 0             |
| <b>Closing balance</b>  | <b>3,574</b>  | <b>2,863</b>  |

| DKK '000  | 30 April 2023 | 30 April 2022 |
|---|---------------|---------------|
| <b>JOINT VENTURES</b>   |               |               |
| Aggregate carrying amount of individually immaterial joint ventures | 0             | 0             |
| <b>Aggregate amounts of the group's share of:</b>                   |               |               |
| Profit from continuing operations                                   | 0             | 8,775         |
| <b>Total comprehensive income</b>                                   | <b>0</b>      | <b>8,775</b>  |
| <b>Opening balance</b>  |               |               |
| Share of operating profits  | 0             | 8,775         |
| Addition of shares  | 0             | 35,230        |
| Disposals of shares   | 0             | (41,065)      |
| Dividends received  | 0             | (2,940)       |
| <b>Closing balance</b>  | <b>0</b>      | <b>0</b>      |

### 13. TRADE RECEIVABLES

| DKK '000  | 30 April 2023  | 30 April 2022  |
|---|----------------|----------------|
| Trade receivables before provision for expected credit losses | 776,218        | 892,582        |
| Provision for expected credit losses                          | (9,341)        | (6,522)        |
| <b>Trade receivables net</b>                                  | <b>766,877</b> | <b>886,060</b> |

Trade receivables are amounts due from customers in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Movement on the Group's expected credit losses on trade receivables is as follows:

|   |              |              |
|---|--------------|--------------|
| <b>Opening balances</b>   | <b>6,522</b> | <b>6,503</b> |
| Addition by acquisition of business                                     | 0            | 35           |
| Increase in loss allowance recognised in profit or loss during the year | 5,664        | 2,103        |
| Receivables written off during the year as uncollectible                | (1,011)      | (745)        |
| Unused amount reversed  | (1,531)      | (1,601)      |
| Exchange rate adjustments   | (303)        | 227          |
| <b>Provision for impairment of trade receivables</b>                    | <b>9,341</b> | <b>6,522</b> |

The Group has purchased credit insurances on the majority of its customers. Therefore, the provisions above only cover the uninsured part of trade receivables. For the management of the groups credit risk, please refer to note 18.

### 14. SHARE CAPITAL

|                                    | 30 April 2023    |                          | 30 April 2022    |                          |
|------------------------------------|------------------|--------------------------|------------------|--------------------------|
|                                    | Number of shares | Nominal value (DKK '000) | Number of shares | Nominal value (DKK '000) |
| The share capital comprise:        |                  |                          |                  |                          |
| Share capital beginning of period  | 6,500            | 6,500                    | 6,500            | 6,500                    |
| Capital increase                   | 0                | 0                        | 0                | 0                        |
| <b>Share capital end of period</b> | <b>6,500</b>     | <b>6,500</b>             | <b>6,500</b>     | <b>6,500</b>             |

At year-end, the share capital of SDK FREJA A/S amounted to 6,500 shares with a nominal value of DKK 1,000 each.

Shares consist of only one share class and include no special rights, preferences or restrictions. All shares are fully paid.







## 15. NON-CONTROLLING INTERESTS

A significant part of the group's activities are performed through subsidiaries with significant non-controlling interests. Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Below, summarized financial information for FREJA GROUP ApS is presented:

| DKK '000  | 2022/2023       | 2021/2022        |
|---|-----------------|------------------|
| Non-controlling interests' ownership                        | 27,4%           | 27,4%            |
| <b>Summarised balance sheet</b>                             |                 |                  |
| Current assets  | 1,169,759       | 1,107,558        |
| Current liabilities   | 1,185,377       | 1,260,930        |
| <b>Current net assets</b>                                   | <b>(15,618)</b> | <b>(153,372)</b> |
| Non-current assets  | 1,734,534       | 1,708,399        |
| Non-current liabilities                                     | 857,137         | 841,083          |
| <b>Non-current net assets</b>                               | <b>877,397</b>  | <b>867,316</b>   |
| <b>Summarised statement of comprehensive income</b>         |                 |                  |
| Revenue   | 5,549,596       | 5,217,704        |
| Profit for the period                                       | 162,663         | 158,018          |
| Other comprehensive income                                  | (22,370)        | (556)            |
| <b>Total comprehensive income</b>                           | <b>140,293</b>  | <b>157,462</b>   |
| Profit allocated to NCI                                     | 45,857          | 44,724           |
| Dividends paid to NCI                                       | 0               | 0                |
| <b>Summarised cash flows</b>                                |                 |                  |
| Cash flow from operating activities                         | 418,852         | 352,779          |
| Cash flow from investing activities                         | (9,023)         | (39,345)         |
| Cash flow from financing activities                         | (170,322)       | (271,833)        |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>239,507</b>  | <b>41,601</b>    |

## 15. NON-CONTROLLING INTERESTS (CONTINUED)

Following the acquisition of DSH Environment, the activities were added with the Groups existing activities, and the owners invested a substantial amount in this entity, DSH Environment ApS, resulting in an ownership percentage of 49%. Consequently, a significant part of the Group's activities is performed through a subsidiary with significant non-controlling interests.

On 2 September 2022, the group bought 21% of the issued shares of DSH Environment ApS for DKK 44,866k. The effect on the equity attributable to the owners of SDK FREJA A/S during the year is summarised as follows:

| DKK '000  | 2022/2023       | 2021/2022 |
|---|-----------------|-----------|
| Carrying amount of non-controlling interests acquired   | 20,969          | 0         |
| Consideration paid to non-controlling interests   | (44,866)        | 0         |
| <b>Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity</b> | <b>(23,897)</b> | <b>0</b>  |

Below, summarized financial information for DSH Environment ApS is presented:

|                                      |     |       |
|--------------------------------------|-----|-------|
| Non-controlling interests' ownership | 30% | 51,0% |
|--------------------------------------|-----|-------|

### Summarised balance sheet

|                     |        |        |
|---------------------|--------|--------|
| Current assets      | 57,047 | 34,372 |
| Current liabilities | 44,215 | 60,195 |

|                           |                 |                 |
|---------------------------|-----------------|-----------------|
| <b>Current net assets</b> | <b>(12,832)</b> | <b>(25,823)</b> |
|---------------------------|-----------------|-----------------|

|                         |         |         |
|-------------------------|---------|---------|
| Non-current assets      | 205,064 | 200,276 |
| Non-current liabilities | 80,419  | 66,408  |

|                               |                |                |
|-------------------------------|----------------|----------------|
| <b>Non-current net assets</b> | <b>124,645</b> | <b>133,868</b> |
|-------------------------------|----------------|----------------|

### Summarised statement of comprehensive income

|                            |         |        |
|----------------------------|---------|--------|
| Revenue                    | 133,746 | 49,070 |
| Profit for the period      | 35,252  | 12,859 |
| Other comprehensive income | 0       | 180    |

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| <b>Total comprehensive income</b> | <b>35,252</b> | <b>13,039</b> |
|-----------------------------------|---------------|---------------|

|                         |        |       |
|-------------------------|--------|-------|
| Profit allocated to NCI | 14,489 | 7,327 |
| Dividends paid to NCI   | 4,200  | 5,860 |

### Summarised cash flows

|                                     |          |          |
|-------------------------------------|----------|----------|
| Cash flow from operating activities | 51,992   | 35,568   |
| Cash flow from investing activities | (18,863) | (15,732) |
| Cash flow from financing activities | (15,356) | (10,663) |

|   |               |              |
|---|---------------|--------------|
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>17,773</b> | <b>9,173</b> |
|---|---------------|--------------|

## 16. PROVISIONS

| DKK '000                       | Land restoration | Return liabilities |
|--------------------------------|------------------|--------------------|
| <b>At 1 May 2022</b>           | <b>15,312</b>    | <b>6,668</b>       |
| Additinal provisons recognised | 1,108            | 1,833              |
| Unused amounts reversed        | 0                | (480)              |
| Amounts used during the year   | (4,100)          | (683)              |
| Exchange rate adjustments      | 0                | 381                |
| <b>At 30 April 2023</b>        | <b>12,320</b>    | <b>7,719</b>       |
| Current                        | 0                | 6,030              |
| Non-current                    | 12,320           | 1,689              |
| <b>At 30 April 2023</b>        | <b>12,320</b>    | <b>7,719</b>       |

The provision covers provision for land restoration and return liabilities. Return liabilities cover obligations in connection with leases of trailers to remedy any damanges in excess of normal wear and tear, which is to be paid when the trailer is returned.

## 17. OTHER LIABILITIES

As part of the acquisition of FREJA in December 2020, the seller of FREJA and Key Management of FREJA A/S became 25,3% shareholder in the entity holding the combined logistics services activities. They hold an option to sell their shares to the Group as from 2024, and the Group holds an option to acquire the shares on similar terms. The transaction price will be based on pre-agreed earnings multiple. The carrying amount of the liability is 346,1 MDKK as of 30 April 2023 (30 April 2022: 237,8 MDKK)



## 18. FINANCIAL RISK MANAGEMENT

### Financial risk factors

The Group manages financial risks centralised in SDK FREJA A/S, FREJA Transport & Logistics Holding A/S and in DSH Environment ApS. The Group identifies, monitors, assesses and mitigates financial risk at headquarter in cooperation with the Group's business units. The Group is exposed to foreign exchange risk, liquidity risk and credit risk that can have a significant impact on the financial performance of the Group. Significant risks are continuously assessed by Management and the Board of Directors.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The company operates from Denmark with customers also in nearby European countries.

Foreign customers are invoiced in local currency or DKK. The Company will continuously assess how these exchange rate fluctuations can affect the liquidity. If there is an increased currency risk, the Company will seek to hedge this risk through ordinary exchange rate hedging agreements. However, as the Danish krone is pegged to the Euro, this currency risk is considered immaterial.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in DKK, was as follows:

| DKK '000             | SEK             | EUR              | NOK              | Other           | Total            |
|----------------------|-----------------|------------------|------------------|-----------------|------------------|
| <b>30 April 2023</b> |                 |                  |                  |                 |                  |
| Trade receivables    | 93,379          | 304,868          | 66,867           | 34,174          | 499,288          |
| Trade payables       | (67,675)        | (406,885)        | (44,650)         | (44,547)        | (563,757)        |
| Leasing              | (87,305)        | (281,896)        | (121,004)        | (12,004)        | (502,209)        |
| Borrowings           | (11)            | (190)            | 0                | 0               | (201)            |
| <b>Total</b>         | <b>(61,612)</b> | <b>(384,103)</b> | <b>(98,787)</b>  | <b>(22,377)</b> | <b>(566,879)</b> |
| <b>30 April 2022</b> |                 |                  |                  |                 |                  |
| Trade receivables    | 102,977         | 333,301          | 69,171           | 33,620          | 539,069          |
| Trade payables       | (81,756)        | (411,275)        | (59,266)         | (52,453)        | (604,750)        |
| Leasing              | (86,576)        | (203,897)        | (150,063)        | (8,413)         | (448,949)        |
| <b>Total</b>         | <b>(65,355)</b> | <b>(281,871)</b> | <b>(140,158)</b> | <b>(27,246)</b> | <b>(514,630)</b> |

The aggregated net foreign exchange gain/loss recognised in profit or loss except for those arising on financial instruments measured at fair value through profit were DKK 0k.

As shown above the Group is primarily exposed to changes in SEK, NOK and EUR. The sensitivity of profit or loss to changes in the exchange rates arises mainly from SEK, NOK and EUR dominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

## 18. FINANCIAL RISK MANAGEMENT (CONTINUED)

| DKK '000  | Impact on post-tax profit |         | Impact on equity |         |
|---|---------------------------|---------|------------------|---------|
|   | 2023                      | 2022    | 2023             | 2022    |
| SEK/DKK exchange rate increase of 5% (2022: 5%)     | (3,081)                   | (3,268) | (3,081)          | (3,268) |
| EUR/DKK exchange rate increase of 0,5% (2022: 0,5%) | (1,921)                   | (1,409) | (1,921)          | (1,409) |
| NOK/DKK exchange rate increase of 5% (2022: 5%)     | (4,939)                   | (7,008) | (4,939)          | (7,008) |

### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable interest rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain a balanced mix between borrowings with variable interest and fixed interest. The Group's borrowings are measured at amortised costs and variable rate borrowings may be contractually reprised.

Profit and loss is sensitive to higher/lower interest income from cash and cash equivalents and interest expenses from borrowings as a result of changes in interest rates. An increase of 100 basis points will, all things equal, result in a net increase in interest expenses of DKK 4,857k (2021/22: DKK 5,418k). Other components of equity are not directly affected by changes in interest rates.

### Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables. The Group's primary credit exposure is related to trade receivables and cash positions.

The credit risk of the Group is assessed to be low. Credit risk related to trade receivables is managed by continuous risk assessment of major customers. The Group has policies in relation to maximum credit limits and prepayment requirements for customers with high credit risk. Based on forecasts as well as historical data, the Group expects only insignificant loss allowances for trade receivables. The Group has no major exposure relating to one single customer or business partner. The Group hedges a major part of the receivables through purchases of credit insurances with external parties.

The company has a receivable from parent company USTC. No credit risk is associated with this receivable.

In relation to the credit risk related to financial institutions, the Group monitors financial institutions and places funds in financial institutions with satisfactory credit ratings.

|   | Current | Less than 90 days past due | More than 90 days past due | Total   |
|---|---------|----------------------------|----------------------------|---------|
| <b>As of 30 April 2023</b>                |         |                            |                            |         |
| Expected loss rate                        | 0,0%    | 1,2%                       | 78,5%                      | 1,2%    |
| Gross carrying amount - trade receivables | 701,519 | 64,080                     | 10,619                     | 776,218 |
| Loss allowance                            | 210     | 800                        | 8,331                      | 9,341   |
| <b>As at 30 April 2022</b>                |         |                            |                            |         |
| Expected loss rate                        | 0,0%    | 2,0%                       | 32,0%                      | 0,7%    |
| Gross carrying amount - trade receivables | 798,378 | 79,855                     | 14,349                     | 892,582 |
| Loss allowance                            | 300     | 1,634                      | 4,588                      | 6,522   |

## 18. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Liquidity risk

As part of Group policy, we prioritize maintaining adequate cash reserves and ensuring access to funding through committed credit facilities to meet our obligations when due. The Management and finance department continuously monitor the Group's financial position, ensuring the availability of sufficient financial resources. Short-term liquidity reserves are carefully forecasted and factored into our financial planning.

### Maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

#### Contractual maturity of financial liabilities

| DKK '000  | Carrying<br>amount | Less than<br>1 year | Between 1<br>and 5 years | More than<br>5 years | Total            |
|---|--------------------|---------------------|--------------------------|----------------------|------------------|
| <b>As at 30 April 2023</b>                              |                    |                     |                          |                      |                  |
| Borrowings  | 385,936            | 19,582              | 300,548                  | 149,506              | 469,636          |
| Lease liabilities                                       | 849,026            | 216,531             | 485,666                  | 182,767              | 884,964          |
| Trade payables  | 835,679            | 835,679             | 0                        | 0                    | 835,679          |
| Debt to non-controlling share holders                   | 100,000            | 5,397               | 110,794                  | 0                    | 116,191          |
| Put-option liability related to non-controlled interest | 346,100            | 0                   | 346,100                  | 0                    | 346,100          |
|   | <b>2,516,741</b>   | <b>1,077,189</b>    | <b>1,243,108</b>         | <b>149,506</b>       | <b>2,652,570</b> |
| <b>As at 30 April 2022</b>                              |                    |                     |                          |                      |                  |
| Borrowings  | 441,718            | 77,376              | 314,347                  | 93,032               | 484,755          |
| Lease liabilities                                       | 814,635            | 210,001             | 481,625                  | 210,958              | 902,584          |
| Trade payables  | 860,186            | 860,186             | 0                        | 0                    | 860,186          |
| Debt to non-controlling share holders                   | 100,000            | 2,727               | 108,180                  | 0                    | 110,907          |
| Put-option liability related to non-controlled interest | 237,800            | 0                   | 237,800                  | 0                    | 237,800          |
|   | <b>2,454,339</b>   | <b>1,150,290</b>    | <b>1,141,952</b>         | <b>303,990</b>       | <b>2,596,232</b> |

## 18. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

| DKK '000   | 30 April 2023    | 30 April 2022    |
|--|------------------|------------------|
| <b>Financial assets</b>                                      |                  |                  |
| Financial assets at amortised cost                           |                  |                  |
| Trade receivables  | 766,877          | 886,060          |
| Receivables from group companies and associates              | 346,974          | 238,522          |
| Other financial assets at amortised cost                     | 79,446           | 72,052           |
| Cash and cash equivalents                                    | 477,315          | 269,112          |
| Financial assets at fair value through profit or loss (FVPL) | 7,446            | 7,313            |
|  | <b>1,678,058</b> | <b>1,473,059</b> |
| <b>Financial liabilities at amortised cost</b>               |                  |                  |
| Liabilities at amortised cost                                |                  |                  |
| Trade payables   | 835,679          | 860,186          |
| Payables to group companies and associates                   | 4,502            | 1,743            |
| Borrowings   | 385,936          | 441,718          |
| Lease liabilities  | 849,026          | 814,635          |
| Put-option liability related to non-controlling interests    | 346,100          | 237,800          |
|  | <b>2,421,243</b> | <b>2,356,082</b> |

The Group's exposure to various risks associated with the financial instruments is discussed above. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

## 19. CAPITAL MANAGEMENT

The Group's objective when managing capital is to safeguard their ability to continue as a going concern, so that the Company can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure.

The Group monitors capital on relevant key figures. The Group manages its capital structure and makes adjustments in light of changes in economic conditions.



## 20. COMMITMENTS AND CONTINGENT LIABILITIES

### Charges and security

The carrying amount of tangible and current assets pledged as security for current and non-current borrowings amount to DKK 107,875k (30 April 2022 DKK 117,366k).

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

SDK FREJA A/S and Danish subsidiaries are part of a Danish joint taxation scheme with Selfgeneration T ApS, according to which SDK FREJA A/S has partly a joint and several liability and partly a secondary liability with respect to corporate income taxes, etc. for the joint-taxed companies. In addition, SDK FREJA A/S has partly a joint and several liability and partly a secondary liability with respect to any obligation to withhold tax on interest and dividends for these companies. However, in both cases the secondary liability is capped at an amount equal to the share of the capital of the company directly or indirectly owned by the ultimate parent company. The total tax obligation under joint taxation scheme is shown in the financial statement of Selfgeneration T ApS.

Considerable parts of the Group's activities are performed with basis in storage halls situated on leased sites. As it is usual practice and according to the leases, the Group is obliged to surrender and yield up the sites in the state and condition in which they were taken over. It has not been possible to reliably calculate the amount which the Group may have to pay upon vacation of the storage halls as this is subject to material uncertainty. The possible restoration costs etc may be considerable. The leased sites are all subject to a long period of non-terminability on the part of the lessor (15-30 years) and are not expected to be vacated.

## 21. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

This section sets out an analysis of liabilities arising from financing activities and the movements in each of the periods presented.

| DKK '000   | 1 May<br>2022    | Financing<br>cash flows | New<br>leases<br>and loans | Changes<br>in foreign<br>exchange<br>rates | Other<br>changes | 30 April<br>2023 |
|--|------------------|-------------------------|----------------------------|--|------------------|------------------|
| Borrowings   | 441,718          | (116,282)               | 60,500                     | 0  | 0                | 385,936          |
| Leases   | 814,635          | (212,999)               | 241,329                    | (32,033)                                   | 38,094           | 849,026          |
| <b>Total liabilities from financing activities</b> | <b>1,256,353</b> | <b>(329,281)</b>        | <b>301,829</b>             | <b>(32,033)</b>                            | <b>38,094</b>    | <b>1,234,962</b> |

| DKK '000   | 1 May<br>2021    | Financing<br>cash flows | New<br>leases<br>and loans | Changes<br>in foreign<br>exchange<br>rates | Other<br>changes | 30 April<br>2022 |
|--|------------------|-------------------------|----------------------------|--|------------------|------------------|
| Borrowings   | 527,832          | (86,114)                | 0                          | 0  | 0                | 441,718          |
| Leases   | 839,149          | (202,989)               | 185,920                    | 17   | (7,462)          | 814,635          |
| <b>Total liabilities from financing activities</b> | <b>1,366,981</b> | <b>(289,103)</b>        | <b>185,920</b>             | <b>17</b>                                  | <b>(7,462)</b>   | <b>1,256,353</b> |

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings to current due to the passage of time, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings.

## 22. RELATED PARTIES

The Group is included in the Consolidated Financial Statements of the immediate parent company, A/S United Shipping & Trading Company, DK-Middelfart.

Controlling interest is exercised through the Group's immediate parent company, A/S United Shipping & Trading Company. The Group's ultimate parent company which prepares Consolidated Financial Statements is Selfgenerations T ApS, in which Torben Østergaard-Nielsen, CEO, Middelfart exercises control.

### Transactions with key management personnel

No transactions were made with key management personnel in 2022/23 other than remuneration, as described in note 2.

The following transactions were carried through with related parties:

| DKK '000  | 2022/23 | 2021/22 |
|---|---------|---------|
| <b>Sales and purchases of goods and services</b>                  |         |         |
| Sale of goods and services to related parties                     | 5,072   | 0       |
| Purchase of management services from parent                       | 1,405   | 720     |
| Purchase of various goods and services from other related parties | 7,706   | 2,910   |
| Receiveable from parent   | 346,121 | 238,522 |
| Payables to group companies                                       | 1,870   | 0       |
| Rent to shareholder   | 1,861   | 1,803   |

### 23. EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the assessment of the Annual Report have occurred after the balance sheet date.

### 24. CASH FLOW STATEMENT - ADJUSTMENTS

| DKK '000  | 2022/23        | 2021/22        |
|---|----------------|----------------|
| Financial income  | (15,982)       | (2,504)        |
| Financial expenses  | 60,215         | 32,372         |
| Depreciation, amortisation and impairment losses, including losses and gains on sales | 245,879        | 228,950        |
| Tax on profit for the year  | 61,934         | 49,666         |
| Exchange adjustments  | (1,274)        | 2,184          |
| Other adjustments   | 842            | (8,871)        |
|   | <b>351,614</b> | <b>301,797</b> |

### 25. CASH FLOW STATEMENT - CHANGES IN NET WORKING CAPITAL

| DKK '000                                     | 2022/23         | 2021/22         |
|--|-----------------|-----------------|
| Change in trade and group receivables        | 11,584          | (241,695)       |
| Change in other receivables                  | (7,394)         | 11,348          |
| Change in inventory                          | (203)           | 182             |
| Change in prepayments                        | 10,705          | (11,424)        |
| Change in trade creditors and group payables | (21,748)        | 128,434         |
| Change in other payables                     | (36,526)        | 58,264          |
|  | <b>(43,582)</b> | <b>(54,891)</b> |

### 26. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

| DKK '000               | 2022/23      | 2021/22      |
|------------------------|--------------|--------------|
| <b>PwC</b>             |              |              |
| Audit services         | 2,235        | 2,437        |
| Audit-related services | 231          | 27           |
| Tax and VAT services   | 227          | 286          |
| Other services         | 2,708        | 690          |
|                        | <b>5,401</b> | <b>3,440</b> |

## 27. LIST OF GROUP COMPANIES

The Group's principal subsidiaries at 30 April 2023 are set out below:

|   | Type       | Place of incorporation | Ownership interest |
|---|------------|------------------------|--------------------|
| SDK Shipping A/S                                    | Subsidiary | Denmark                | 100.00%            |
| Esbjerg Marine Service ApS                          | Associated | Denmark                | 34.00%             |
| Esbjerg Marine Service K/S                          | Associated | Denmark                | 32.00%             |
| SDK Stevedore A/S                                   | Associated | Denmark                | 50.00%             |
| SDK Shipping AB                                     | Subsidiary | Sweden                 | 100.00%            |
| SDK Shipping AS                                     | Subsidiary | Norway                 | 100.00%            |
| SDK Chartering A/S                                  | Subsidiary | Denmark                | 100.00%            |
| SDK Cruise A/S                                      | Subsidiary | Denmark                | 100.00%            |
| SDK Solutions Holding ApS                           | Subsidiary | Denmark                | 63.80%             |
| Shipping Consultancy A/S                            | Subsidiary | Denmark                | 100.00%            |
| Shipping Consultancy Sweden AB                      | Subsidiary | Denmark                | 100.00%            |
| Waterway, Iberia                                    | Associated | Spain                  | 40.00%             |
| FREJA Group ApS                                     | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics Holding A/S             | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics A/S                     | Subsidiary | Denmark                | 72.60%             |
| SDK Logistics Service Taulov A/S                    | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics AB                      | Subsidiary | Sweden                 | 72.60%             |
| SDK Logistics B.V                                   | Subsidiary | Holland                | 43.60%             |
| FREJA Transport & Logistics Holding AS              | Subsidiary | Norway                 | 72.60%             |
| FREJA Transport & Logistics AS                      | Subsidiary | Norway                 | 72.60%             |
| Thoresen Transport AS                               | Subsidiary | Norway                 | 58,10%             |
| Thoresen Lastebil AS                                | Subsidiary | Norway                 | 58,10%             |
| FREJA Transport & Logistics OY                      | Subsidiary | Finland                | 72.60%             |
| FREJA Transport & Logistics Sp. z o.o.              | Subsidiary | Poland                 | 72.60%             |
| Transcargo Trucking Sp. z o.o.                      | Subsidiary | Poland                 | 72.60%             |
| FREJA Transport & Logistics A/S (Hong Kong) Limited | Subsidiary | Hong Kong              | 54.75%             |
| FREJA Transport & Logistics (Shanghai) CO. LTD      | Subsidiary | China                  | 54.75%             |
| DSH Environment ApS                                 | Subsidiary | Denmark                | 70.00%             |
| Nordic Waste A/S                                    | Subsidiary | Denmark                | 53.20%             |
| DSH Recycling A/S                                   | Subsidiary | Denmark                | 70.00%             |





## 28. ACCOUNTING POLICIES

The consolidated financial statements of the group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as additional Danish disclosure requirements applying to entities of large enterprises reporting class C. The consolidated financial statements have been prepared under the historical cost convention. The financial statements have been rounded to the nearest thousand.

### BASIS OF CONSOLIDATION

The combined financial statements include the parent company, SDK FREJA A/S, and its subsidiaries (the group). Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the group gains control until the date when the group ceases to control the subsidiary. Changes in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

When the group ceases to consolidate on equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies of adopted by the group.

### NON-CONTROLLING INTERESTS

The group recognises non-controlling interests in an acquired entity either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

Put options over non-controlling interests are recognized as financial liabilities at the present value of the estimated exercise price. The initial carrying amount is charged against equity attributable to owners of the parent, and subsequent remeasurements of the liability are recognized accordingly.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners.

### ASSOCIATED COMPANIES

Associated companies are companies over which the group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies. Significant influence is generally considered to exist when the group holds between 20% and 50% of the voting rights. Investments in

associated companies are accounted for using the equity method of after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted for the group's share of post-acquisition profits and losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in a equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investments have been changed where necessary to ensure consistency with the policies adopted by the group.

After application of the equity method, the group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognise the loss within "Share of profit from associates".

### BUSINESS COMBINATIONS

Business combinations are accounted for under the acquisition method. The consideration transferred for the acquisition of a subsidiary is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of a cash consideration is deferred the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent considerations is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, being a period of up to twelve months after the

## 28. ACCOUNTING POLICIES (CONTINUED)

acquisition date, or additional assets or liabilities are recognised, to reflect new information obtained about the facts and circumstances that existed as of the acquisition date, if known, would have affected the amounts recognised as of that date.

The effect of the purchase and sale of non-controlling interests without changes in control is included directly in equity. If the Group obtains control over an entity in which it holds an equity interest classified as an associate, the investment is remeasured at fair value at the date of obtaining control. The gain or loss is recognised in the income statements withing "Other operating income and expenses".

### FOREIGN CURRENCY TRANSLATION

#### Functional currency

The group's consolidate financial statements are presented in Danish kroner (DKK), which is also the parent company's functional currency. For each entity, the group determines the functional currency and items included in the financial statement of each entity are measured using that functional currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

On consolidation, the assets and liabilities of foreign operations are translated into DKK at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

### REVENUE

#### Revenue from logistic services

Logistic services comprises freight logistics, transportation of goods by road and other forms of transportation. Logistic services are characterised by short delivery time as most transports are completed within days. Revenue are recognised over time.

#### Revenue from Shipping services

Stevedore services consists of loading and unloading, stowage, lashing & securing of cargo on board vessels as well as handling of interim storage of goods in transport. Most stevedore services are completed within a day. Revenue from stevedore services are recognised over time.

Agency services consist of facilitating services on behalf of customers from external suppliers. Revenue from agency services are recognised when the facilitated services has been provided and accepted by the customer.

#### Revenue from Environment services

Environment services consists of receiving soil and other materials for either landfill or for recycling if possible.

### DIRECT COSTS

Direct costs comprise costs paid to generate the revenue for the year. Direct costs include settlement of accounts with haulage contractors, shipping companies etc. Direct costs also include staff costs relating to hourly workers used for fulfilling orders and other direct costs of operation, such as rental of logistics facilities and costs of property projects.

### OTHER EXTERNAL EXPENSES

Other external expenses include expenses relating to marketing, IT, other rent, training and education, office premises, travelling, communications as well as other selling costs and administrative expenses, less costs transferred to direct costs. Other external expenses are expensed as incurred.

### STAFF COSTS

Staff costs include wages and salaries, pensions, social security costs and other staff costs for salaried employees, but exclude staff costs for hourly workers, which are recognised as direct costs. Staff costs are recognised in the financial year in which the employee renders the related service.

### Sharebased Payment

The grant date fair value of equity settled sharebased payment arrangements is recognised as a compensation expense over the period in which the participants become unconditionally entitled to the instruments (vesting period) A corresponding increase in equity is recognised.

### OTHER OPERATING INCOME AND EXPENSES

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### SPECIAL ITEMS

Special items include significant income and expenses of a special nature in terms of the Group's revenue-generating activities that cannot be attributed directly to the Group's ordinary activities.

Special items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

### FINANCIAL INCOME AND EXPENSES

Financial income and expenses include interest calculated using the effective interest rate method, foreign currency gains and losses, gains and losses from securities, and interests from leasing arrangements. Furthermore, realised and unrealised gains and losses on derivative financial instruments that cannot be classified as hedging contracts are included.

### INCOME TAX EXPENSE AND DEFERRED TAX

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.



## 28. ACCOUNTING POLICIES (CONTINUED)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. Deferred income tax is not recognised if they arises from initial recognition of goodwill. Deferred income tax is also not accounted for, it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### INTANGIBLE ASSETS

#### Goodwill

Goodwill is initially measured as described above under "Business Combinations". Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested for impairment annually, or more frequently, if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relation to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the total revenue streams which is considered as one cash-generating unit in the group based on the internal management reporting.

#### Brands

Brands acquired in a business combination is recognised at fair value at the acquisition date. Brands have by management been assessed to have an indefinite useful life. The classification of the useful life is based on an assessment of the brand's name, overall position, presence and reputation in the market, its degree of exposure to changes in the economic environment and stability of the industry. Based on these criteria's management have assessed that brands have an indefinite useful life. Brands are therefore not amortised but are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the brands may be impaired. The useful life of the Brands are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment.

#### Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation period is no more than 8 years.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at historical costs less accumulated depreciations and any impairment loss. Any subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Depreciation is based on the straight-line method over the estimated useful life of the asset:

|  |             |
|--|-------------|
| Buildings:                                       | 10-60 years |
| Other fixtures and fitting, tools and equipment: | 3-12 years  |
| Leasehold improvements:                          | 5-15 years  |

Land is not depreciated. Depreciations commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The assets' residual value and useful lives are review and adjusted, if appropriate, at the end of each reporting period. If the assets' carrying amount is higher than its estimated recoverable amount, it is written down to the recoverable amount.

#### LEASES

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between repayment of the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and is subject to impairment.

Leases include mainly properties, equipment and trailers  
Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the group's incremental borrowing rate.



## 28. ACCOUNTING POLICIES (CONTINUED)

Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability, and reducing the carrying amount to reflect the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Leases for low value lease assets or leases with a lease term of 12 months or less are not capitalised. These are recognised as an expense on a straight-line basis over the term of the lease. The group has chosen to apply the practical expedient to account for each lease component and any associated non-lease components as a single lease component.

### IMPAIRMENT OF NON-CURRENT ASSETS

Goodwill and brands are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Impairment losses are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are classified at initial recognition, subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the group measures financial assets at their fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principle and interest, are measured at amortised costs. Interest income for these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

Assets that are held for collection of contractual cash flows and for selling the financial assets, where those cash flows represent solely payments of principle and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are recognised through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and loss which are recognised in profit or loss.

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

### Equity instruments

The group subsequently measures equity instruments at fair value through profit or loss or fair value through OCI. Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of profit or loss. Impairment losses on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are designated as hedging instrument and hedges risks associated with the cash flow of recognised assets and liabilities and highly probable forecast transactions (Cash flow hedges).

At inception of the hedging relationship the group documents the economic relationships between hedging instruments and hedged items, including whether changes in the cash flow of the hedging instrument are expected to offset changes in the cash flow of the hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss. Where the hedged item subsequently results in the recognition of a non-financial asset the deferred hedging gains or losses are included within the initial costs of the asset and are thereby ultimately recognised in profit or loss as the hedged item affects profit or loss.

Where a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in the hedging reserve in equity at the time, remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

### TRADE RECEIVABLES

Trade receivables are recognised initially at the amount of consideration recognised as revenue less expected credit losses. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

### INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, processing and other costs incurred in bringing the inventories to their present condition. Costs are calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and cost to be incurred in marketing, selling and distribution. Write-downs of inventories to net realisable value are recognised as direct costs in the income statement.

### OTHER RECEIVABLES

Other receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest and are presented as current assets unless payment is not due within 12 months after the reporting period.

## 28. ACCOUNTING POLICIES (CONTINUED)

### PREPAYMENTS

Prepayments comprise prepaid expenses concerning rent, insurance premiums, etc. and are measured at net realisable value.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to know amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### EQUITY

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

#### Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

#### Hedging reserves

The hedging reserves includes the cash flow hedge reserve and is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of the hedged non-financial item or reclassified to profit or loss as appropriate.

Non-controlling interests comprise the economic interest in subsidiaries held by non-controlling investors. The share of profit or loss and total comprehensive income attributable to non-controlling interests is shown in the income statement and statement of comprehensive income respectively.

### FINANCIAL LIABILITIES

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Puttable non-controlling interests are recognised as a liability and measured as the present value of the redemption amount. The change in the present value of the redemption amount is recognised in equity if risks and reward attributable to the non-controlling interests have not been transferred as a result of the put option, and the non-controlling interest continues to be recognised.

### OTHER PAYABLES

Other payables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest. Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### DEFERRED REVENUE

A contract liability is the obligation to transfer good or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract. Contract liabilities relates to the Group's validation activities.

### PROVISIONS

Provisions for legal claims, service warranties are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation techniques based on observable inputs from active markets. For financial liabilities where the fair value is disclosed, the fair value is estimated by discounting future contractual cash flows at the current market interest rate.

### CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year. The cash flow statement is presented under the indirect method.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payments to and from shareholders.

### KEY FIGURES

The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts.

## 28. ACCOUNTING POLICIES (CONTINUED)

### FINANCIAL HIGHLIGHTS

|                        |   |   |
|------------------------|---|---|
| Gross margin           | = | $\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$                             |
| Operating margin       | = | $\frac{\text{EBITDA} \times 100}{\text{Net revenue}}$                                   |
| Profit margin          | = | $\frac{\text{EBIT (before special items)} \times 100}{\text{Net revenue}}$              |
| Conversion ratio       | = | $\frac{\text{EBIT (before special items)} \times 100}{\text{Gross profit}}$             |
| ROIC before tax        | = | $\frac{\text{EBIT (before special items)} \times 100}{\text{Average invested capital}}$ |
| Return on equity (ROE) | = | $\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$                   |
| Solvency ratio         | = | $\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$                      |
| Return on equity       | = | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$               |
| Gearing ratio          | = | $\frac{\text{Net interest bearing debt}}{\text{EBITDA}}$                                |
| Number of employees    | = | Employees are converted to annual full-time employees                                   |

### NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following accounting standards, amendments and interpretations have been implemented at 1 May 2022:

- IAS 16, Property, Plant and Equipment: Amendment on the recognition of proceeds from property, plant and equipment under construction before it is ready for use.
- Annual improvements to IFRS Standards 2018-2020.
- IFRS 3, Business Combinations: References to the Conceptual Framework is updated and clarification is made concerning contingent assets.
- IAS 37, Provisions, Contingent Liabilities and Contingent assets: The amendments clarify which costs can be included when assessing whether a contract is loss-making.

The following new standards, amendments and interpretations have been adopted by IASB and adopted by EU. The standards are not yet effective and will therefore not be implemented in the annual report until the take effect:

- IAS 1, Presentation of Financial Statement and Practice Statement 2: the amendment clarifies that disclosures of accounting policies are only required for material line items. The amendments will be effective for financial years beginning on or after 1 January 2023.
- IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors: The amendment introduces a new definition of accounting estimates. The amendment will be effective for financial years beginning on or after 1 January 2023.
- IAS 12, Income Taxes: the amendments requires the recognition of deferred taxes on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary difference. The amendment will be effective for financial years beginning on or after 1 January 2023.
- IFRS 17, Insurance Contracts: This standard replaces IFRS 4 and implement a new uniform method of accounting for insurance contracts and reassurances contracts and ensures that the recognition occurs over the duration of the contract. The standards will be effective for financial years beginning on or after 1. January 2023.
- IFRS 17, Insurance Contracts: The amendment concerns the presentation of comparative information for financial assets when implementing IFRS 17. The amendments will be effective for financial years beginning on or after 1. January 2023.

The IASB has issued the following new standards, amendments and new interpretations, but which have not yet been adopted by the EU:

- IAS 1, Presentation of Financial Statements: Clarify that the definition of current liabilities must be based on the rights existing on the balance sheet date. The amendment is effective for financial years beginning on or after 1 January 2024.
- IFRS 16, Leasing: The amendment clarifies how to measure the lease liability in a sale and lease back transaction. The amendment is effective for financial years on or after 1 January 2024.

SDK FREJA will implement these new standards, amendments and interpretations when they take effect.

## 29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the preparation of the consolidated financial statements according to IFRS, Management is required to make certain estimates as many financial statement items cannot be readily determined, but must be estimated as the value of assets and liabilities often depends on future events that are somewhat uncertain.

The judgments, estimates and assumptions made are based on historical experience and other factors that Management considers to be reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The most critical judgments, estimates and assumptions for the individual items are described below.

### CRITICAL ACCOUNTING ESTIMATES

#### Key assumptions used for value-in-use calculations (impairment tests)

The group tests whether Goodwill and Brands has suffered any impairment on an annual basis. For the 2022/2023 and 2021/2022 reporting periods, the recoverable amount of the cash-generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

#### Business combinations

In applying the acquisition method of accounting, estimates are an integral part of assessing fair value of several identifiable assets acquired and liabilities assumed, as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition. More significant estimates are typically applied in accounting for property, plant and equipment, customer relationships, trade receivables, deferred tax and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

#### Leases

In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities. The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The group has several lease contracts that include extension and termination options. The group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or terminate.



PARENT COMPANY

# FINANCIAL STATEMENTS



**INCOME STATEMENT****FOR THE PERIOD 1 MAY - 30 APRIL**

| DKK '000  | Notes | <b>2022/23</b>  | 2021/22         |
|---|-------|-----------------|-----------------|
| Other operating income  |       | 5,923           | 5,300           |
| Other external expenses   |       | (10,979)        | (5,440)         |
| Staff costs   | 1     | (26,019)        | (21,933)        |
| <b>Operating profit before amortisation and depreciation (EBITDA)</b>             |       | <b>(31,075)</b> | <b>(22,073)</b> |
| Depreciation and amortisation of intangible assets, property, plant and equipment |       | 0               | 0               |
| <b>Operating profit (EBIT)</b>  |       | <b>(31,075)</b> | <b>(22,073)</b> |
| Profit from investments in group entities and associates                          | 2     | 151,014         | 108,707         |
| Profit from investment in associates  |       | 345             | 8,775           |
| Financial income  | 3     | 5,126           | 635             |
| Financial expenses  | 4     | (11,876)        | (1,386)         |
| <b>Profit before tax</b>  |       | <b>113,534</b>  | <b>94,658</b>   |
| Tax on profit for the year  | 5     | 8,292           | 5,020           |
| <b>Profit for the year</b>  | 6     | <b>121,826</b>  | <b>99,678</b>   |

## BALANCE SHEET

### ASSETS

| DKK '000                            | Notes | 30 April 2023    | 30 April 2022  |
|-------------------------------------|-------|------------------|----------------|
| Investments in group companies      | 7     | 711,345          | 590,126        |
| Investments in associates           | 8     | 885              | 688            |
| Receivables from group companies    | 9     | 346,100          | 237,800        |
| <b>Fixed asset investments</b>      |       | <b>1,058,330</b> | <b>828,614</b> |
| <b>Total non-current assets</b>     |       | <b>1,058,330</b> | <b>828,614</b> |
| Receivables from sales and services |       | 4                | 0              |
| Receivables from group companies    |       | 3                | 3,104          |
| Other receivables                   |       | 327              | 309            |
| Deferred tax                        | 10    | 895              | 604            |
| Corporation tax                     |       | 8,000            | 4,238          |
| Cash and cash equivalents           |       | 2                | 0              |
| <b>Total current assets</b>         |       | <b>9,231</b>     | <b>8,255</b>   |
| <b>Total assets</b>                 |       | <b>1,067,561</b> | <b>836,869</b> |

**BALANCE SHEET****EQUITY AND LIABILITIES**

| DKK '000   | Notes | 30 April 2023    | 30 April 2022  |
|--|-------|------------------|----------------|
| Share capital  |       | 6,500            | 6,500          |
| Foreign currency reserve   |       | (19,183)         | (1,441)        |
| Retained earnings  |       | 855,284          | 669,401        |
| <b>Total equity</b>  |       | <b>842,601</b>   | <b>674,460</b> |
| Credit institutions  | 11    | 32,000           | 0              |
| Other payables   |       | 143              | 139            |
| <b>Total non-current liabilities</b>                                   |       | <b>32,143</b>    | <b>139</b>     |
| Credit institutions  | 11    | 6,400            | 22,242         |
| Trade payables   |       | 2,018            | 861            |
| Payables to associate  |       | 6                | 215            |
| Payables to group companies  |       | 165,713          | 115,932        |
| Other payables   |       | 18,680           | 23,020         |
| <b>Total current liabilities</b>                                       |       | <b>192,817</b>   | <b>162,270</b> |
| <b>Total liabilities</b>   |       | <b>224,960</b>   | <b>162,409</b> |
| <b>Total equity and liabilities</b>                                    |       | <b>1,067,561</b> | <b>836,869</b> |
| Distribution of profit   | 6     |                  |                |
| Security, contingent liabilities and lease and contractual obligations | 12    |                  |                |
| Related parties  | 13    |                  |                |
| Subsequent events  | 14    |                  |                |
| Accounting policies  | 15    |                  |                |



## CHANGES IN EQUITY

### 2022/23

| DKK '000  | Share capital | Foreign currency reserve | Retained earnings | Total equity   |
|---|---------------|--------------------------|-------------------|----------------|
| <b>Equity at 1 May 2022</b>                         | <b>6,500</b>  | <b>(1,441)</b>           | <b>669,401</b>    | <b>674,460</b> |
| Dividend paid                                       | 0             | 0                        | (20,000)          | (20,000)       |
| Costs of capital changes and dividend distributions | 0             | 0                        | (23,991)          | (23,991)       |
| Net profit for the year                             | 0             | 0                        | 121,826           | 121,826        |
| Grants from owners                                  | 0             | 0                        | 108,300           | 108,300        |
| Exchange adjustment                                 | 0             | (17,742)                 | 0                 | (17,742)       |
| Capital adjustments                                 | 0             | 0                        | 355               | 355            |
| Other adjustments                                   | 0             | 0                        | (607)             | (607)          |
| <b>Equity at 30 April 2023</b>                      | <b>6,500</b>  | <b>(19,183)</b>          | <b>855,284</b>    | <b>842,601</b> |

The share capital consists of 6,500 shares of a nominal value of DKK 1,000.  
No shares carry any special rights.

### 2021/22

| DKK '000                       | Share capital | Foreign currency reserve | Retained earnings | Total equity   |
|--------------------------------|---------------|--------------------------|-------------------|----------------|
| <b>Equity at 1 May 2021</b>    | <b>6,500</b>  | <b>303</b>               | <b>471,393</b>    | <b>478,196</b> |
| Net profit for the year        | 0             | 0                        | 99,678            | 99,678         |
| Grants from owners             | 0             | 0                        | 100,259           | 100,259        |
| Exchange adjustment            | 0             | (1,744)                  | 0                 | (1,744)        |
| Capital adjustments            | 0             | 0                        | 689               | 689            |
| Other adjustments              | 0             | 0                        | (2,618)           | (2,618)        |
| <b>Equity at 30 April 2022</b> | <b>6,500</b>  | <b>(1,441)</b>           | <b>669,401</b>    | <b>674,460</b> |



# NOTES

## TO THE PARENT COMPANY FINANCIAL STATEMENTS

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**1. STAFF COSTS**

| DKK '000   | 2022/23       | 2021/22       |
|--|---------------|---------------|
| Wages and salaries   | 25,455        | 21,346        |
| Pensions   | 526           | 523           |
| Other social security expenses   | 38            | 64            |
|  | <b>26,019</b> | <b>21,933</b> |
| Average number of employees  | 5             | 5             |
| Salaries and remuneration to the Board of Directors and the Executive Board amount to: | 19,344        | 17,083        |

**2. PROFIT FROM INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES**

| DKK '000  | 2022/23        | 2021/22        |
|---|----------------|----------------|
| Shares of profit for the year                     | 155,842        | 112,802        |
| Amortisation of goodwill                          | (4,828)        | (4,095)        |
| <b>Profit from investments in group companies</b> | <b>151,014</b> | <b>108,707</b> |

**3. FINANCIAL INCOME**

| DKK '000                           | 2022/23      | 2021/22    |
|------------------------------------|--------------|------------|
| Interest from affiliated companies | 5,026        | 552        |
| Other financial income             | 56           | 10         |
| Exchange rate gains                | 44           | 73         |
|                                    | <b>5,126</b> | <b>635</b> |

**4. FINANCIAL EXPENCES**

| DKK '000                         | 2022/23       | 2021/22      |
|----------------------------------|---------------|--------------|
| Interest to affiliated companies | 9,170         | 333          |
| Other financial cost             | 2,671         | 889          |
| Exchange rate losses             | 35            | 164          |
|                                  | <b>11,876</b> | <b>1,386</b> |



## 5. TAX ON PROFIT FOR THE YEAR

| DKK '000                                 | 2022/23        | 2021/22        |
|--|----------------|----------------|
| Current tax on profits for the year      | (8,000)        | (4,874)        |
| Adjustment of provision for deferred tax | (292)          | (146)          |
| <b>Total tax for the year</b>            | <b>(8,292)</b> | <b>(5,020)</b> |

## 6. DISTRIBUTION OF PROFIT

| DKK '000          | 2022/23        | 2021/22       |
|-------------------|----------------|---------------|
| Dividend paid     | 20,000         | 0             |
| Retained earnings | 101,826        | 99,678        |
|                   | <b>121,826</b> | <b>99,678</b> |

## 7. INVESTMENTS IN GROUP COMPANIES

| DKK '000   | 30 April 2023    |
|--|------------------|
| <b>Cost</b>  |                  |
| <b>At 1 May 2022</b>   | <b>694,109</b>   |
| Additions for the year   | 44,866           |
| Disposals for the year   | 0                |
| Transfers for the year   | 0                |
| <b>At 30 April 2023</b>  | <b>738,975</b>   |
| <b>Value adjustments</b>   |                  |
| <b>At 1 May 2022</b>   | <b>(103,983)</b> |
| Disposals for the year   | 0                |
| Exchange adjustment  | (17,741)         |
| Shares of profit for the year  | 155,842          |
| Dividend   | (32,473)         |
| Other net equity movements   | (24,447)         |
| Amortisation goodwill  | (4,828)          |
| <b>At 30 April 2023</b>  | <b>(27,630)</b>  |
| <b>Carrying amount at 30 April 2023</b>  | <b>711,345</b>   |
| <b>Remaining positive differences included in the above carrying amount at 30 April 2023</b> | <b>51,502</b>    |

## 7. INVESTMENTS IN GROUP COMPANIES (CONTINUED)

### THE PARENT COMPANY'S INVESTMENTS IN SUBSIDIARIES COMPRISE:

|   | Type       | Place of incorporation | Ownership interest |
|---|------------|------------------------|--------------------|
| SDK Shipping A/S                                    | Subsidiary | Denmark                | 100.00%            |
| Esbjerg Marine Service ApS                          | Associated | Denmark                | 34.00%             |
| Esbjerg Marine Service K/S                          | Associated | Denmark                | 32.00%             |
| SDK Stevedore A/S                                   | Associated | Denmark                | 50.00%             |
| SDK Shipping AB                                     | Subsidiary | Sweden                 | 100.00%            |
| SDK Shipping AS                                     | Subsidiary | Norway                 | 100.00%            |
| SDK Chartering A/S                                  | Subsidiary | Denmark                | 100.00%            |
| SDK Cruise A/S                                      | Subsidiary | Denmark                | 100.00%            |
| SDK Solutions Holding ApS                           | Subsidiary | Denmark                | 63.80%             |
| Shipping Consultancy A/S                            | Subsidiary | Denmark                | 100.00%            |
| Shipping Consultancy Sweden AB                      | Subsidiary | Denmark                | 100.00%            |
| Waterway, Iberia                                    | Associated | Spain                  | 40.00%             |
| FREJA Group ApS                                     | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics Holding A/S             | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics A/S                     | Subsidiary | Denmark                | 72.60%             |
| SDK Logistics Service Taulov A/S                    | Subsidiary | Denmark                | 72.60%             |
| FREJA Transport & Logistics AB                      | Subsidiary | Sweden                 | 72.60%             |
| SDK Logistics B.V                                   | Subsidiary | Holland                | 43.60%             |
| FREJA Transport & Logistics Holding AS              | Subsidiary | Norway                 | 72.60%             |
| FREJA Transport & Logistics AS                      | Subsidiary | Norway                 | 72.60%             |
| Thoresen Transport AS                               | Subsidiary | Norway                 | 58,10%             |
| Thoresen Lastebil AS                                | Subsidiary | Norway                 | 58,10%             |
| FREJA Transport & Logistics OY                      | Subsidiary | Finland                | 72.60%             |
| FREJA Transport & Logistics Sp. z o.o.              | Subsidiary | Poland                 | 72.60%             |
| Transcargo Trucking Sp. z o.o.                      | Subsidiary | Poland                 | 72.60%             |
| FREJA Transport & Logistics A/S (Hong Kong) Limited | Subsidiary | Hong Kong              | 54.75%             |
| FREJA Transport & Logistics (Shanghai) CO. LTD      | Subsidiary | China                  | 54.75%             |
| DSH Environment ApS                                 | Subsidiary | Denmark                | 70.00%             |
| Nordic Waste A/S                                    | Subsidiary | Denmark                | 53.20%             |
| DSH Recycling A/S                                   | Subsidiary | Denmark                | 70.00%             |

## 8. INVESTMENTS IN ASSOCIATES

DKK '000

30 April 2023

### Cost

|                        |            |
|------------------------|------------|
| <b>At 1 May 2022</b>   | <b>688</b> |
| Additions for the year | 0          |
| Transfers for the year | 0          |

|                         |            |
|-------------------------|------------|
| <b>At 30 April 2023</b> | <b>688</b> |
|-------------------------|------------|

### Value adjustments

|                               |          |
|-------------------------------|----------|
| <b>At 1 May 2022</b>          | <b>0</b> |
| Exchange rate adjustments     | (1)      |
| Shares of profit for the year | 345      |
| Other equity adjustments      | (147)    |

|                         |            |
|-------------------------|------------|
| <b>At 30 April 2023</b> | <b>197</b> |
|-------------------------|------------|

|   |            |
|---|------------|
| <b>Carrying amount at 30 April 2023</b> | <b>885</b> |
|---|------------|

## 9. RECEIVABLES FROM GROUP COMPANIES

| DKK '000                           | 30 April 2023  | 30 April 2022  |
|------------------------------------|----------------|----------------|
| <b>Cost</b>                        |                |                |
| At 1 May                           | 237,800        | 137,541        |
| Additions for the year             | 108,300        | 100,259        |
| <b>At 30 April</b>                 | <b>346,100</b> | <b>237,800</b> |
| <b>Carrying amount at 30 April</b> | <b>346,100</b> | <b>237,800</b> |

## 10. DEFERRED TAX

| DKK '000                            | 30 April 2023 | 30 April 2022 |
|-------------------------------------|---------------|---------------|
| At 1 May                            | 604           | 457           |
| Change for the year (Profit & Loss) | 292           | 146           |
| Change for the year (Equity)        | (1)           | 1             |
| <b>At 30 April</b>                  | <b>895</b>    | <b>604</b>    |

## 11. CREDIT INSTITUTIONS

DKK 6,400k falls due after 5 years.

## 12. SECURITY CONTINGENT LIABILITIES AND LEASE, AND CONTRACTUAL OBLIGATIONS

| DKK '000   | 30 April 2023 | 30 April 2022 |
|--|---------------|---------------|
| Lease and rent obligations   | 99            | 191           |
| Instruction obligation regarding operational leasing. Expected residual values at the end of | 2,028         | 2,028         |

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

SDK FREJA A/S and Danish subsidiaries are part of a Danish joint taxation scheme with SelfGeneration T ApS, according to which SDK FREJA A/S has partly a joint and several liability and partly a secondary liability with respect to corporate income taxes, etc. for the joint-taxed companies. In addition, SDK FREJA A/S has partly a joint and several liability and partly a secondary liability with respect to any obligation to withhold tax on interest and dividends for these companies. However, in both cases the secondary liability is capped at an amount equal to the share of the capital of the company directly or indirectly owned by the ultimate parent company. The total tax obligation under joint taxation scheme is shown in the financial statement of SelfGeneration T ApS.

### 13. RELATED PARTIES

Related parties comprise the Board of Directors, the Executive Board and senior executives in group enterprises as well as companies in which these persons have significant interests.

With reference to section 98c.3 of the Danish Financial Statements Act, related party transactions details are not disclosed.

The Company is included in the Consolidated Financial Statements of the immediate parent company, A/S United Shipping & Trading Company, DK-Middelfart.

Controlling interest is exercised through the Company's immediate parent company, A/S United Shipping & Trading Company. The Company's ultimate parent company which prepares Consolidated Financial Statements is SelfGeneration T ApS, in which Torben Østergaard-Nielsen, CEO, Middelfart exercises control.

### 14. SUBSEQUENT EVENTS

No significant events affecting the assessment of the Annual Report have occurred after the balance sheet date.

### 15. ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The Annual Report of SDK FREJA A/S for 2022/2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2022/2023 is presented in DKK thousands.

#### RECOGNITION AND MEASUREMENT

The Financial Statements have been prepared based on the historic cost principle.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Group, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Group, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

DKK is used as the measurement currency. All other currencies are regarded as foreign currencies.

#### LEASING

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under the finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

#### TRANSLATION POLICIES

Transactions in foreign currencies are translated during the year at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.



## INCOME STATEMENT

### Other external expenses

Other external expenses include expenses for sales, administration as well as the running of office facilities, etc.

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

### Income from investments in subsidiaries and associates

The item "Income from investments in subsidiaries and associates" in the income statement of the parent company includes the proportionate share of net profit for the year less goodwill amortisation.

### Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and adjustment of deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

## BALANCE SHEET

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributions and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Group to cover the negative balance of the enterprise is recognised in provisions.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

### Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, interest and hire on ships.

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year and adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.









# MANAGEMENT'S STATEMENT

The board of Directors and the executive Board have today presented and adopted the Annual Report of SDK FREJA A/S for the financial year 1 May 2022 - 30 April 2023.

The consolidated financial statements for SDK FREJA A/S have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

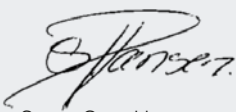
In our opinion, the Financial Statements give a true and fair view of the financial position at 30 April 2023 of the Group and Parent and of the results of the Group and Parent's operations and cash flows for the financial year 1 May 2022 - 30 April 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

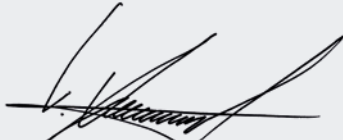
Fredericia, 26. June 2023.

## EXECUTIVE BOARD

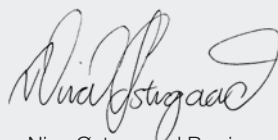


Søren Gran Hansen

## BOARD OF DIRECTORS



Torben Østergaard-Nielsen  
Chairman



Nina Østergaard Borris



Mia Østergaard Rechnitzer



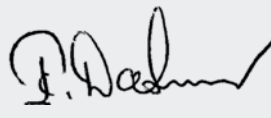
Jørgen J. Hansen



Peter Hald Appel



Lars Krejberg Petersen



Flemming Dalgaard



Ann Christin Andersen



# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF SDK FREJA A/S

### OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 April 2023 and of the results of the Group's operations and cash flows for the financial year 1 May 2022 to 30 April 2023 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the parent company Financial Statements give a true and fair view of the parent company's financial position at 30 April 2023 and of the results of the parent company's operations for the financial year 1 May 2022 to 30 April 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the parent company Financial Statements of SDK FREJA A/S for the financial year 1 May 2022 – 30 April 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the parent company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the parent company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

### MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless

Management either intends to liquidate the Group or the parent company or to cease operations, or has no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trekantområdet, 26 June 2023

### PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
CVR-nr. 33 77 12 31



Jens Weiersøe Jakobsen  
State Authorised Public Accountant  
mne30152



Henrik Forthoft Lind  
State Authorised Public Accountant  
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CVR No: 56 25 23 12

Financial year // 1 May - 30 April  
Municipality of reg. office: Fredericia

