Company reg. no. 56 25 23 12

SDK FREJA

ANNUAL REPORT 2020/21


FREJA
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FINANCIAL STATEMENTS

FINANCIAL HIGHLIGHTS

REVENUE

2,633 DKK MILLION

EBIT (BEFORE SPECIAL ITEMS)

97 DKK MILLION

GROSS PROFIT

630 DKK MILLION

EBT (BEFORE SPECIAL ITEMS)

83 DKK MILLION

EBITDA (BEFORE SPECIAL ITEMS)

223 DKK MILLION

CONVERSION RATIO

15.4 %

TOTAL EQUITY

542 DKK MILLION

EMPLOYEES

1,247

ABOUT SDK FREJA

The SDK FREJA Group 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 a full-service logistics and shipping company. The main activities of SDK FREJA include freight forwarding within Road, Air & Sea, Project, Logistics, as well as Stevedoring, Agency, Customs Clearing, Commercial Chartering, Liner and Cruise services.

We offer specialist logistics solutions within Healthcare, warehousing and refrigeration.

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

SDK FREJA is one of the few independent and privately owned local mid-sized logistics and shipping 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 the continued development of these.

ROAD TRANSPORT

SEA FREIGHT

AIR FREIGHT

PROJECT FORWARDING

LOGISTICS SOLUTIONS

HEALTHCARE SOLUTIONS

WAREHOUSING SOLUTIONS

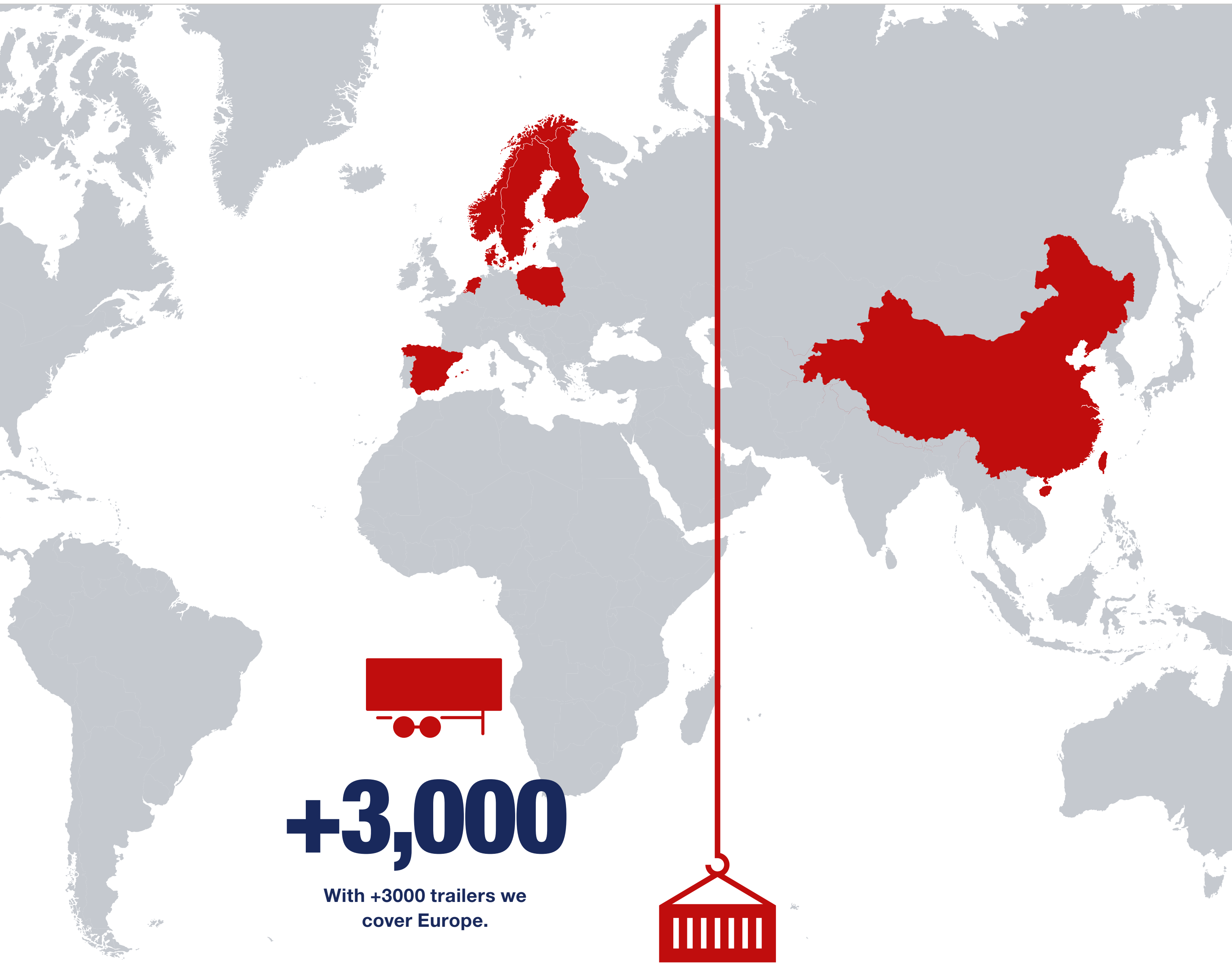
REFRIGERATED SOLUTIONS

STEVEDORE

AGENCY

CRUISE

CHARTERING



+3,000

With +3000 trailers we cover Europe.

7.9mill.

7.9 million tons handled over quay.

+200,000 sq m

We have +200,000 sq m of strategically well located multi-terminals and warehouse space.

7,600

7,600 Agency calls handled.

We offer 24/365 Agency service.

FIVE-YEAR OVERVIEW

DKK'000	2020/21	2019/20	2018/19*	2017/18*	2016/17*
Results					
Revenue	2,633,007	1,379,864	1,469,841	1,005,180	629,363
Gross profit	629,962	366,625	330,301	273,931	196,634
Operating profit/loss before amortisation and depreciation (EBITDA) before special items	222,784	98,390	57,703	45,089	30,078
Operating profit (EBIT) before special items	97,170	37,691	31,995	24,449	21,343
Net financial expenses	(14,817)	(5,597)	6,943	906	605
Profit before tax (EBT) before special items	82,529	32,189	25,052	23,543	20,738
Profit before tax (EBT)	62,037	32,189	25,052	23,543	20,738
Profit for the year	45,869	26,431	17,966	18,540	15,769
Financial position					
Balance sheet total	3,237,323	689,445	467,563	452,670	291,449
Equity, parent company's share	383,910	131,269	111,056	93,264	75,594
Total equity	542,323	132,470	112,927	94,318	76,594
Net working capital	(323,208)	(64,617)	10,675	39,850	(21,295)
Net interest bearing debt	1,247,849	299,266	84,202	122,296	5,349
Cash flow					
Cash flows from operating activities	307,831	105,032	61,290	3,144	54,384
Cash flows from investing activities	(760,508)	(82,901)	(23,195)	(65,010)	(43,308)
- Cash flows from investment in PP&E	(14,759)	(65,985)	(22,764)	(5,060)	(1,181)
Cash flows from financing activities	669,344	(51,275)	8,562	(7,768)	9,707
Total cash flows	216,667	(29,144)	46,657	(69,634)	20,783
Financial ratios (%)					
Gross margin	23.9	26.6	22.5	27.3	31.2
Operating margin	8.5	7.1	3.9	4.5	4.8
Profit margin	3.7	2.7	2.2	2.4	3.4
Conversion ratio	15.4	10.3	9.7	8.9	10.9
ROIC before tax	9.2	12.6	12.9	13.1	19.9
Return on equity (ROE)	13.6	21.5	17.6	21.8	24.9
Solvency ratio	16.8	19.2	23.8	20.6	26.3
Gearing ratio	5.6**	3.0	1.5	2.7	0.2
Non-financials					
Number of full-time employees	1,247	400	399	344	255

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, 2017/18 and 2016/17 are presented in accordance with the Danish Financial Statement Act.

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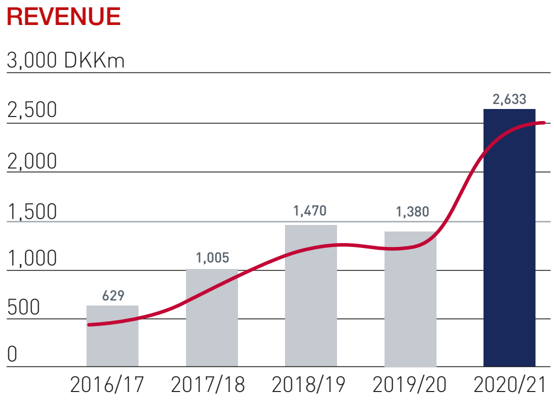
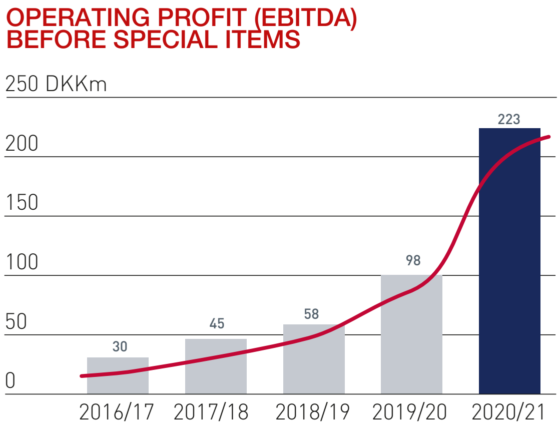
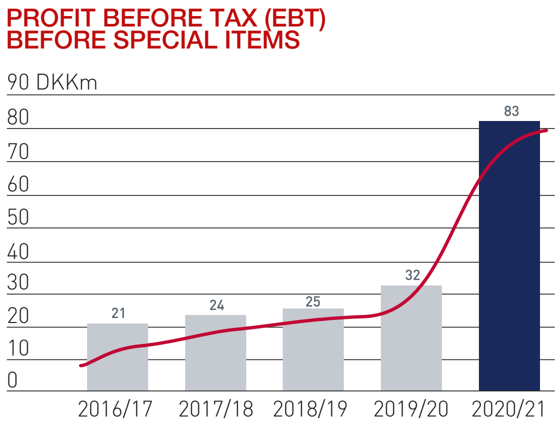
SCHMITZ


REVENUE
3,000 DKKm
2,500
2,000
1,500
1,000
500
0
629
1,005
1,470
1,380
2,633
2016/17
2017/18
2018/19
2019/20
2020/21


OPERATING PROFIT (EBITDA)
BEFORE SPECIAL ITEMS
250 DKKm
200
150
100
50
0
30
45
58
98
223
2016/17
2017/18
2018/19
2019/20
2020/21


PROFIT BEFORE TAX (EBT)
BEFORE SPECIAL ITEMS
90 DKKm
80
70
60
50
40
30
20
10
0
21
24
25
32
83
2016/17
2017/18
2018/19
2019/20
2020/21

GROUP STRUCTURE


SDK FREJA A/S
CVR: DK 56252312
74,7%
FREJA GROUP A/S
CVR: DK 41783524
FREJA TRANSPORT & LOGISTICS HOLDING A/S
CVR: DK 35839224
SDK LOGISTICS A/S
CVR: DK 26439116
SDK LOGISTICS AB
ORG.NO: SE 5561987909
60%
SDK LOGISTICS B.V.
ORG.NO: NL 856670467B01
TF FREIGHT AB
ORG.NO: SE 5591526859
FREJA TRANSPORT & LOGISTICS A/S
CVR: DK 15027800
FREJA TRANSPORT HOLDING AB
ORG.NO: SE 5567196414
FREJA TRANSPORT HOLDING AS
ORG.NO: NO 972423238
FREJA TRANSPORT & LOGISTICS OY
ORG.NO: FI 10962756
FREJA TRANSPORT & LOGISTICS SP. Z.O.O.
ORG.NO: PL 8522559992
75%
FREJA TRANSPORT & LOGISTICS A/S (HONG KONG) LTD.
ORG.NO: HK 2309544
SDK LOGISTICS SERVICE TAULOV A/S
CVR: DK 42063207
FREJA TRANSPORT & LOGISTICS AB
ORG.NO: SE 5567003933
FREJA TRANSPORT & LOGISTICS AS
ORG.NO: NO 927908492
TL TRANS OY
ORG.NO: FI 16083410
TRANSCARGO TRUCKING SP. Z.O.O.
ORG.NO: PL 9552478916
FREJA TRANSPORT & LOGISTICS (SHANGHAI) CO. LTD.
CN 91310000MA1 FL1Q483


SDK

A NEW NAME AND STRATEGY PLAN

Søren Gran Hansen
SDK FREJA A/S
CEO

The 2020/21 financial year was a landmark year for the Group with the best-ever performance, a notable acquisition, which was also reflected in a new name for the Group, and the launch of a new, ambitious strategy plan.

2020/21 was also a turbulent year, marked by a global pandemic that is still the cause of lack of transparency and concern for customers, partners, suppliers and financial markets.

During 2020/21, we completed a comprehensive strategy process launched the previous year. This process involved a number of employees, all of whom engaged in analysing our business areas in the most competent, committed and dedicated manner and helped to devise a range of strong strategic action opportunities.

The process crystallised into an ambitious strategy plan for developing our company through geographic expansion, organic growth and further acquisitions.

Our strategy plan reflects our well-capitalised and ambitious owners, who support SDK FREJA and believe that the Group has great potential. This was indeed showcased by the notable acquisition of FREJA Transport & Logistics Holding A/S ('FREJA') in 2020/21.

As a natural consequence of the acquisition, we have changed our name to SDK FREJA.

The acquisition of FREJA is a key element of the five-year strategy plan. It significantly strengthens our Logistics business area with a strong market position, especially in the Nordic region, while at the same time providing a scalable platform for further profitable growth. We welcome our new competent FREJA organisation, who will be instrumental in the execution of the Logistics area strategy and to ensure we maximise our strategic opportunities.

Acquisitions are at the core of our ambitious strategy plan – and the acquisitions do not stop with FREJA. We have identified a number of specific acquisition opportunities to further strengthen SDK FREJA's strategic market position.

But acquisitions will not be our only source of growth. We will also increase our organic growth through enhanced sales focus and development of new customer solutions – not least digital ones. We will not just compete on price, but will increasingly maximise the opportunities that come from being a company with a wide range of products, which enables us to offer our customers customised door-to-door solutions.

Finally, we will defend our current strong market positions and continue to develop our organisation, processes and follow-up tools.

DEVELOPMENT IN THE YEAR

The SDK FREJA Group achieved a revenue of DKK 2,633 million (DKK 1,380 million in the previous year). The increase in revenue for the year can primarily be attributed to FREJA becoming a part of the Group end of December 2020.

Profit before tax amounted to DKK 62.0 million (DKK 32.2 million). At the end of the year, equity amounted to DKK 542.3 million (DKK 132.5 million).

Compared to last year, profit before tax has increased by DKK 29.8 million, corresponding to a 92.5% increase. The increased profit comes primarily from the acquisition of FREJA and to a lesser extent from organic growth/optimisation of existing activities.

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, and for how long COVID-19 will continue to challenge the business world-wide.

The financial impact from the acquisition of FREJA on the Group for 2020/21 only covers a 4-month period. Thus, expectations for 2021/22 are significantly higher revenue and earnings than for 2020/21 – in the region of a 70 - 80% revenue increase and a 55 - 65% earnings increase.

CSR AND GENDER COMPOSITION

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

On November 2nd, 2020, we announced that SDK A/S and FREJA Transport & Logistics Holding A/S had agreed to merge SDK Logistics' activities with all FREJA's business units – the new name of the company being SDK FREJA A/S.

This is the first year that SDK FREJA will publish a consolidated report, therefore, the following is based on various policies and efforts from both SDK and FREJA, respectively, but with most of the input being from FREJA. If you are interested in reading more about FREJA's ESG activities, please read the 2020 CSR report here: https://www.freja.com/wp-content/uploads/2021/04/FREJA_CSR-Rapport-2020.pdf.

Business model

SDK FREJA is a logistics and shipping company and our main activities include Road transport, Air and sea, Projects, Logistics, Stevedoring, Agency, Customs clearing, Commercial chartering, Liner services and Cruise services. We are locally based in Northern Europe but operate in a global network. We guarantee high quality and customised personal service, and we focus on what we do best, so our customers can focus on their core business.

Environment and climate change

As part of the transport industry, we recognise that we have certain risks regarding CO2 emissions from fuel combustion. The transport sector is responsible for 24% of direct CO2 emissions from fuel combustion and, therefore, we have risks associated with stakeholder expectations and regulatory requirements regarding our CO2 emissions that require us to make an effort to reduce our emissions.

SDK FREJA has invested in technological fleet management solutions to help reduce empty haulage and optimise utility of loads. Currently, we are looking for partners that are interested in testing sustainable fuel solutions to move towards low-carbon fuel.

Aside from CO2 emissions, SDK FREJA also monitors waste generation and has an internal goal of reaching a recycling rate of 60%. 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 use in all our buildings to minimise our environmental footprint.

In the reporting period, FREJA bought 22 new frigo trailers with solar cells installed on the roofs. The solar cells are used instead of electricity to charge the start batteries. Solar cells are good for the environment, and they ensure great reliability as the Frigo trailers will always be ready and charges.

Human rights

We recognise that we with our activities within Road transport, Air and sea, Projects, Logistics, Stevedoring, Agency, Customs clearing, Commercial chartering, Liner services and Cruise services might encounter risks related to people being underpaid, working under poor conditions, and experience inadequate compliance with legislation. It is important that our partners and suppliers share the same attitude towards business morals and ethics as us.

To minimise risks of breaching human rights, SDK FREJA have written agreements, including the Code of Conduct, which you can find here: https://www.freja.com/wp-content/uploads/2021/06/Code-of-Conduct-for-Suppliers-to-FREJA_2021.pdf, with all key subcontractors, aiming to ensure compliance with our requirements and applicable legislation.

In the reporting period, we continued to spread awareness about our Code of Conduct in our supply chain to ensure that all significant suppliers know about the Code of Conduct and accept it.

Employees

As a logistics and shipping company, we focus on our employee's health and safety, as there are certain risks related to the handling and freighting of cargo. All our employees must follow our health and safety guidelines, which include the use of Personal Protection Equipment (PPE) and preventive actions. We register any incidents that occur and have follow-up procedures in place, as well as reporting processes to ensure incident reporting to the relevant authorities. We will continue to especially focus on proactive behaviour going forward, including reporting on near-miss incidents in order to better our health and safety protocols and prevent injuries in the future, as well as promote our "Safety First" culture.

In the reporting period, we were also impacted by the COVID-19 pandemic. Due to this, many of our employees were working from home throughout the year. Therefore, we chose to increase our use of online meetings rather than physical ones, to maintain employee health and safety. The pandemic has forced us to change the way we work, but we have also realised that there are benefits to having online meetings, and we expect to continue more with this after the pandemic is over. It reduces travel time, which means less CO2 emissions, and is often more convenient for our employees as they save time on transport and thereby have more time to focus on their tasks. When in the office or on our operational sites, we have urged and continue to urge our employees to follow safety measures and keep a safe distance on days where they were physically at work to minimise the risk of spreading COVID-19.

In previous years, FREJA set a goal to substantially reduce the proportion of youth not in employment, education or training by 2020. As a result, FREJA has established a trainee program where we offer new talents the possibility to join our team in Denmark and Norway every year, and from 2021 we will also have a trainee program in Sweden. The program takes two years and in that time the trainees primarily go to work at FREJA, while ten weeks of the program are dedicated to schoolwork, providing the trainees with a broad knowledge base and experience. Once the training has been completed, the trainees can call themselves freight forwards, and most of them have the possibility to pursue a career at SDK FREJA. Every year, we ask for feedback from the trainees in order to continuously improve the program, and in 2020, 17 trainees graduated from the program.

Anticorruption

We recognise that there are risks of bribery, corruption and facilitation payments within the areas where we do business. Therefore, SDK FREJA have guidelines that the Board, Executives and all individual employees are required to comply with. This involves acting responsibly and showing high ethical behaviour, having knowledge of and complying with any applicable legislation (both national and international) in relation to all our activities, including regulations regarding corruption, money laundering, fraud, etc. All new employees are required to familiarise themselves with our guidelines. In the reporting period, all new employees also completed compliance training to ensure they are well-versed in our guidelines.

SDK is in the process of implementing a whistle-blower system, while FREJA has had a whistle-blower system in place for the past three years. The whistle-blower system is in place to allow anonymous reporting within our business, in order to prevent unacceptable behaviour and criminal actions. In the reporting period, there were no reports of unethical behaviour.

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 Board of Directors is the supreme management body in the company and currently consists of 7 members. Today, the percentage of female members of the board elected by the shareholder's committee is 14%. The target for the underrepresented gender in the Board of Directors is set as 29% by 2023.

As the Board of Directors for SDK FREJA has been constituted within this first reporting period, we have not yet had the opportunity to make actions towards meeting our 2023 goal.

The policy of the Group is that the employees, irrespective of gender, must have equal career and management opportunities. Moreover, the Group considers gender diversity a strength and tries actively to promote this at all management levels, among other things by:

- In connection with the use of external recruitment partners, requiring to be presented with both male and female candidates
- Inviting suitable candidates of both genders for an interview in connection with employment in management positions
- Increased focus on potential female management talents in the organisation and actively encouraging them to apply for management positions

Despite the efforts made, we have not yet seen any change in the gender representation at other management levels.

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 costumer 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 16 in the Consolidated Financial Statement.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STICS

GROUP PERFORMANCE LOGISTICS

Ulrik Rasmussen
FREJA Transport & Logistics Holding A/S
Group CEO

Very satisfying development and earnings during unpredictable and unusual times

As in the previous years, FREJA focused on strengthening our already strong organisation with more skilled people and utilising our position as a full-service provider. Thus, we continued to provide our customers with excellent services within the Road, Logistics and Global Forwarding segments, including Air & Sea.

Our staff is core, and they have delivered an extraordinary effort to keep our customers' supply chains flowing during the pandemic, which is why we continue to invest in developing our organisation. We still believe that our ability to hire, educate, develop and retain staff in accordance with our core values and mindset will be key to our long-term success.

The integration with SDK Logistics, TF Freight and TL Trans follows the integration plans, and we have once again proved that our asset-light business model together with our strong IT platform and organisation enable us to integrate newly acquired companies in a fast and efficient way.

Despite the disruption caused by the COVID-19 pandemic followed by a very unpredictable period, FREJA saw a positive development in revenue and a very satisfying development in EBT. Particularly Denmark, Finland, Norway and the Netherlands showed really strong developments and earnings. The turnaround in Sweden during the last 18 months has paid off. With the integration of SDK Logistics and TF Freight well under way, the new set-up in Sweden is already showing positive developments. Poland continues to improve its revenue as we get more known in the Polish market, and continues to follow the EBT budget. Our current investment in the organisation and Warehouse Management System (WMS) in Poland, will be key for our success in the future, which is why we continue to invest in these areas. China performed according to budget with positive earnings, despite a weak project market.

We are very pleased and comfortable with the current development.

It is crucial to FREJA to continuously invest in IT solutions and IT tools which can support our customer service experience. Now and in the future, FREJA wants to meet the demands from our customers, who want to have access to all relevant data to get a full overview of their Business Intelligence. FREJA believes that transparency is key to long-term success with all our partners, and we strive to deliver 'best in class' on that agenda.

With the new ownership and thus new opportunities within SDK FREJA, FREJA looks very much forward to exploring and delivering new and better customer solutions.

Our expectations for the period 2021/22 are to benefit from our stronger set-up as well as taking part in the consolidation in the market. We strongly believe that our business model and competent organisation are well prepared and ready to continue the positive development from recent years, despite the uncertainty still related to the COVID-19 pandemic.

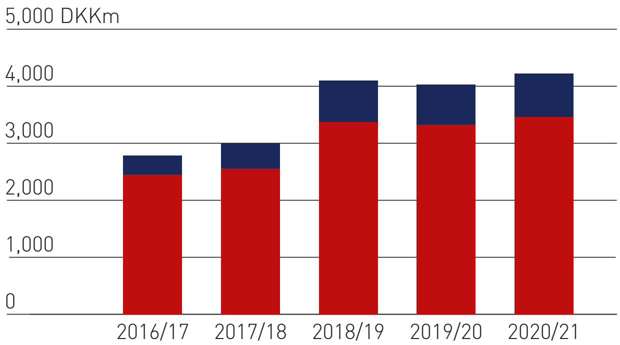
FREJA regularly prepares segmental financial statements, and the revenue stated in the financial statements is distributed by 89% on Road activities, 5% on Logistics activities and 6% on Project and Air & Sea activities.

CONDENSED INCOME STATEMENT AND KEY FIGURES

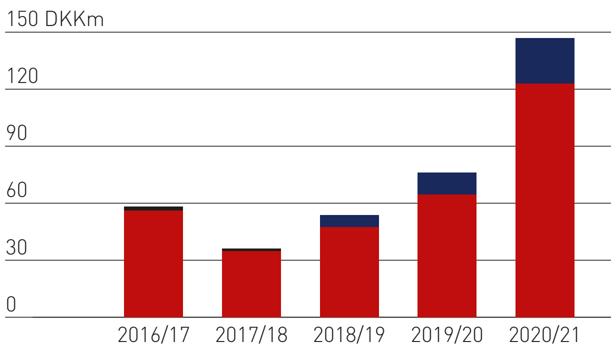
DKKm	2020/21
Revenue	1,966.5
Direct costs	1,615.1
Gross profit	**351.4**
Other external expenses	54.1
Staff costs	175.0
Operating profit before amortisation and depreciation (EBITDA) before special items	**122.3**
Amortisation and depreciation	51.0
Operating profit (EBIT) before special items	**71.3**
Gross margin	17.9%
Conversion ratio	20.3%
Operating margin	6.1%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA companies and SDK Logistics Service Taulov A/S. SDK Logistics A/S, SDK Logistics AB, TF Freight AB and SDK Logistics B.V. are included in the period May 2020 to April 2021. Income statement figures include the effect of the IFRS 16 standard on leases.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA *SDK*

LOGISTICS DENMARK

Jan Sunde
Managing Director,
Denmark

PERFORMANCE IN 2020/21

FREJA Denmark has shown stable performance during the COVID-19 period with large fluctuations in activity

During 2020/21, FREJA Denmark focused on continued cooperation between departments and divisions, as well as the merger of SDK Logistics and a closer cooperation with FREJA homelands. Further, we had to ensure security of supply on behalf of our valued customers. Especially our Healthcare Logistics set-up has been very busy due to COVID-19. Later in the year, other business sectors and divisions have also been busy ensuring sufficient supply chain capacity. FREJA Denmark has shown an outstanding team effort from all FREJANs in this very difficult and uncertain period. Following the merger between SDK Logistics and affiliated group companies, we now have a fantastic platform for further expansion. FREJA Denmark's main focus was and still is to further develop our European Road and Healthcare Logistics set-ups and to offer global forwarding solutions, but also to meet the increased demand for consultancy and value-added services as well as domestic distribution.

With the merger of SDK Logistics and the continued focus on recruiting trainees, the organisation has further improved its strength, particularly in all our operational departments. This means that we have a strong platform to handle further growth.

Market situation

During most periods in 2020/21, we saw large fluctuations in capacity and drivers as well as capacity shortage within road, air and sea freight. Especially during 2021, volumes increased rapidly, and at the same time we experienced increased difficulties ensuring sufficient capacity to serve the demand. We have worked hard to ensure that supply chains have remained intact.

Focus areas in 2021/22

FREJA Denmark expects the pressure on capacity to continue and production costs to increase gradually. We need to focus on how various legislation changes, national protectionism and uncertainty on how rules are to be handled will affect our business and adapt accordingly.

Once the vaccine programmes have been effected in the EU, it will be interesting to see if there will be a significant change in the current business trends and flows of cargo. Currently, we expect an uncertain and unclear picture for the coming 12 months.

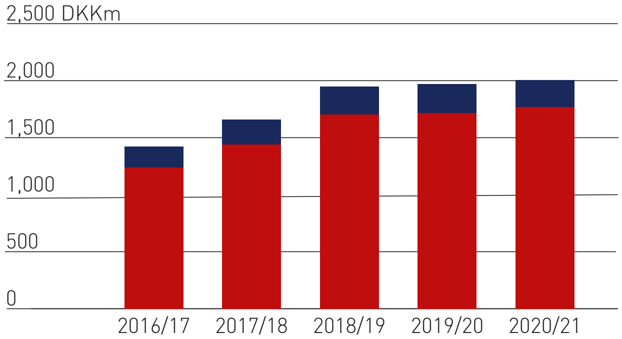
FREJA Denmark's business model ensures very close contact to customers, which is increasingly important in these challenging times.

CONDENSED INCOME STATEMENT AND KEY FIGURES

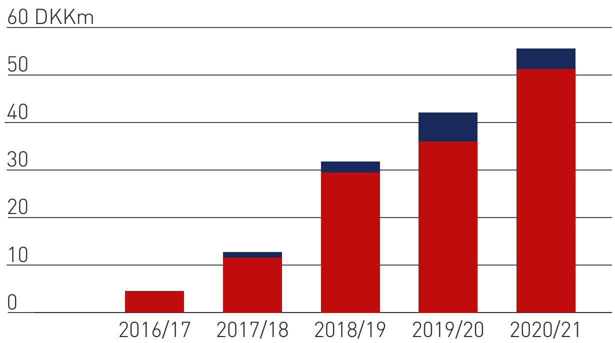
DKKm	2020/21
Revenue	855.1
Direct costs	709.2
Gross profit	**145.9**
Other external expenses	25.6
Staff costs	64.5
Operating profit before amortisation and depreciation (EBITDA) before special items	**55.8**
Amortisation and depreciation	30.1
Operating profit (EBIT) before special items	**25.8**
Gross margin	17.1%
Conversion ratio	17.6%
Operating margin	6.5%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics A/S and SDK Logistics Service Taulov A/S. SDK Logistics A/S is included in the period May 2020 to April 2021. Income statement figures include the effect of the IFRS 16 standard on leases.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA *SDK*

LOGISTICS NORWAY

Kjell-Arne Eloranta
Managing Director, Norway

PERFORMANCE IN 2020/21

FREJA Norway all time high again and continues to invest for further growth

The company's activities in 2020/21 were historically high for the seventh year in a row. Investments initiated in previous years in the leadership and competence development programme 'Forwarder 2.0' and improved IT solutions continued and contributed to an even better efficiency and quality of our services to our customers. Our employee survey confirmed great satisfaction, which is an important tool to improve customer satisfaction. Despite a challenging period caused by COVID-19, the quality of our services has been good due to our flexible and solution-oriented approach supported by our close cooperation with customers, partners and sister companies. Our market leader position in Pharma Logistics was strengthened.

FREJA Norway is ISO certified according to the FREJA Group's ISO 9001/14001. Our quality focus adopted from the Pharma & Healthcare operations also attracts customers from outside the Pharma industry, who recognise that the best quality is the best investment. Our focus on environment using EURO 6 engines and ships which connect to shore power continues. Our policy is to use company cars with electrical engines. All our logistics warehouses, which cover in total more than 25,000 sq m and +40,000 pallet places, have LED lighting. Train solutions in connection with ferries connecting to shore power have been established to and from the European continent. In April 2021, FREJA Norway could finally celebrate Onrail's opening of a daily train connection between Oslo and North-West Norway. FREJA Norway's commitment and contribution have been crucial in this two-year project.

Market situation

The strong FREJA brand will remain and we expect to become an even stronger player in the Nordic market supported by the close and extensive cooperation with an even larger organisation in Sweden and Denmark. FREJA is well prepared to serve the market with a range of dynamic, high-quality logistics solutions, which the market seems to find very attractive.

Focus areas in 2021/22

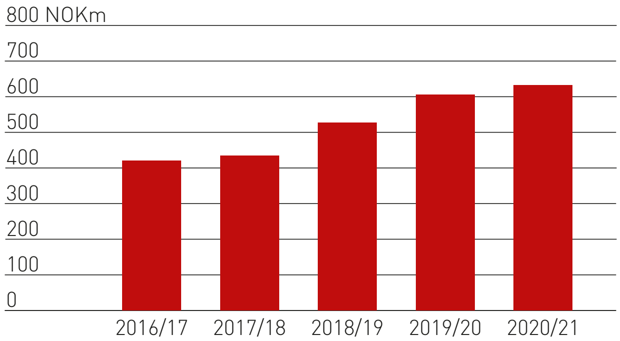
The investments in developing staff and expanding the team, more environmentally friendly solutions, more transport equipment, improved IT solutions as well as the expansion of the Pharma warehouse and GMP services have given us a very positive start in 2021.

CONDENSED INCOME STATEMENT AND KEY FIGURES

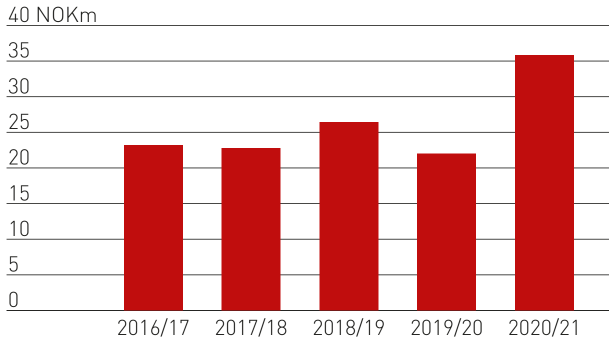
NOKm	**2020/21**
Revenue	224.2
Direct costs	156.5
Gross profit	**67.7**
Other external expenses	15.6
Staff costs	28.4
Operating profit before amortisation and depreciation (EBITDA) before special items	**23.8**
Amortisation and depreciation	11.0
Operating profit (EBIT) before special items	**12.8**
Gross margin	30.2%
Conversion ratio	18.9%
Operating margin	10.6%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics AS. Income statement figures include the effect of the IFRS 16 standard on leases.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA

LOGISTICS SWEDEN

Morten Dreyer
Managing Director
Sweden

PERFORMANCE IN 2020/21

FREJA Sweden – very positive development

FREJA Sweden is the combination of our three business units SDK Logistics, TF Freight and FREJA.

After a successful turnaround in Sweden in recent years, we are very satisfied with the very positive development during 2020/21. Our staff across the three business units have delivered an extraordinary effort to keep our customers' supply chains running, despite the impact from COVID-19. Due to the very uncertain situation in relation to the pandemic, we quickly implemented various cost-efficiency programmes to have a strict cost control.

All three business units have seen a good development in logistics activities, especially in Jönköping and Stockholm. We continue to invest in our Air & Sea operation, which recently has developed positively, and we expect to continue to gain market shares in the future. Our Road business continues the very good development seen during the last 18 months, where we are especially pleased with the much improved contribution margin. Furthermore, we continue to invest in our sales organisation, as we want to build a high-performing commercial culture to do our utmost to gain market shares and have best-in-class customer service. We want to benefit from the momentum we experience at the moment.

Market situation

During most period of 2020/21, we saw large fluctuations in the Road, Air and Sea freight capacity. However, all three business units in Sweden continued the very positive development, and with the imminent integration of the business units, our new set-up will be even stronger in future. Therefore, we also strongly believe that we will be able to offer improved customer solutions, thus increasing our possibilities to secure growth.

Focus areas in 2021/2022

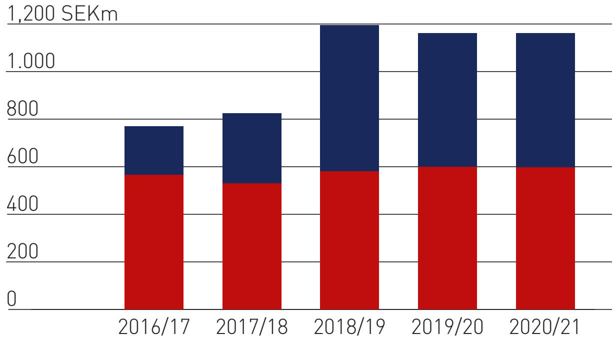
It is our ambition to fully integrate the three business units by the end of 2021. Furthermore, we are fully focused on improving and strengthening our market position, and we wish to continue to provide flexible, high-quality transport and logistics solutions to new and existing customers. Our asset-light business model allows us to focus on customer-friendly and improved solutions in cooperation with our partners.

CONDENSED INCOME STATEMENT AND KEY FIGURES

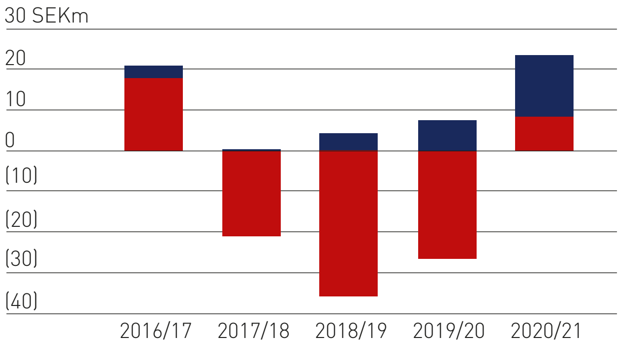
SEKm	**2020/21**
Revenue	787.0
Direct costs	661.1
Gross profit	**125.9**
Other external expenses	22.6
Staff costs	84.5
Operating profit before amortisation and depreciation (EBITDA) before special items	**18.9**
Amortisation and depreciation	1.4
Operating profit (EBIT) before special items	**17.5**
Gross margin	16.0%
Conversion ratio	13.9%
Operating margin	2.4%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics AB. SDK Logistics AB and TF Freight AB are included in the period May 2020 to April 2021. Income statement figures do not include the effect of the IFRS 16 standard on leases. These are only included in the consolidated statement.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA *SDK*

LOGISTICS FINLAND

PERFORMANCE IN 2020/21

FREJA Finland had another very successful year

FREJA Transport & Logistic Oy's business year 2020 turned out to be positive despite the pandemic. This positive development has continued in 2021.

The development was enabled by the broad customer portfolio as well as a quick response to the various changes at operational level. Resources and capacity were allocated to the sectors where business remained unchanged despite of the pandemic situation. Positive developments were seen in international Road transportation and Project business. There are two main drivers for the positive development in 2020 and 2021 – one is low oil prices and the other one is excellent sales focus in the entire organisation.

Due to COVID-19, FREJA Finland strengthened its multi-channel marketing. Despite of the challenging working situation, we once again reached a high customer service level and quickly adapted to the new situation.

Market situation

The last part of the period has been challenging within foreign trade, with several changes in the global business environment, also at geographical segment level. Our European Road activities have seen a very positive development due to our ability to quickly respond to rapid market changes and special customer demands as well as our wide and important international partner network. Overseas activities have been under big pressure due to less capacity offered by shipping lines and air carriers, mainly due to COVID-19 and the Suez Canal challenges. Despite the mentioned impact, our overseas activities have developed positively. Despite this very special period in terms of society and unique working methods, we continue our strategy of being the most attractive service provider in Finland.

Focus areas in 2021/22

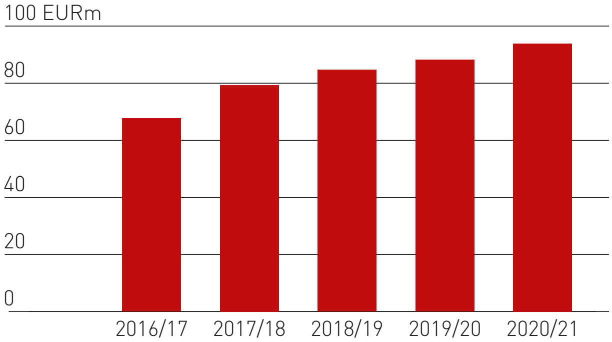
It will be more or less business as usual, where our focus will be to continue the great development and improved cooperation with the other FREJA homelands in recent years. Therefore, it was a natural step in our further development when we in February 2021 strengthened our business and acquired TL Trans Oy, enabling us to also offer thermo transportation services to customers in Finland.

CONDENSED INCOME STATEMENT AND KEY FIGURES

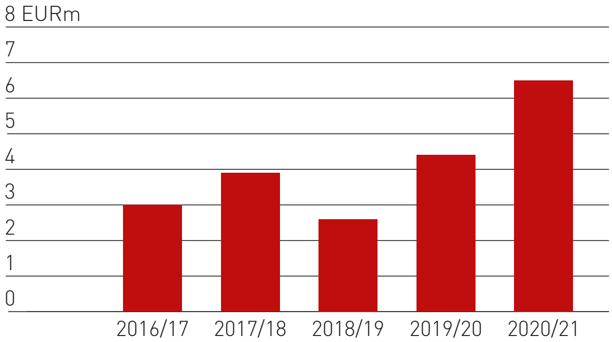
EURm	2020/21
Revenue	37.0
Direct costs	31.9
Gross profit	**5.1**
Other external expenses	0.8
Staff costs	1.4
Operating profit before amortisation and depreciation (EBITDA) before special items	**2.8**
Amortisation and depreciation	0.5
Operating profit (EBIT) before special items	**2.3**
Gross margin	13.7%
Conversion ratio	45.9%
Operating margin	7.7%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics OY. Income statement figures do not include the effect of the IFRS 16 standard on leases. These are only included in the consolidated statement.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA

LOGISTICS POLAND

PERFORMANCE IN 2020/21

FREJA Sp. z o.o. continued the positive development in revenue and contribution margin

In 2020/21, FREJA SP. z o.o. increased its revenue and contribution margin in a very difficult period where the economic situation in Poland has been very much affected by COVID-19 pandemic. Our organisation has shown an outstanding team effort. Bottom line results reflect one-time costs of opening our new modern logistics centre in Szczecin, where all kinds of services are now ready, enabling us to meet increasing customer demands, including long-term storage and VAS services. In the near future, we expect to utilise our logistics centre covering more than 10,000 sq m on long-term contracts. Introducing contract logistics to the FREJA SP z o.o. product portfolio will create additional value and synergies for supply chain management of FREJA SP z o.o.'s customers. Transcargo Trucking in Poland has expanded its fleet and now has 100 modern trucks.

Market situation

The market in Poland has become highly competitive with many logistics operators offering high-quality service. Recently, we have seen an increasing demand for e-commerce solutions.

The key to success in such a situation is close relations with our partners, combined with the highest quality of performance and customer service. An unstable market situation resulted in a shortage of drivers combined with fluctuations in the Polish currency and a lower number of trucks available on the market.

Focus areas in 2021/22

Introducing our products and supply chain solutions to new and existing clients will be our priority in 2021/22. We are ready to provide high-quality service to customers of all sizes, based on highly skilled staff, implemented modern WMS and Transport Management System (TMS) and a top modern logistics centre in Szczecin. Building synergies between our solutions and offering a cross-product approach to the market will increase customer satisfaction and create long-term relations.

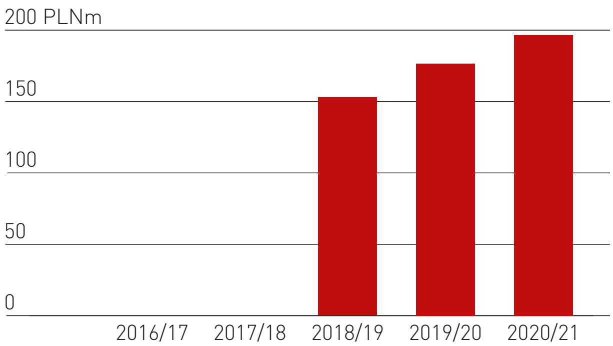
The investment in Szczecin as well as developing products and network connections for our branches in Gdynia, Błonie and Łódź´ will be an important step in building FREJA SP z o.o.'s position as one of the leading logistics operators in Poland. Furthermore, our new and improved opportunities with the other FREJA homelands will also be important for our success in the future.

CONDENSED INCOME STATEMENT AND KEY FIGURES

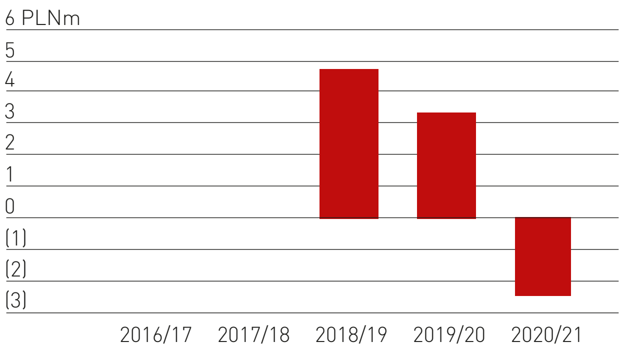
PLNm	2020/21
Revenue	72.9
Direct costs	64.8
Gross profit	**8.1**
Other external expenses	3.3
Staff costs	2.9
Operating profit before amortisation and depreciation (EBITDA) before special items	**1.9**
Amortisation and depreciation	2.7
Operating profit (EBIT) before special items	**-0.8**
Gross margin	11.1%
Conversion ratio	-9.3%
Operating margin	2.6%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics SP. z.o.o. Income statement figures do not include the effect of the IFRS 16 standard on leases. These are only included in the consolidated statement.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA

LOGISTICS CHINA

Leo Hu
Managing Director, China

PERFORMANCE IN 2020/21

FREJA China continues positive development

Our new office in Qingdao has already during the first year been profitable, as we have gained new customers in that geographic area. All existing customers in Air & Sea freight and Industrial Project have kept their position in the market.

Compared with 2019, 2020 saw a strong development in both revenue (+27.9%) and EBT (+23.3%). The positive development continued into 2021, where we during the period from January to April increased our revenue by 33.6% and improved our EBT by 305.8% compared to the same period in 2020.

Market situation

The overall Chinese economy has more or less recovered from the setback caused by COVID-19. Manufacturing activities are returning to normal, which offers great opportunities to increase the trading volumes both in terms of imports and exports and infrastructure investments globally. However, there are also various challenges in the global supply chain as a whole, such as shortage of container and transportation capacities both in sea freight and air freight.

Focus areas in 2021/22

FREJA China will continue to develop its existing business areas and maintain a high level of operational excellence and customer service to ensure continued positive growth.

The wind and green energy markets are booming in China, EU and various countries in South East Asia, like Vietnam. FREJA China wants to develop our organisation to meet market demands, so that we can gain market shares in this industrial segment.

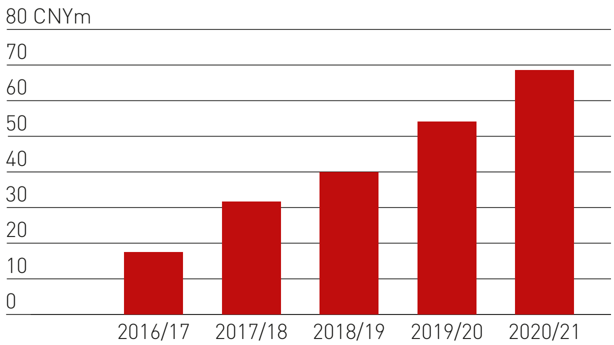
Despite a challenging and unpredictable market, we expect further growth in 2021/22 and look forward to cooperating with all our homelands.

CONDENSED INCOME STATEMENT AND KEY FIGURES

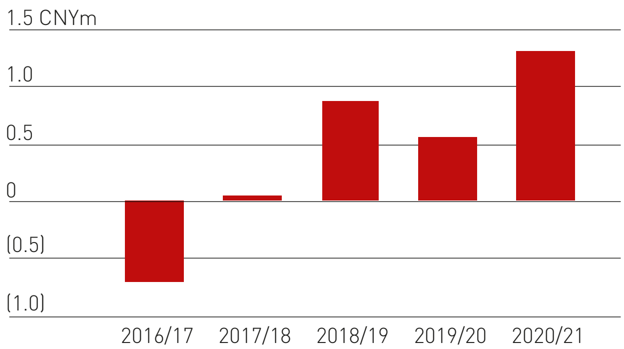
CNYm	**2020/21**
Revenue	24.3
Direct costs	21.9
Gross profit	**2.4**
Other external expenses	0.6
Staff costs	1.5
Operating profit before amortisation and depreciation (EBITDA) before special items	**0.3**
Amortisation and depreciation	0.0
Operating profit (EBIT) before special items	**0.3**
Gross margin	9.9%
Conversion ratio	12.5%
Operating margin	1.2%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics (Shanghai) Co. Ltd. Income statement figures do not include the effect of the IFRS 16 standard on leases. These are only included in the consolidated statement.

REVENUE (proforma - see note)



EBT (proforma - see note)



Revenue and EBT in the graphs are for FREJA converted to cover the financial year May 1st to April 30th

FREJA

LOGISTICS NETHERLANDS

PERFORMANCE IN 2020/21

The Netherlands continued its profitable growth

During 2020/21, SDK Logistics B.V. continued its positive growth in the Road full load segment. The start of the pandemic gave us some challenges; however, we were able to secure a steady and profitable growth. Due to our high service level, direct communication, pro-active follow-up and eagerness to always come up with the best solutions for our customers, we are a strong and steady logistics provider across Europe. We have created a strong network, which we look forward to expanding in 2021/22.

We also started up our Sea freight department, which generated great results already during the first year. We were able to gain a significant market share of the wood logs business from Germany to China. Due to the extensive knowledge gained during this first project, we were and are now able to offer our customers container and other sea freight solutions all around the world.

Market situation

With our steady and strong team in the Netherlands, we are looking forward to all the new opportunities and to continuing our development in the Road full load segment and Sea freight divisions despite the difficult market situation with capacity issues within Road and Sea freight.

Focus areas in 2021/22

In 2021, we are planning the implementation of the FREJA IT platform, which will increase efficiency in many ways – from planning to financial administration. With this system, we can offer an even higher level of service to our customers, since this is one of our most important values.

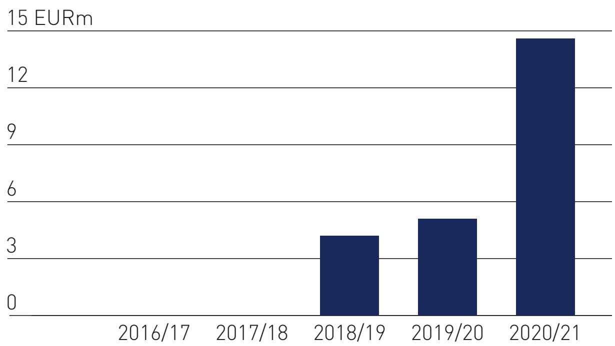
At SDK Logistics BV, we are very pleased with the merger between SDK Logistics and FREJA, and we look forward to optimising and developing our cooperation to become one of Europe's best logistics service providers.

CONDENSED INCOME STATEMENT AND KEY FIGURES

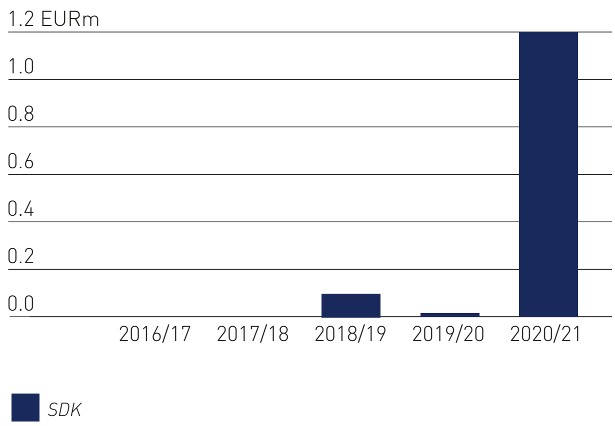
EURm	**2020/21**
Revenue	14.6
Direct costs	12.9
Gross profit	**1.7**
Other external expenses	0.2
Staff costs	0.3
Operating profit before amortisation and depreciation (EBITDA) before special items	**1.2**
Amortisation and depreciation	0.0
Operating profit (EBIT) before special items	**1.2**
Gross margin	11.5%
Conversion ratio	68.9%
Operating margin	7.9%

Income statement figures do not include the effect of the IFRS 16 standard on leases. These are only included in the consolidated statement.

REVENUE



EBT




512
FREJA
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SHIP


PPING

GROUP PERFORMANCE SHIPPING

Lars Jespersen
SDK Shipping
CEO

Shipping delivers satisfactory financial statements despite massive COVID-19 challenges

2020/21 will go down in the history books. The COVID-19 pandemic really took off in the early months of the year, with wide-ranging implications not only for Denmark but also for the rest of the world. The pandemic has also left its mark on SDK Shipping, and we have had to adjust to a new reality with social distancing.

Still, at SDK Shipping we look back at a good year. On many fronts, we have seen activity and growth in all our core areas. Despite challenges relating to working from home, staggered working hours and Teams meetings, all SDK Shipping employees have demonstrated exemplary performance and delivered excellent work in ensuring continued high service levels for our customers.

So, despite a socially and economically challenging 2020/21, we can conclude that we still managed to maintain high service levels and achieve satisfactory financial performance in almost all of our core areas: Chartering, Stevedoring, Projects, Agency, Passage and STS (Ship To Ship).

However, the pandemic had serious implications for one of SDK Shipping's business areas, as our Cruise business was locked down de facto due to the travel restrictions imposed by authorities. SDK Shipping's 2021/22 outlook for the Cruise sector is in line with that for 2020/21, but we have a strong belief that the situation will normalise after that and allow us to get back to serving our customers in Scandinavian ports.

Several years ago, SDK Shipping decided to start operating a number of ports in Denmark and Sweden – a decision that paid off in 2020/21. With our massive presence in the ports, we are able to develop the long-lasting solutions in demand by our customers and benefiting our business – in close partnership with our customers.

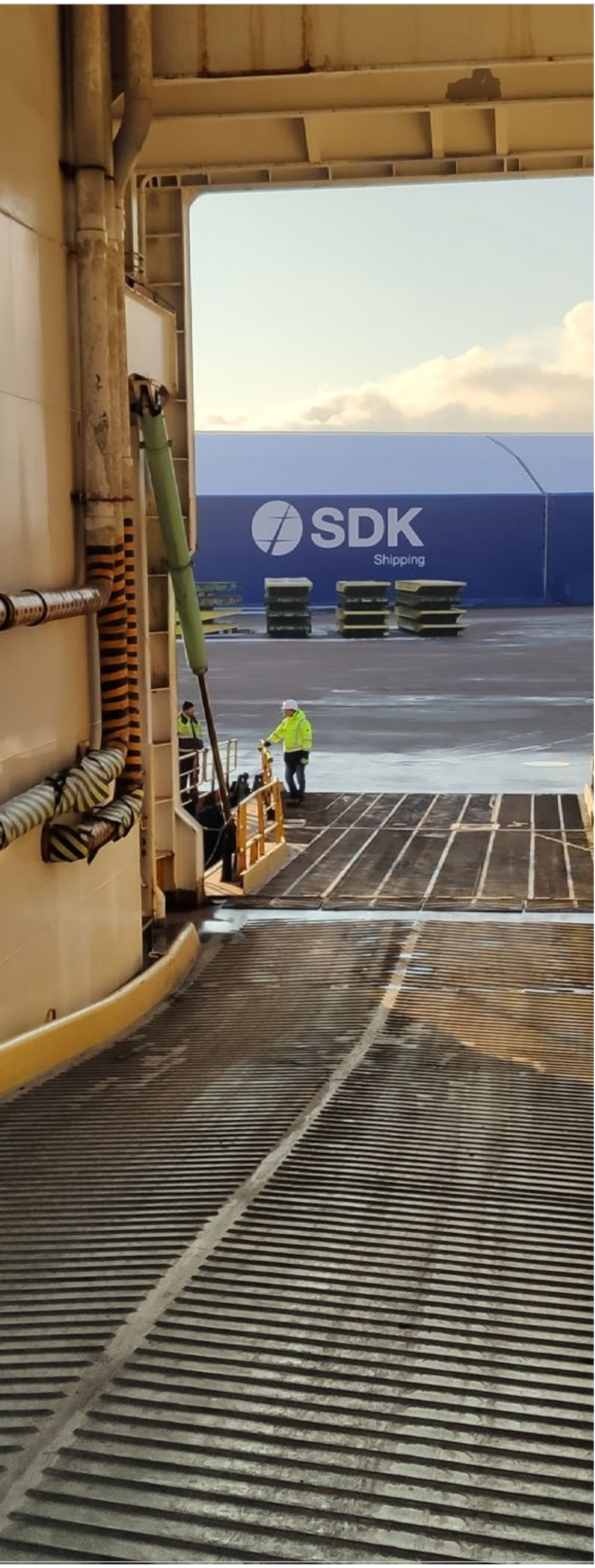
At SDK Shipping, we launched the implementation of a five-year strategy in 2020/21 which will focus on increasing growth – organically and through further acquisitions. In this context, it could be mentioned that we have pursued our ambitions of growing the business. This prompted us to invest in new warehouses at several ports during the period, providing us with additional capacity of 20,000 sq m. This helps ensure continuity in our port presence, while also meeting increasing customer demand and requirements for flexible solutions. So, close to one year into the strategy period, we can conclude that our business is growing steadily – which is highly satisfactory in a year such as this and boding well for the rest of the strategy period.

Contrary to expectations, 2020/21 was also a year of massive growth in the DIY (Do It Yourself) sector. In view of the challenges brought by the COVID-19 pandemic, this seems almost unnatural. Nevertheless, at SDK Shipping we recorded double-digit DIY growth rates.

From east to west and both onshore and offshore, SDK Shipping Projects and Stevedoring participated in major construction projects. Moreover, our Agency business in ports, passage and STS saw progress.

SDK Shipping delivered a very solid year that – considering the huge local and global challenges – beat expectations. For this, we owe thanks to our great employees, loyal customers and strong owners – and I am absolutely confident that SDK Shipping is well positioned for the coming years.

We are looking forward to the final lifting of the COVID-19 restrictions and to being able to meet regularly with customers, suppliers and colleagues again.

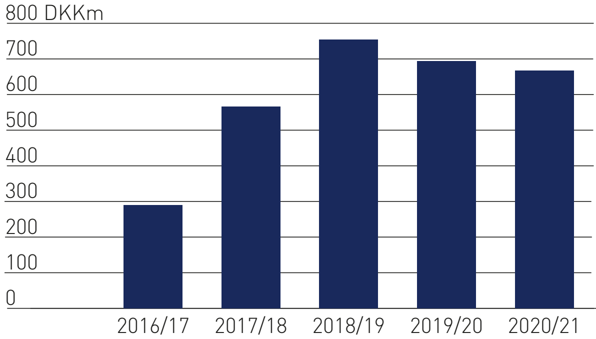


CONDENSED INCOME STATEMENT AND KEY FIGURES

DKKm	**2020/21**
Revenue	666.5
Direct costs	387.9
Gross profit	**278.6**
Other external expenses	67.1
Staff costs	152.8
Operating profit before amortisation and depreciation (EBITDA) before special items	**58.7**
Amortisation and depreciation	20.1
Operating profit (EBIT) before special items	**38.6**
Gross margin	41.8%
Conversion ratio	13.9%
Operating margin	8.8%

Income statement figures include the effect of the IFRS 16 standard on leases.

REVENUE



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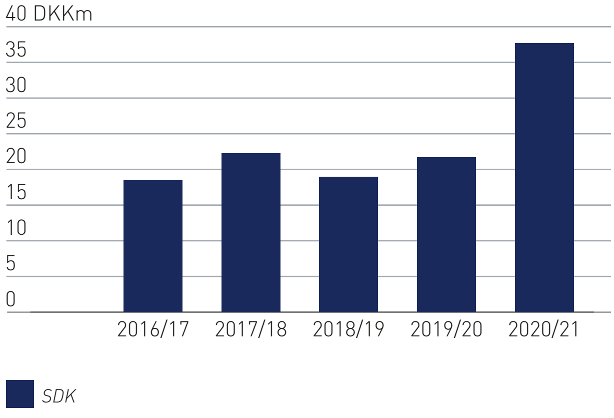


CORPORATE GOVERNANCE

MANAGEMENT STRUCTURE

Together, the Board of Directors and the Executive Board constitute the governing body of SDK FREJA A/S. 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 centralized Group functions.

BOARD OF DIRECTORS

Composition

The Board of Directors of SDK FREJA A/S currently has seven members. The Board of Directors shall consist of three to seven directors appointed by the general meeting. An alternate director may be appointed for each director. The directors shall retire from office at the next annual general meeting, but they shall be eligible for re-appointment.

Competencies of the Board

The composition of the Board of Directors is intended to ensure the diversity of the Board's competency profile 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 and logistics 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 advisors or specialist.

See page 34-35 for a description of the individual Directors' 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 latest self-evaluation conducted in 2020/21 did not give rise to any significant considerations and supports the current composition of the Board.

On this basis, 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 2020/21. The content of the meetings is determined by the annual cycle of the Board, thus ensuring that all important policies are reviewed.

BOARD OF DIRECTORS

TORBEN ØSTERGAARD-NIELSEN

Chairman

Born in 1954.
Board member since 1994.
Chairman since 2014.
CEO, 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, Fiberline Holding ApS, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Jensen's Food Group A/S. Chairman of the board in Middelfart Bycenter A/S and Selected Car Leasing A/S.

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

NINA ØSTERGAARD BORRIS

Board member

Born in 1983.
Board member since 2014.
COO 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, Unit IT A/S, Bunker Holding A/S and A/S United Shipping & Trading Company.

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.

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, Fayard A/S and Den Danske Søretsforening. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, A/S United Shipping & Trading Company, Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, British Chamber of Commerce in Denmark, Sølovsudvalget and Maritime Development Center.

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.

HENRIK HOLM

Board member

Born in 1959.
Board member since 2012.
Managing Partner, OCCHI, Advisory & Consulting, Owner of Lagerhuset ApS.

Special competences
40 years of experience in Transportation and Logistics. General Management. Mergers and acquisitions.

Other directorships
Board member GDL AB.

Education
General management and logistics.

LARS KREJBERG PETERSEN

Board member

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

Special competences
Supply Chain, Logistics and Business Processes.

Other directorships
Chairman of the board in Logistikkompagniet ApS. 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, logistics and shipping 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 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 and Columbia University.

JØRGEN HANSEN

Board member

Born in 1959.
Board member since 2021.
CEO of JJH Invest, CEO of AH Skive, 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

SØREN GRAN HANSEN

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.

ULRIK RASMUSSEN

Group CEO - FREJA Transport & Logistics Holding A/S

Born in 1975.
Employed since April 2010.

Education/Background

Roskilde Business School
Extensive background and global experience within the freight and logistics industry – the last 14 years in different director and board positions.

LARS JESPERSEN

CEO – SDK Shipping A/S
CEO – SDK Shipping AB
CEO – SDK Chartering A/S
CEO – Shipping Consultancy A/S

Born in 1968.
Employed since November 1998.

Education/Background

Bachelor, Insead.

Other external positions:

Deputy chairman Danish Harbour Associations. Chairman Aabenraa Employers Association. British consul.

HENRIK KLAUSEN

CFO – SDK FREJA A/S

Born in 1964.
Employed since August 2014.

Education/Background

Master of Science in Business Economics and Auditing.

LARS BAKKEGAARD

Group CFO – FREJA Transport & Logistics Holding A/S

Born 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.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

FOR THE PERIOD 1 MAY - 30 APRIL

DKK '000	Notes	2020/21	2019/20
Revenue	1	2,633,007	1,379,864
Direct costs		(2,003,045)	(1,013,239)
Gross profit		**629,962**	**366,625**
Other external expenses		(79,565)	(52,653)
Staff costs	2	(336,233)	(220,378)
Other operating income and expenses	3	8,620	4,796
Operating profit before amortisation and depreciation (EBITDA) before special items		**222,784**	**98,390**
Depreciation of property, plant and equipment	9, 10	(121,553)	(60,699)
Amortisation of intangible assets	8	(4,061)	0
Operating profit (EBIT) before special items		**97,170**	**37,691**
Share of profit from associates		176	95
Special items	4	(20,492)	0
Financial income	5	5,222	6,284
Financial expenses	6	(20,039)	(11,881)
Profit before tax		**62,037**	**32,189**
Tax on profit for the year	7	(16,168)	(5,758)
Profit for the year		**45,869**	**26,431**
Profit is attributable to:			
Owners of SDK FREJA A/S		39,935	26,375
Non-controlling interests		5,934	56
Profit for the year		**45,869**	**26,431**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 1 MAY - 30 APRIL

DKK '000	Notes	2020/21	2019/20
Profit for the period		**45,869**	**26,431**
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations		615	(312)
Fair value adjustments to cash flow hedges		85	0
Other adjustments		(6,075)	0
Other comprehensive income for the period, net of tax		**(5,375)**	**(312)**
Total comprehensive income for the year		**40,494**	**26,119**
Total comprehensive income is attributable to:			
Owners of SDK FREJA A/S		32,494	26,063
Non-controlling interests		8,000	56
Total comprehensive income for the year		**40,494**	**26,119**

BALANCE SHEET

ASSETS

DKK ´000	Notes	30 April 2021	30 April 2020	1 May 2019
Goodwill	8	773,005	141,675	130,536
Intangible assets	8	226,906	0	0
Property, plant and equipment	9	234,658	118,456	75,594
Right-of-use assets	10	795,135	223,109	242,445
Deposits		2,362	1,723	1,582
Deferred tax assets	11	20,600	0	1,950
Securities		6,758	0	0
Investments in associates		1,878	1,622	1,304
Receivables from group companies		137,541	0	0
Total non-current assets		**2,198,843**	**486,585**	**453,411**
Trade receivables	12	703,642	172,014	167,886
Receivables from group companies		106	478	577
Inventories		352	264	601
Corporation tax		14,064	0	0
Other receivables		80,753	14,542	16,923
Prepayments		20,431	13,097	10,556
Cash and cash equivalents		219,132	2,465	31,609
Total current assets		**1,038,480**	**202,860**	**228,152**
Total assets		**3,237,323**	**689,445**	**681,563**

BALANCE SHEET

EQUITY AND LIABILITIES

DKK '000	Notes	30 April 2021	30 April 2020	1 May 2019
Share capital	13	6,500	6,000	6,000
Foreign currency translation reserve		303	(312)	0
Hedging reserve		85	0	0
Retained earnings		377,022	125,581	124,383
Capital and reserves attributable to owners		**383,910**	**131,269**	**130,383**
Non-controlling interests	14	158,413	1,201	1,871
Total equity		**542,323**	**132,470**	**132,254**
Borrowings	16	380,883	46,626	36,022
Lease liabilities	10	641,985	174,048	192,260
Deferred tax liabilities	11	62,779	7,123	8,660
Provisions	15	3,230	3,273	4,835
Other liabilities		166,408	8,697	0
Debt to non-controlling shareholders		100,000	0	0
Total non-current liabilities		**1,355,285**	**239,767**	**241,777**
Borrowings	16	146,949	28,861	29,815
Lease liabilities	10	197,164	52,196	52,387
Income tax payables		25,836	5,966	4,861
Trade payables		710,209	162,419	157,812
Payables to associates		1,224	850	416
Contract liabilities		1,036	8,711	8,760
Provisions	15	1,026	0	0
Other payables		256,271	58,205	53,481
Total current liabilities		**1,339,715**	**317,208**	**307,532**
Total liabilities		**2,695,000**	**556,975**	**549,309**
Total equity and liabilities		**3,237,323**	**689,445**	**681,563**

CHANGES IN EQUITY

EQUITY AT 30 APRIL 2021

DKK '000	Share capital	Foreign currency translation reserve	Retained earnings	Hedging reserve	Total	Non-controlling interests	Total equity
Equity at 1 May 2020	**6,000**	**(312)**	**125,581**	**0**	**131,269**	**1,201**	**132,470**
Profit for the year	0	0	39,935	0	39,935	5,934	45,869
Other comprehensive income	0	615	(8,141)	85	(7,441)	2,066	(5,375)
Total comprehensive income for the period	**0**	**615**	**31,794**	**85**	**32,494**	**8,000**	**40,494**
Transactions with owners in their capacity as owners							
Capital increase, net of transaction costs	500	0	252,500	0	253,000	0	253,000
Dividend paid and payable	0	0	(20,000)	0	(20,000)	(1,607)	(21,607)
Additions of non-controlling interests	0	0	0	0	0	136,531	136,531
Put-option liability related to non-controlled interest	0	0	(137,541)	0	(137,541)	0	(137,541)
Sale of subsidiary without changes in control	0	0	(14,782)	0	(14,782)	14,800	18
Contribution from owners	0	0	137,541	0	137,541	0	137,541
Transactions with non-controlling interests	0	0	1,929	0	1,929	(512)	1,417
Total transactions with owners in their capacity as owners	**500**	**0**	**219,647**	**0**	**220,147**	**149,212**	**369,359**
Equity at 30 April 2021	**6,500**	**303**	**377,022**	**85**	**383,910**	**158,413**	**542,323**

EQUITY AT 30 APRIL 2020

DKK '000	Share capital	Foreign currency translation reserve	Retained earnings	Hedging reserve	Total	Non-controlling interests	Total equity
Equity at 1 May 2019	**6,000**	**0**	**124,383**	**0**	**130,383**	**1,871**	**132,254**
Profit for the year	0	0	26,375	0	26,375	56	26,431
Other comprehensive income	0	(312)	0	0	(312)	0	(312)
Total comprehensive income for the period	**0**	**(312)**	**26,375**	**0**	**26,063**	**56**	**26,119**
Transactions with owners in their capacity as owners							
Dividends paid	0	0	(25,000)	0	(25,000)	0	(25,000)
Transactions with non-controlling interests	0	0	(177)	0	(177)	(726)	(903)
Total transactions with owners in their capacity as owners	**0**	**0**	**(25,177)**	**0**	**(25,177)**	**(726)**	**(25,903)**
Equity at 30 April 2020	**6,000**	**(312)**	**125,581**	**0**	**131,269**	**1,201**	**132,470**

CASH FLOW STATEMENT

DKK ´000	Notes	2020/21	2019/20
Profit for the year		45,869	26,431
Adjustments	23	159,267	68,714
Changes in net working capital	24	133,235	19,741
Interests received		5,222	6,284
Interests paid		(20,039)	(11,881)
Income taxes paid		(15,123)	(4,257)
Net cash flow from operating activities		**307,831**	**105,032**
Purchase of intangible assets		(2,485)	0
Change in deposits etc.		2,218	0
Purchase of property, plant and equipment	9	(16,801)	(71,518)
Sale of property, plant and equipment		2,042	5,533
Purchase of interests in associates companies		0	(366)
Payment for acquisition of subsidiary, net of cash acquired	18	(745,482)	(16,550)
Net cash flow from investing activities		**(760,508)**	**(82,901)**
Proceeds from borrowings	20	452,345	9,650
Principal elements of lease payments		(108,552)	(51,357)
Cash capital increase		389,531	0
Other		(42,531)	15,432
Dividend paid		(21,607)	(25,000)
Cash flow from financing activities		**669,344**	**(51,255)**
Net cash flow for the year		**216,667**	**(29,144)**
Cash and cash equivalents, beginning of the year		2,465	31,609
Cash and cash equivalents at end of the year		**219,132**	**2,465**
Cash and cash equivalents comprise the following:			
Cash at bank and in hand		**219,132**	**2,465**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REVENUE

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

DKK '000	2020/21	2019/20
Business area overview		
Logistics and road activities	1,966,490	665,945
Stevedore	279,745	267,336
Agency	307,493	238,590
Other	79,279	207,993
	2,633,007	**1,379,864**

2. STAFF COSTS

DKK '000	2020/21	2019/20
Wages and salaries	288,642	190,306
Pensions	22,478	14,081
Other social security	25,113	15,991
	336,233	**220,378**
Average number of employees	1,247	400

Key Management Compensation

Key Management consists of Executive Board and Board of Directors. The compensation paid or payables to key management for employee services solely consists of short terms employee benefits DKK 19,960k (2019/20: DKK 13,704k) of which the Board of Directors received DKK 1,421k (2019/20: DKK 900k).

3. OTHER OPERATING INCOME AND EXPENSES

DKK ´000	2020/21	2019/20
Other operating income		
Gains from the disposal of property, plant and equipment	1,762	4,796
Governmental grants	5,469	0
Other operating income	1,389	0
	8,620	**4,796**

Governmental grants comprise of grants received in connection with the ongoing COVID-19 pandemic and cover expenses for fixed costs and salaries. There are no unfulfilled conditions or other contingencies attached to these grants. No governmental grants were received in 2019/20.

4. SPECIAL ITEMS

DKK ´000	2020/21	2019/20
Transaction and integration costs from business acquisitions	20,492	0
	20,492	0

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	2020/21	2019/20
Interest income from financial assets measured at amortised costs	5,169	5,394
Foreign exchange rate gains	53	877
Other financial income	0	13
	5,222	**6,284**

6. FINANCIAL EXPENSES

DKK ´000	2020/21	2019/20
Foreign exchange rate losses	0	909
Interest expense on financial liabilities measured at amortised cost	11,098	6.711
Interst expense on leases	7,395	3.379
Other financial expenses	1,546	882
	20.039	**11.881**

7. TAX ON PROFIT FOR THE YEAR

DKK ´000	2020/21	2019/20
Current tax:		
Current tax on profits for the year	16,704	5,333
Current tax on profits for previous years	1,386	12
Deferred tax on profit for the year	(1,922)	413
	16,168	**5,758**
Calculated 22.0 % tax on profit for the year before income tax	**13,648**	**7,082**
Tax effects of:		
Differences in the tax rates in foreign subsidiaries relative to 22 %	(35)	(47)
Non-taxable income	(718)	(191)
Non-deductible expenses	4,595	145
Deferred tax, effect of change in tax rate	210	0
Adjustment of tax relating to previous years	(506)	0
Income utilised against previous years taxable losses not recognised	(1,026)	(717)
Other	0	(514)
	16,168	**5,758**
Effective tax rate	**26%**	**18%**

8. INTANGIBLE ASSETS

DKK '000	Goodwill	Brands	Customer relations	Software	Total
Cost:					
At 1 May 2020	**141,675**	**0**	**0**	**0**	**141,675**
Additions during the year	11,374	0	0	1,485	12,859
Acquisition of business	620,000	160,000	57,416	12,066	849,482
Disposals during the year	(566)	0	0	87	(479)
Exchange difference	522	0	0	28	550
At 30 April 2021	**773,005**	**160,000**	**57,416**	**13,666**	**1,004,087**
Accumulated amortisation and impairment:					
At 1 May 2020	**0**	**0**	**0**	**0**	**0**
Amortisation for the year	0	0	2,478	1,583	4,061
Disposals during the year	0	0	0	87	87
Exchange difference	0	0	0	28	28
At 30 April 2021	**0**	**0**	**2,478**	**1,698**	**4,176**
Carrying amount 30 April 2021	**773,005**	**160,000**	**54,938**	**11,968**	**999,911**

DKK '000	Goodwill	Brands	Customer relations	Software	Total
Cost:					
At 1 May 2019	**130,536**	**0**	**0**	**0**	**130,536**
Additions during the year	11,171	0	0	0	11,171
Exchange difference	(32)	0	0	0	(32)
At 30 April 2020	**141,675**	**0**	**0**	**0**	**141,675**
Accumulated amortisation and impairment:					
At 1 May 2019	**0**	**0**	**0**	**0**	**0**
Amortisation for the year	0	0	0	0	0
At 30 April 2020	**0**	**0**	**0**	**0**	**0**
Carrying amount 30 April 2020	**141,675**	**0**	**0**	**0**	**141,675**

8. INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT TEST

Goodwill
For the purpose of impairment testing, goodwill has been allocated to the Group's CGU as follows:

DKK '000	30 April 2021	30 April 2020
FREJA	620,000	0
Multiple units without significant goodwill	153,005	141,675
Carrying amount 30 April	**773,005**	**141,675**

Goodwill on FREJA has been based on fair value less cost to sell. The impairment test was performed on an update of the purchase price estimate used in pricing the purchase of FREJA at 29 December 2020. The development of all significant factors has since the purchase of FREJA been assessed. The purchase price was determined based on an EBITDA multiple. None of the factors have developed in a unfavorable direction, thus no impairment loss.

For goodwill impairment testing on units without significant goodwill 153,005k, 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 of 2.0% (2019/20: 2.0%).

The expected future net cash flows are based on budgets and business plans approved by Management for the year 2021/22 and projections for subsequent year up to and including 2024/25. From 2025 onwards, SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry.

Goodwill has been tested for impairment at 30 April 2021. The tests did not result in any impairment of carrying amounts.
The assumptions used, including a sensitivity analysis, are stated in the following. The applied assumptions include an annual revenue growth of 2%, an operating margin ranging from 4.4% to 15.0% (2019/20: 1.9% to 15.0%). The applied pre-tax discount rate applied to the cash flow projections amounts to 6.2% (2019/20: 7.0%) and is calculated in accordance with IAS 36.

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
Cost:				
At 1 May 2020	**159,772**	**85,463**	**0**	**245,235**
Additions during the year	9,290	6,383	1,128	16,801
Acquisition of business	84,990	30,756	5,121	120,867
Disposals during the year	(637)	(18,371)	0	(19,008)
Transfers for the year	0	(4,873)	0	(4,873)
Exchange difference	(163)	2,032	104	1,973
At 30 April 2021	**253,252**	**101,390**	**6,353**	**360,995**
Accumulated depreciation and impairment:				
At 1 May 2020	**61,885**	**64,894**	**0**	**126,779**
Depreciation for the year	5,545	8,598	357	14,500
Impairment for the year	0	0	0	0
Disposal during the year	(625)	(15,797)	0	(16,422)
Transfers for the year	0	0	0	0
Exchange difference	(13)	1,421	72	1,480
At 30 April 2021	**66,792**	**59,116**	**429**	**126,337**
Carrying amount 30 April 2021	**186,460**	**42,274**	**5,924**	**234,658**

DKK '000	Land and buildings	Plant and equipment	Leasehold improvements	Total
Cost:				
At 1 May 2019	**115,790**	**81,047**	**0**	**196,837**
Additions during the year	43,982	11,332	0	55,314
Acquisition of business	0	0	0	0
Disposals during the year	0	(6,884)	0	(6,884)
Transfers for the year	0	0	0	0
Exchange difference	0	(32)	0	(32)
At 30 April 2020	**159,772**	**85,463**	**0**	**245,235**
Accumulated depreciation and impairment:				
At 1 May 2019	**59,197**	**62,046**	**0**	**121,243**
Depreciation for the year	2,689	5,851	0	8,540
Depreciation of sold assets during the year	0	(2,985)	0	(2,985)
Impairment for the year	0	0	0	0
Transfers for the year	0	0	0	0
Exchange difference	(1)	(18)	0	(19)
At 30 April 2020	**61,885**	**64,894**	**0**	**126,779**
Carrying amount 30 April 2020	**97,887**	**20,569**	**0**	**118,456**

10. LEASES

The Group has recognised the following amounts relating to leases:

DKK ´000	30 April 2021	30 April 2020
Right-of-use assets		
Properties	474.015	118.803
Vehicles and equipment	321.120	104.306
	795.135	**223.109**

Additions to the right-of-use assets during the 2020/21 financial year were DKK 144,117k (2019/20: DKK 22,051k)

DKK ´000	30 April 2021	30 April 2020
Lease liabilities		
Current	197.164	52.196
Non-current	641.985	174.048
	839.149	**226.244**

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

DKK ´000	2020/21	2019/20
Depreciation charge of right-of-use assets		
Properties	50.707	26.133
Equipment	56.346	26.026
	107.053	**52.159**
Interest expense (included in financial expenses)	7,395	3.379
Expense relating to short-term leases (included in direct costs and other external expenses)	4,000	0

The total cash outflow for leases in 2020/21 was 83,950k (2019/2020: 44,350k).

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 2021	30 April 2020
Deferred tax at 1 May	7,123	8,660
Deferred tax reccognised in the statement of profit or loss	(1,922)	(1,537)
Other adjustments	(9,877)	0
Additions relating to acquisition of subsidiaries	46,855	0
Deferred tax at 30 April	**42,179**	**7,123**
Deferred tax relates to:		
Intangible assets	54,833	2,176
Tangible assets	18,760	4,791
Trade receivables	(457)	(220)
Right-of-use assets	(23,926)	0
Borrowing costs	(5,869)	(5)
Payables	0	608
Provisions	(5,682)	0
Other	495	(227)
Tax loss carry forwards	4,025	0
	42,179	**7,123**
Of which presented as deferred tax assets	20,600	0
Of which presented as deferred tax liabilities	(62,779)	(7,123)
	(42,179)	**(7,123)**

The Group has an unrecognised tax loss 21,209k of tax losses carried forward, which relates to previous years' tax result.
The Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward due to uncertainty about the future utilisation.

12. TRADE RECEIVABLES

DKK ´000	30 April 2021	30 April 2020
Trade receivables before provision for expected credit losses	710,145	175,617
Provision for expected credit losses	(6,503)	(3,603)
Trade receivables net	**703,642**	**172,014**

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:

Opening balances	**3,603**	**4,016**
Addition by acquisition of business	3,907	0
Increase in loss allowance recognised in profit or loss during the year	184	0
Receivables written off during the year as uncollectible	(84)	0
Unused amount reversed	(1,169)	(413)
Exchange rate adjustments	62	0
Provision for impairment of trade receivables	**6,503**	**3,603**

The Group has purchased credit insurances on the majority of its customers. Therefore, the provisions above only cover the uninsured part of the trade receivables. For the management of the groups credit risk, please refer to note 16.

13. SHARE CAPITAL

	30 April 2021		30 April 2020	
	Number of shares	**Nominal value** (DKK ´000)	**Number of shares**	**Nominal value** (DKK ´000)
The share capital comprise:				
Share capital beginning of period	6,000	6,000	6,000	6,000
Capital increase	500	500	0	0
Share capital end of period	**6,500**	**6,500**	**6,000**	**6,000**

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.

Transactions cost related to the nominal capital increase of DKK 500k amounts to DKK 10k.


MultiArt Silk

14. NON-CONTROLLING INTERESTS

Following the acquisition of FREJA Transport & Logistics, the activities were merged with the Groups existing logistics activities, and the former owners invested a substantial amount in this entity, FREJA Group ApS, resulting in an ownership percentage of 25.3%. Consequently, a significant part of the Group's activities is performed through a subsidiary with significant non-controlling interests.

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

DKK '000	30 April 2021	30 April 2020
SDK FREJA A/S ownership	74,7%	0,0%
Summarised balance sheet		
Current assets	888,611	0
Current liabilities	1,481,779	0
Current net assets	**2,370,390**	0
Non-current assets	1,665,274	0
Non-current liabilities	507,484	0
Non-current net assets	**2,172,758**	**0**
Summarised statement of comprehensive income		
Revenue	1,505,189	0
Profit for the period	20,929	0
Other comprehensive income	2,906	0
Total comprehensive income	**23,835**	**0**
Profit allocated to NCI	6,136	0
Summarised cash flows		
Cash flows from operating activities	75,928	0
Cash flows from investing activities	(1,001,511)	0
Cash flows from financing activities	937,259	0
Net increase/(decrease) in cash and cash equivalents	**11,676**	**0**

15. PROVISIONS

DKK ´000	
At 1 May 2020	**0**
Acquired through business combination	4,004
Additinal provisons recognised	348
Unused amounts reversed	(26)
Amounts used during the year	(89)
Exchange rate adjustments	19
At 30 April 2021	**4,256**
Current	1,026
Non-current	3,230
Provision at 30 April 2021	**4,256**

The provision covers provisions for restoration 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.

16. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group manages financial risks centralised in SDK FREJA A/S and in FREJA Transport & Logistics Holding A/S. 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 Kroner 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
30 April 2021					
Trade receivables	92,894	241,305	40,604	28,454	403,257
Trade payables	(70,596)	(322,247)	(37,872)	(36,664)	(467,379)
Leasing	(104,533)	(208,590)	(126,846)	(12,276)	(452,245)
Total	**(82,235)**	**(289,532)**	**(124,114)**	**(20,486)**	**(516,367)**

DKK ´000	SEK	EUR	NOK	Other	Total
30 April 2020					
Trade receivables	37,829	29,568	3,669	3,859	74,925
Trade payables	(36,081)	(25,045)	(1,652)	(185)	(62,963)
Leasing	(71,077)	(3,696)	(12,487)	0	(87,260)
Total	**(69,329)**	**827**	**(10,470)**	**3,674**	**(75,298)**

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

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

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Impact on post-tax profit		Impact on other components of equity	
DKK ´000	2021	2020	2021	2020
SEK/DKK exchange rate increase of 5% (2020: 5%)	(4,112)	(3,466)	0	0
EUR/DKK exchange rate increase of 0,5% (2020: 0,5%)	(1,448)	4	0	0
NOK/DKK exchange rate increase of 5% (2020: 5%)	(6,206)	(524)	0	0

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable 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 sensitivie 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 6,340k (2020: DKK 755k). 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 hedge a major part of the receivables through purchases of credit insurances with external parties.

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.

As at 30 April 2021	Current	Less than 90 days past due	More than 90 days past due	Total
Expected loss rate	0,0%	7.6%	96.7%	0.9%
Gross carrying amount - trade receivables	650,877	49,963	2,802	703,642
Loss allowance	0	3,794	2,709	6,503

As at 30 April 2020	Current	Less than 90 days past due	More than 90 days past due	Total
Expected loss rate	0,0%	6,9%	96,1%	2.1%
Gross carrying amount - trade receivables	141,059	33,262	1,297	175,618
Loss allowance	48	2,308	1,247	3,603

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

It is Group policy to maintain a sufficient cash and the availability of funding through an adequate amount of commited credit facilities to meet obligations when due. The financial position of the Group is continuously monitored by Management and the finance department to ensure that sufficient financial resources are available under due consideration of short-term forecasts of liqudity reserves.

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 amount	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 30 April 2021					
Borrowings	527,832	182,099	255,986	127,398	565,483
Lease liabilities	839,149	204,418	484,478	228,729	917,625
Trade payables	710,209	710,209	0	0	710,209
Debt to non-controlling share holders	100,000	0	106,160	705	106,865
Put-option liability related to non-controlled interest	137,541	0	137,541	0	137,541
	2,314,731	**1,096,724**	**984,165**	**356,832**	**2,437,723**
As at 30 April 2020					
Borrowings	75,487	29,031	12,238	36,929	78,198
Lease liabilities	226,244	65,051	167,595	47,850	280,496
Trade payables	162,419	162,419	0	0	162,419
	464,150	**256,501**	**179,833**	**84,779**	**521,113**

16. FINANCIAL RISK MANAGEMENT (CONTINUED)

The group holds the following financial instruments:

DKK '000	2020/21	2019/20
Financial assets		
Financial assets at amortised cost		
Trade receivables	703,642	172,014
Other financial assets at amortised cost	80,753	14,542
Cash and cash equivalents	219,132	2,465
Financial assets at fair value through profit or loss (FVPL)	6,758	0
	1,010,285	**189,021**
Financial liabilities at amortised cost		
Liabilities at amortised cost		
Trade payables	710,209	162,419
Borrowings	527,832	75,487
Lease liabilities	839,149	226,244
	2,077,190	**464,150**

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.

17. 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.

18. BUSINESS COMBINATIONS

ACQUISITIONS 2020/21

On 29 December 2020, SDK FREJA A/S acquired all shares in FREJA Transport & Logistics A/S as a result of the Group's strategy to expand its business within logistics services. As further explained below, the activities were merged with the existing logistics activities of the SDK Group, and the former owners made an investment resulting in an ownership of 25.3% of the combined entity, FREJA Group ApS. Cash paid 853,000k.

Details of the purchase consideration, and goodwill are as follows:

DKK '000	**Fair value**
Cash	162,943
Trade and other receivables	432,350
Brands	160,000
Customer relations	57,416
Software	12,217
Right-of-use assets	537,474
Fixed asset investments	28,551
Property, Plant and Equipment	114,123
Deferred tax liability relating to intangibles	(47,000)
Trade payables	(441,887)
Lease commitment	(578,810)
Other liabilities	(137,549)
Tax payables	(3,918)
Bank overdraft	(43,625)
Contingent liability	(13,678)
Deferred tax liability	(5,185)
Net identifiable assets acquired	**233,422**
Non-controlling interests measured at fair value	(422)
Goodwill arising on acquisition	620,000

Goodwill of DKK 620 million arising from the acquisitions is attributable to a strengthened position in the market and synergies expected to arise from combining the operations of Group and the acquired business. The goodwill recognised is not deductible for income tax purposes.

18. BUSINESS COMBINATIONS (CONTINUED)

Purchase Consideration
The total purchase consideration of DKK 853 million has been settled in cash.

Acquired receivables
The fair value of acquired trade receivables is DKK 395,891k with no loss allowance recognised in the acquisition.

Revenue and profit contribution
The acquisitions contributed revenues of DKK 1,265,307k and net profit of DKK 35,138k to the group for the period from 29 December 2020 to 30 April 2021.

If the acquisition had occurred on 1 May 2020, consolidated pro-forma revenue and loss for the year ended 30 April 2021 would have been 4,200,021k and 100,100k respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:
- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 29. December 2020, together with the consequential tax effects.

DKK ´000	**Fair value**
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	853,000
Less: Balances acquired	
cash	(162,943)
bank overdraft	43,625
Investing activities	**733,682**

Acquisition-related costs
Acquisition-related costs 20,492k are included in the statement of profit or loss and in operating cash flows in the statement of cash flows.

Non-controlling interests
The group has chosen to recognise the non-controlling interests at its fair value for this acquisition. The fair value of the non-controlling interest in FREJA, an unlisted company, was estimated by applying a market approach and an income approach. The fair value estimates are based on the purchase price of the purchase from the 29 December 2020.

As part of the transaction, the seller of FREJA and key Management of FREJA A/S became 25.3% shareholder in the entity holding the combined logistics services actitivites. They hold an option to sell their shares to the Group as of 2024, and the Group holds an option to acquire the shares on similar terms. The 25.3% shareholding is classified as a non-controlling interest, and the option arrangement is classified as a financial liability measured at the present value of the expected exercise price. The liability, determined at the acquisition date, TDKK 137,541 is charged against equity attributable to owners of the parent company. The effect of the transfer of the 25.3% of the existing logistics activities resulting in a (loss) of DKK 14,782k for equity attributable to the owners of the parent and a corresponding (gain) for the non-controlling interests.

SDK has entered into an agreement with its parent company, USTC, under which it is reimbursed for any payments made under the put option agreement. A receivable equal to the carrying amount of the liability has been recognized and is treated as a capital contribution.

In 2019/20 SDK FREJA Group purchased the companies G. Sunesen ApS (100%), Niels Winther Martime ApS (100%) and Juhl & Ehrhorn ApS (100%) for at total consideration of 16,550k, of which 11,171k was recognised as goodwill.

19. 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 95,276k (30 April 2020: DKK 99,917k).

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 Selfinvest 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 Selfinvest ApS.

Considerable parts of the Company's activities are performed with basis in storage halls situated on leased sites. As it is usual practice and according to the leases, the Company 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 Company 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.

20. 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 2020	Financing cash flows	New leases and loans	Changes in foreign exchange rates	Other changes	30 April 2021
Borrowings	75,487	452,345	0	0	0	527,832
Leases	226,244	(108,552)	709,164	12,293	0	839,149
Total liabilities from financing activities	**301,731**	**343,793**	**709,164**	**12,293**	**0**	**1,366,981**

DKK '000	1 May 2019	Financing cash flows	New leases and loans	Changes in foreign exchange rates	Other changes	30 April 2020
Borrowings	65,837	9,650	0	0	0	75,487
Leases	244,647	(51,357)	35,358	(2,403)	(1)	226,244
Total liabilities from financing activities	**310,484**	**(41,707)**	**35,358**	**(2,403)**	**(1)**	**301,731**

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.

21. RELATED PARTIES

The Company is included in the Consolidated Financial Statements of the immediate Parent Company, USTC (A/S United Shipping & Trading Company), DK-Middelfart.

Transactions with key management personnel
No transactions were made with key management personnel in 2020/21 other than ordinary remuneration, as described in note 2.

The following transactions were carried through with related parties:

DKK '000	2020/21	2019/20
Sales and purchases of goods and services		
Sale of goods and services to related parties	7,105	1,250
Purchase of management services from parent	720	720
Purchase of various goods and services from other related parties	4,853	5,701
Receiveable from Parent	137,541	0
Rent to shareholder	607	0

22. EVENTS AFTER THE BALANCE SHEET DATE

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

23. CASH FLOW STATEMENT - ADJUSTMENTS

DKK '000	2020/21	2019/20
Financial income	(5,398)	(6,284)
Financial expenses	20,039	11,881
Depreciation, amortisation and impairment losses, including losses and gains on sales	123,852	60,699
Tax on profit for the year	16,167	5,758
Exhange adjustments	4,504	(2,812)
Other adjustments	103	(528)
	159,267	**68,714**

24. CASH FLOW STATEMENT - CHANGES IN NET WORKING CAPITAL

DKK '000	2020/21	2019/20
Change in trade and group receivables	(138,736)	2,490
Change in other receivables	(20,269)	2,381
Change in Inventory	(88)	337
Change in prepayments	(14,296)	(2,541)
Change in trade creditors and group payables	105,904	4,607
Change in other payables	200,720	12,467
	133,235	**19,741**

25. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK '000	**2020/21**	**2019/20**
PwC		
Audit services	1,251	1,194
Audit-related services	921	0
Tax and VAT services	119	0
Other services	8,469	65
	10,760	**1,259**

26. LIST OF GROUP COMPANIES

The Group's principal subsidiaries at 30 April 2021 are set out below:

	Type	Place of incorporation	Ownership interest
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Waterway, Iberia	Associated	Spain	40.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
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	Sweden	100.00%
FREJA Group ApS	Subsidiary	Denmark	74.70%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	74.70%
SDK Logistics A/S	Subsidiary	Denmark	74.70%
SDK Logistics AB	Subsidiary	Sweden	74.70%
SDK Logistics B.V	Subsidiary	Holland	44.82%
TF Freight AB	Subsidiary	Sweden	74.70%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	74.70%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	74.70%
FREJA Transport Holding AB	Subsidiary	Sweden	74.70%
FREJA Transport & Logistics AB	Subsidiary	Sweden	74.70%
FREJA Transport Holding AS	Subsidiary	Norway	74.70%
FREJA Transport & Logistics AS	Subsidiary	Norway	74.70%
FREJA Transport & Logistics OY	Subsidiary	Finland	74.70%
TL Trans OY	Subsidiary	Finland	74.70%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	74.70%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	74.70%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	56.03%
FREJA Transport & Logistics (Shanghai) CO. LTD	Subsidiary	China	56.03%

Moreover, the Group owns enterprises without any business activity, which are not included in the list above.

27. FIRST TIME ADOPTION OF IFRS

The consolidated financial statements for the year ended 30 April 2021 are the first that the Group has prepared in accordance with IFRS. For periods up to and including the year ended 30 April 2020 the Group prepared its financial statements in accordance with The Danish Financial Statements Act ('Danish GAAP')

The Group has prepared financial statements that comply with IFRS applicable as at 30 April 2021, together with the comparative period information for the year ended 30 April 2020.

In preparing these financial statements, the Group's opening statement of financial position was prepared as at 1 May 2019 (date of transition).

The disclosures required by IFRS 1 First-time Adoption of IFRS explaining the principal adjustments made by the Group in restating Danish GAAP financial statements are provided below:

Group reconciliation	**As at 1 May 2019 (date of transition to IFRS)**			**For the year ended 30 April 2020**	**As at 30 April 2020**		
DKK '000	**Assets**	**Liabilities**	**Equity**	**Profit for the year**	**Assets**	**Liabilities**	**Equity**
According to the Danish Financial Statement act	**492,005**	**385,274**	**112,927**	**20,019**	**492,005**	**385,274**	**106,731**
IFRS-adjustments:							
Reversal of amortisations on goodwill	19,327	0	19,327	7,214	7,214	0	7,214
Recognition of leasing in accordance with IFRS 16	194,673	194,673	0	(803)	170,899	171,928	(803)
Total adjustments	**214,000**	**194,673**	**19,327**	**6,411**	**178,113**	**171,928**	**6,411**
According to IFRS	**706,005**	**579,947**	**132,254**	**26,430**	**670,118**	**557,202**	**113,142**

27. FIRST TIME ADOPTION OF IFRS (CONTINUED)

DKK ´000	Change in cash and cash equivalents	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financiang activites
According to the Danish Financial Statement act	**(1,446)**	**64,766**	**(82,901)**	**16,689**
IFRS-adjustments:				
Recognition of leasing in accordance with IFRS 16	0	40,137	0	(40,137)
Reclassifications	(27,698)	0	0	(27,698)
Total adjustments	**(27,698)**	**40,137**	**0**	**(67,835)**
According to IFRS	**(29,144)**	**104,903**	**(82,901)**	**(51,146)**

Notes to the reconciliation from Danish GAAP to IFRS

Goodwill
According to Danish GAAP, goodwill must be amortised. Consequently, the amortisation of goodwill has been reversed, also including reversal in prior periods to match the accounting of SDK FREJA's parent company.

Recognition of leasing in accordance with IFRS 16
Leases classified as operational leases in accordance with DK GAAP has been recognised in accordance with IFRS 16.

Exemptions applied
IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.
The Group has applied the following exemptions:
The accounting for business combinations completed before the date of transition to IFRS have not been restated.
Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 May 2019.
Lease assets have been recognised at the present value of the of the lease liabilities as at 1 May 2019 by appliying an incremental borrowing rate as at that date.

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.

First time adoption

These consolidated financail statements are the first financial statements that are presented in accordance with IFRS. The comparative figures for 2019/2020 in the income statement and the balance sheet items at 1 May 2019 and 30 April 2020 were restated in accordance with IFRS. The accounting policies applied are based on the standards and interpretations effective at 30 April 2021. No standards or interpretations which are not yet effective have been adopted.

The disclosures required by IFRS 1, First-time Adoption of International Financial Reporting Standards, concerning the transition from the Danish Financial Statements Act to IFRS are provided in note 27.

Exemptions applied

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS..

The group has applied the following exemptions:

- The accounting for business combinations completed before the date of transition to IFRS (1 May 2019) has not been restated.
- Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 May 2019.
- Right of use assets were recognised at the present value of the lease liabilities.
- Borrowing costs are not capitalised before the transaction date 1 May 2019.

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 operting policy decision of the investee, but is not control or joint control over those policies. Significantly 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.

28. ACCOUNTING POLICIES (CONTINUED)

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 recognised 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, liabilites 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 not 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 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.

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.

28. ACCOUNTING POLICIES (CONTINUED)

Revenue

Revenue from logistic services
Logistic serivces comprises freight logistcs, 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 Stevedore 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.

Revenue from agency
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 other activites
Other activities primarily consists of servicing cruseliners entering danish ports. Revenue from other activities are recognised either over time or at a point in time depending the specific service.

Trade receivables are recognised as services delivered are invoiced to the customer and are not adjusted for any financing components as credit terms are short, typically between 14 and 30 days, and the financing component is therefore insignificant. Where services delivered have yet to be invoiced and services received from hauliers have still to be received, contract assets and accrued costs of services are recognised at the reporting date.

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 facilites 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.

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 seperately 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 consideres 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.

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

28. ACCOUNTING POLICIES (CONTINUED)

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. 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 realiably.

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 contrac 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 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:

28. ACCOUNTING POLICIES (CONTINUED)

- 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.

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 liabilites 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 substantilly 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. Transactions 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 gruop'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 effectie 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 separartly from other changes in fair value.

28. ACCOUNTING POLICIES (CONTINUED)

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 hold the trade receivables with the objective to collect the contractual cash flows and therefor 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 firs-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 recievables

Other reveivables are intially 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.

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 maturiries of three months or less that are readily convertibel 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.

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.

28. ACCOUNTING POLICIES (CONTINUED)

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.

Other payables

Other payables are intially 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

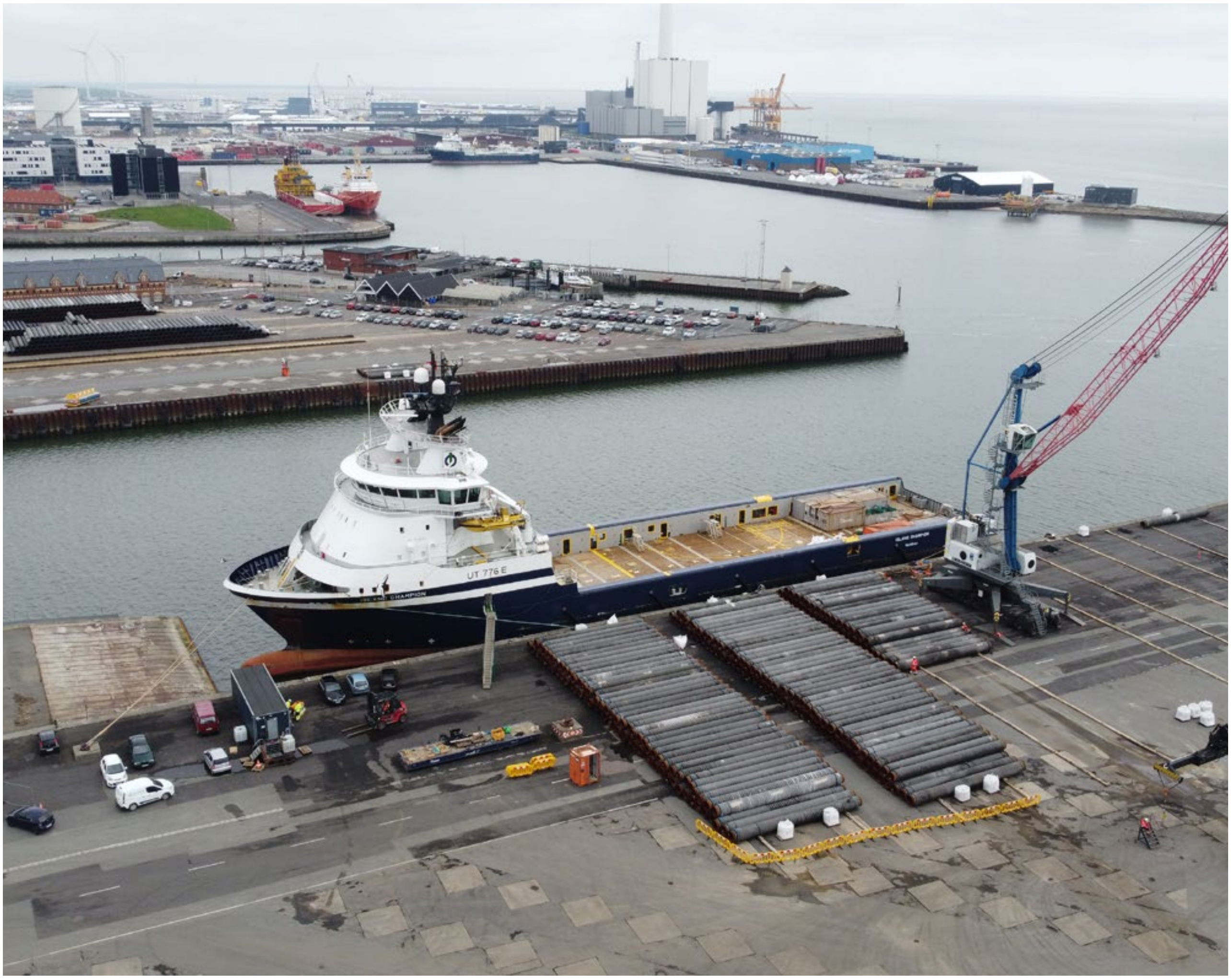
A contract liability is the obligation to transfer good or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised 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



28. ACCOUNTING POLICIES (CONTINUED)

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 valutaion technics 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.

Financial highlights

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

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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)

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, trande receivables, deferred tax and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement periode 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	2020/21	2019/20
Other operating income		17,095	19,703
Other external expenses	1	20,826	10,575
Staff costs	2	19,180	13,645
Operating profit before amortisation and depreciation (EBITDA) before special items		**(22,911)**	**(4,517)**
Depreciation and amortisation of intangible assets, property, plant and equipment		249	54
Operating profit (EBIT), before special items		**(23,160)**	**(4,571)**
Profit from investments in group enterprises and associates	3	37,365	23,185
Financial income	4	2,061	1,718
Financial expenses	5	1,470	1,320
Profit before tax		**14,796**	**19,012**
Tax on profit for the year	6	(3,144)	(951)
Profit for the year		**17,940**	**19,963**

BALANCE SHEET

ASSETS

DKK '000	Notes	30 April 2021	30 April 2020
Property, plant and equipment	8	0	249
Fixed asset investments	9	491,473	177,075
Total non-current assets		**491,473**	**177,324**
Receivables from group enterprises		142,776	427
Other receivables		1,501	35
Deferred tax	11	457	217
Prepayments	10	265	308
Corporation tax		2,904	722
Total current assets		**147,903**	**1,709**
Total assets		**639,376**	**179,033**

BALANCE SHEET

EQUITY AND LIABILITIES

DKK ´000	Notes	30 April 2021	30 April 2020
Share capital		6,500	6,000
Retained earnings		471,696	99,530
Total equity		**478,196**	**105,530**
Other payables	12	686	618
Total non-current liabilities		**686**	**618**
Credit institutions		31,374	0
Trade payables		1,377	3,966
Payables to associate		511	0
Payables to group enterprises		112,801	61,418
Other payables		14,431	7,501
Total current liabilities		**160,494**	**72,885**
Total liabilities		**161,180**	**73,503**
Total equity and liabilities		**639,376**	**179,033**
Distribution of profit	7		
Security, contingent liabilities and lease and contractual obligations	13		
Related parties	14		
Subsequent events	15		

CHANGES IN EQUITY

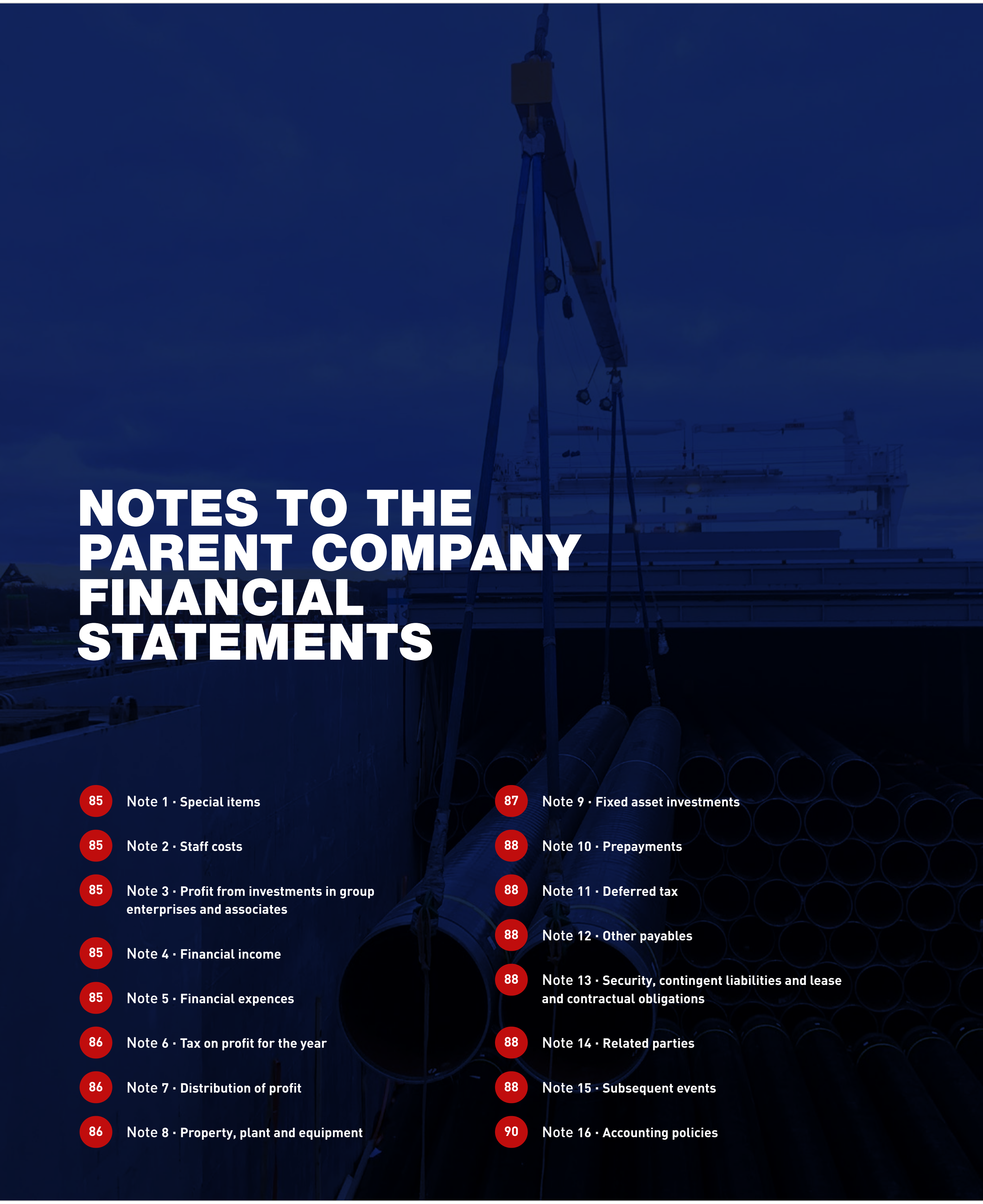
2020/21

DKK '000	Share capital	Retained earnings	Total equity
Equity at 1 May 2020	6,000	99,530	105,530
Dividend paid	0	(20,000)	(20,000)
Net profit for the year	0	17,940	17,940
Capital increase, net of transaction cost	500	252,500	253,000
Grants from owners	0	137,541	137,541
Exchange adjustment	0	3,668	3,668
Capital adjustments	0	84	84
Other adjustments	0	(19,567)	(19,567)
Total transactions with owners in their capacity as owners	**500**	**372,166**	**372,666**
Equity at 30 April 2021	**6,500**	**471,696**	**478,196**

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

2019/20

DKK '000	Share capital	Retained earnings	Total equity
Equity at 1 May 2019	6,000	105,056	111,056
Dividend paid	0	(25,000)	(25,000)
Net profit for the year	0	19,963	19,963
Exchange adjustment	0	(312)	(312)
Capital adjustments	0	(177)	(177)
Total transactions with owners in their capacity as owners	**0**	**5,526**	**5,526**
Equity at 30 April 2020	**6,000**	**99,530**	**105,530**



NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. SPECIAL ITEMS

The result for the year is significantly affected by transaction costs.

2. STAFF COSTS

DKK '000	2020/21	2019/20
Wages and salaries	18,220	12,757
Pensions	856	776
Other social security expenses	104	112
	19,180	**13,645**
Average number of employees	17	15
Salaries and remuneration to the Board of Directors and the Executive Board amount to:	5,373	4,637

3. PROFIT FROM INVESTMENTS IN GROUP ENTERPRISES AND ASSOCIATES

DKK '000	2020/21	2019/20
Shares of profit for the year	164,026	27,210
Amortisation of goodwill	(18,398)	(4,025)
Elimination of sales capital shares in parent	(108,263)	0
Profit from investments in group enterprises	**37,365**	**23,185**

4. FINANCIAL INCOME

DKK '000	2020/21	2019/20
Intercompany interest	693	972

5. FINANCIAL EXPENCES

DKK '000	2020/21	2019/20
Intercompany interest	1,238	810

6. TAX ON PROFIT FOR THE YEAR

DKK '000	2020/21	2019/20
Current tax on profits for the year	(2,904)	(722)
Adjustment of provision for deferred tax	(240)	(229)
Total tax for the year	**(3,144)**	**(951)**
Allocated as follows:		
Tax in profit & loss	(3,144)	(951)
Adjustment of provision for deferred tax	0	0
Total tax for the year	**(3,144)**	**(951)**

7. DISTRIBUTION OF PROFIT

DKK '000	2020/21	2019/20
Retained earnings	17,940	19,963
	17,940	**19,963**

8. PROPERTY, PLANT AND EQUIPMENT

DKK '000	Fixtures and fittings, tools and equipment
Cost	
At 1 May 2020	303
Additions for the year	0
Disposals for the year	(303)
At 30 April 2021	**0**
Accumulated depreciation and impairment	
At 1 May 2020	54
Depreciation for the year	0
Disposals for the year	(54)
At 30 April 2021	**0**
Carrying amount at 30 April 2021	**0**

9. FIXED ASSET INVESTMENTS

DKK '000	**Investments in subsidiaries**
Cost	
At 1 May 2020	308,701
Additions for the year	403,450
Disposals for the year	(33,693)
At 30 April 2021	**678,458**
Value adjustments	
At 1 May 2020	(131,626)
Disposals for the year	(571)
Exchange adjustment	3,668
Shares of profit for the year	84,469
Other adjustments	1,036
Dividend	(17,300)
Amortisation goodwill	(18,398)
Elimination of internal profit	(108,263)
At 30 April 2021	**(186,985)**
Carrying amount at 30 April 2021	**491,473**
Remaining positive differences included in the above carrying amount at 30 April 2021	60,425

The Parent Company's investments in subsidiaries comprise:	**Type**	**Place of incorporation**	**Ownership interest**
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Waterway, Iberia	Associated	Spain	40.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
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	Sweden	100.00%
FREJA Group ApS	Subsidiary	Denmark	74.70%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	74.70%
SDK Logistics A/S	Subsidiary	Denmark	74.70%
SDK Logistics AB	Subsidiary	Sweden	74.70%
SDK Logistics B.V	Subsidiary	Holland	44.82%
TF Freight AB	Subsidiary	Sweden	74.70%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	74.70%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	74.70%
FREJA Transport Holding AB	Subsidiary	Sweden	74.70%
FREJA Transport & Logistics AB	Subsidiary	Sweden	74.70%
FREJA Transport Holding AS	Subsidiary	Norway	74.70%
FREJA Transport & Logistics AS	Subsidiary	Norway	74.70%
FREJA Transport & Logistics OY	Subsidiary	Finland	74.70%
TL Trans OY	Subsidiary	Finland	74.70%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	74.70%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	74.70%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	56.03%
FREJA Transport & Logistics (Shanghai) CO. LTD	Subsidiary	China	56.03%

Moreover the Group owns enterprises without any business activity, which are not included in the list above.

10. PREPAYMENTS

Prepayments comprisse prepaid expenses relating to rent, insurance premiums, subscriptions and interest.

11. DEFERRED TAX

DKK ´000	30 April 2021	30 April 2020
Deferred tax at 1 May	(217)	12
Change for the year (Profit & Loss)	(240)	(229)
Deferred tax at 30 April	**(457)**	**(217)**

Deferred tax relates to property, plant and equipment

12. OTHER PAYABLES

Other payables falls due after more than 5 years.

13. SECURITY, CONTINGENT LIABILITIES AND LEASE AND CONTRACTUAL OBLIGATIONS

DKK ´000	30 April 2021	30 April 2020
Lease and rent obligations		
Lease and rent obligations	513	244

14. 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 Selfinvest ApS, in which Torben Østergaard-Nielsen, CEO, Middelfart exercises control.

15. SUBSEQUENT EVENTS

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

16. ACCOUNTING POLICIES

Basis of Preparation

The Annual Report of SDK FREJA A/S for 2020/21 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 2020/21 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, SDK FREJA A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50 % of the votes or otherwise exercises control. Enterprises in which the Group holds between 20 % and 50 % of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straight-line basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Minority interests

Minority interests constitute a portion of the Group's total equity. The share of profit/loss for the year attributable to minorities and the share attributable to the Parent Company's equity are distributed through distribution of profit/loss. Minority interests are recognised at the carrying amounts of the assets and liabilities acquired at the time of the acquisition of subsidiaries.

Considerations relating to subsequent changes to minority interests where the Group keeps the control over the subsidiary are recognised directly in equity.

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.

16. ACCOUNTING POLICIES (CONTINUED)

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

Net revenue

Revenue comprises the sale of goods and services and is recognised based on the following criteria:

- delivery has been made before year end
- a binding sales agreement has been made
- the sales price has been determined
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Direct cost

Direct expenses include expenses for the purchase of goods for resale.

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

The item "Income from investments in subsidiaries" 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

Intangible assets

Intangible assets are measured at cost less accumulated amortisation.

The period of amortisation of goodwill is longest for enterprises acquired for strategic purposes with a strong market position and a long earnings profile.

Amortisation based on cost is calculated on a straight line basis over the expected useful lives of the assets, which are:

Goodwill max. 20 years

20 years are used when investment is considered a longer lasting strategic nature.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Land is measured at cost. No depreciation is made on land.

Interest paid on loans raised for indirect or direct financing or production of property, plant and equipment is recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets:

Buildings: 10-60 years

Other fixtures and fittings, tools and equipment: 3-12 years

Gains and losses on sale of property, plant and equipment are recognised in the income statement under other operating income and other external expenses, respectively.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

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.

16. ACCOUNTING POLICIES (CONTINUED)

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.

Securities and investments

Securities and investments recognised in fixed asset investments are recognised and measured at fair value.

Inventories

The cost of goods for resale, raw materials and consumables equals landed cost.

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.

Provisions

Provisions are recognised when – in consequence of an event occurred before or on the balance sheet date – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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.

Prepayments received

Deferred income consists of payments received in respect of income in subsequent years.

Financial debts

iFixed-interest loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.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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 2020 - 30 April 2021.

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 2021 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 2020 - 30 April 2021.

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, 16 June 2021.

EXECUTIVE BOARD

Søren Gran Hansen

BOARD OF DIRECTORS

Torben Østergaard-Nielsen
Chairman

Nina Østergaard Borris

Henrik Holm

Jørgen J. Hansen

Peter Hald Appel

Lars Krejberg Petersen

Flemming Dalgaard

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 2021 and of the results of the Group's operations and cash flows for the financial year 1 May 2020 to 30 April 2021 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 2021 and of the results of the Parent Company's operations for the financial year 1 May 2020 to 3o April 2021 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 2020 - 30 April 2021, 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 additional 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Financials 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 ef-fectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting es-timates 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 uncer-tainty 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, 16 June 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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Financial year:
1 May - 30 April
Municipality of reg. office: Fredericia

SDK FREJA