





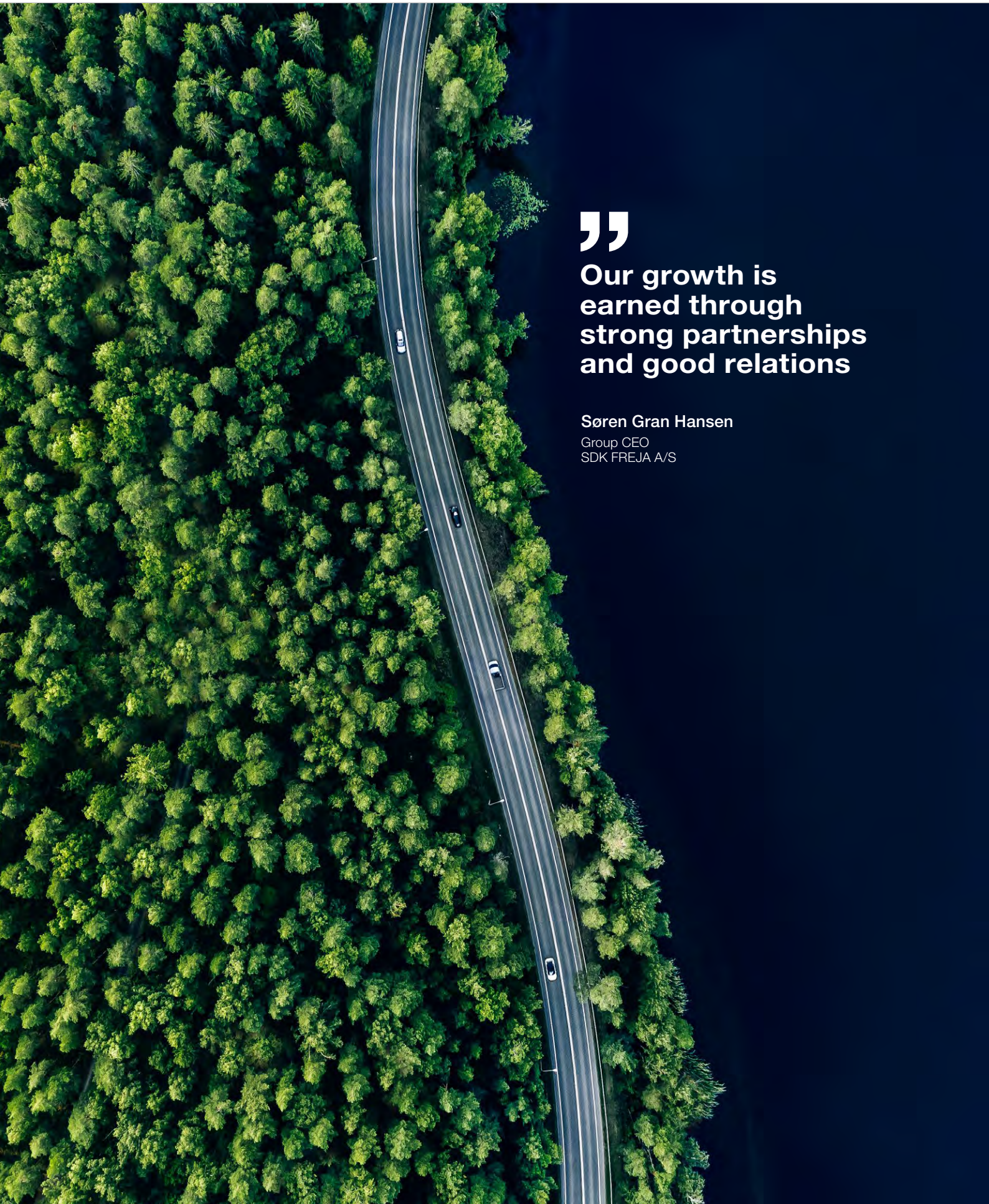


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**Our growth is
earned through
strong partnerships
and good relations**

Søren Gran Hansen

Group CEO
SDK FREJA A/S

Servicing the commercial naval fleet or acting timely against volatile logistics markets have one thing in common: SDK FREJA does it very well. As shown in this year's results, SDK FREJA has achieved satisfying results in both the Shipping Division and the Logistics Division.

A HEALTHY BUSINESS IN A VOLATILE MARKET

The financial year 2023/24 has in SDK FREJA Group, like in most other industries, been characterised by rising interest rates and inflation. This has led to an anticipated drop in consumer spending resulting in less demand for transportation, and thus lower freight rates on a global scale.

SDK FREJA has, however, managed to act in the markets with proactive diligence. By maintaining well-established customers and partnerships as well as expanding into new niche markets, a slight overall market share growth has been achieved.

Our growth is earned through strong partnerships and the good relations we have with our customers and partners across industries. Keeping goods moving is pivotal to the global economy, and we are grateful for continuing to have the trust and business of our business partners.

On the Logistics side of the business, our continued asset light-approach is paying off, allowing for agile solutions to changing markets. Alongside staying agile, staying close to our customers is a strong priority. Initiatives such as know your customer (KYC) has been a focal point of the past year. Being a trusted and global logistics partner require diligence, and this is fortunately how our customers perceive us.

On the Shipping side of the business, especially bulk and project cargo have seen a strong year as part of our continued growth. Energy projects related to wood pellets and windmills have kept a strong momentum, creating a steady flow of contracts.



Søren Gran Hansen, Group CEO, SDK FREJA A/S

The third Division in the SDK FREJA Group was Environmental focusing on developing techniques relevant to contribute to the circular development in the contaminated soil clean-up industry.

In 2021 SDK FREJA acquired a minority stake in the company Nordic Waste, which business was in the polluted soil clean-up industry. In October 2022 and May 2023 further stakes in the company were acquired. Due to unforeseen circumstances, a landslide occurred during winter of 2023 which led to the company's bankruptcy in January 2024. This unfortunate bankruptcy has had a significant negative impact on the financial results for 2023/24. In total a cost of DKK 234 million is recognized as Special items in the Income Statement.

Towards the ESG agenda of SDK FREJA, we have continued the journey we started in last year's Sustainability Report. Having our ESG targets as guidelines for the Group adds direction and it ensures that we are moving forward in an aligned and sustainable manner on the agreed priorities.

Moving SDK FREJA in the right direction is made possible by the dedicated and talented professionals employed at SDK FREJA. And we are thrilled to keep the momentum going, having further staffed up on our HR area, ensuring strong employee acquisition, retention, and continuing training.

At SDK FREJA we firmly believe that shipping and logistics are – and continue to be – a people business, and continuing to focus on our people is a sure way of setting ourselves up to a strong 2024/25.

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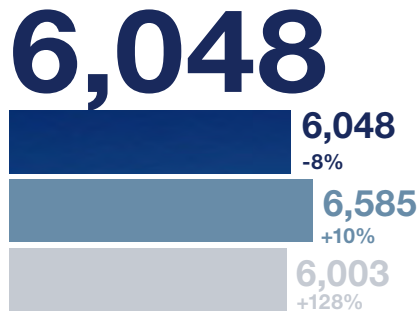
**At SDK FREJA
we are firm
believers that
shipping and
logistics is
– and continues
to be – a people
business**

Søren Gran Hansen

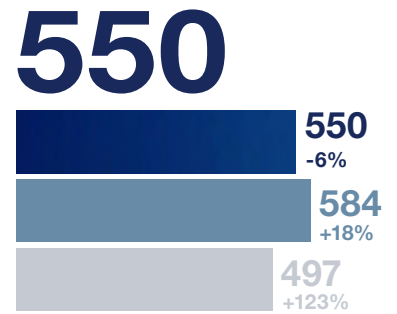
Group CEO
SDK FREJA A/S

■ 2023/24 ■ 2022/23 ■ 2021/22

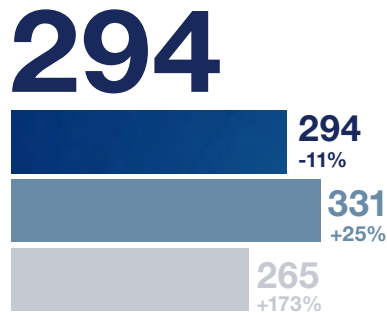
REVENUE
DKK M



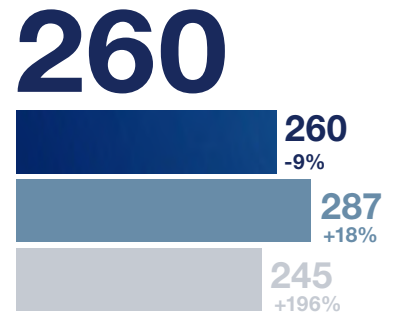
EBITDA (BEFORE SPECIAL ITEMS)
DKK M



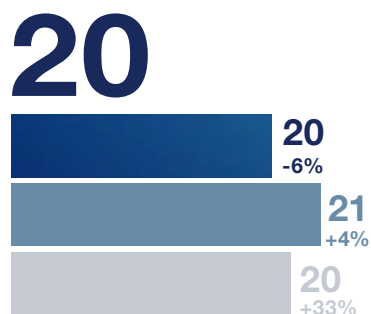
EBIT (BEFORE SPECIAL ITEMS)
DKK M



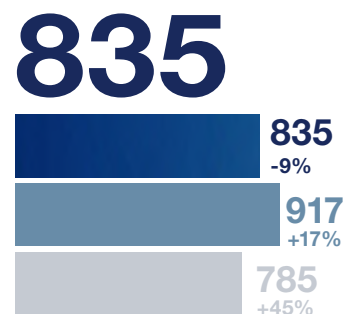
EBT (BEFORE SPECIAL ITEMS)
DKK M



CONVERSION RATIO
PCT



TOTAL EQUITY
DKK M





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The operations in both the Logistics Division and the Shipping Division have performed admirably and above expectations

Henrik Klausen
Group CFO
SDK FREJA A/S

CFO HIGHLIGHTS

REVENUES

SDK FREJA's revenues in 2023/24 has been lower than anticipated. This is mainly due to the weakened SEK and NOK currency exchange rates and lower transport rates due to lower demand. Apart from this significant negative impact, the Group's Logistics and Shipping activity levels remained on par which is considered satisfactory in the challenging markets.

EBIT BEFORE SPECIAL ITEMS

Despite lower revenues in 2023/24, this has not had a material negative impact on EBIT before Special items. This is among others due to SDK FREJA's ability to adapt the cost of operating through the asset light operational model and other measures as well as the ability to create value within the company's product and service offerings.

SPECIAL ITEMS

Due to the unfortunate circumstances described on page 26 regarding the Nordic Waste investment, SDK FREJA has in 2023/24 recognised a total cost of DKK 234 million as Special items in the Income Statement, comprising impairments and incurred costs.

EARNINGS – EBT/EAT

Despite the significant Special item cost of DKK 234 million regarding the Nordic Waste investment, SDK FREJA is still able to realise a positive EBT and EAT for the year. Management considers this very positive and a result of very strong performance in our Logistics and Shipping activities.

FOLLOW UP ON LAST YEAR'S EXPECTATIONS TO 2023/24

The Logistics and Shipping activities have in 2023/24 both performed admirably and above the expectations for 2023/24, as we expected a result of 65-75% compared to 2022/23. Please see pages 18-25 for a detailed overview compared to 2022/23. However, the Nordic Waste incident resulting in a total cost of DKK 234 million being recognised under Special items in the Income Statement cause the Group's result for 2023/24 to be significantly below expectations.

EXPECTATIONS FOR 2024/25

Management's expectations for 2024/25 – only comprising the Logistics Division and the Shipping Division – indicate lower activity and results in both Logistics and Shipping compared to 2023/24. This is due to anticipated financial stagnation and reduced activity in markets key to SDK FREJA.

Our expectations to Group Revenue for 2024/25 is in a range of 93-98% compared to 2023/24 and an EBIT before Special items in a range of 65-70% compared to 2023/24.

WHAT WE DO

SDK FREJA is a full-service **shipping and logistics** company.

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

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

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

 STEVEDORE	 PORT AGENCY	 ROAD FREIGHT	 AIR FREIGHT
 WAREHOUSE	 CRUISE	 SEA FREIGHT	 PROJECT FORWARDING
 CUSTOMS	 CHARTERING	 LOGISTICS SOLUTIONS	 HEALTHCARE SOLUTIONS
 PROJECT CARGO	 PASSAGE SERVICE	 CUSTOMS CLEARANCE SOLUTIONS	 REFRIGERATED SOLUTIONS



SHIPMENT
BOOKING, VESSEL
CHARTERING
AND SURVEILLANCE



PICK-UP AND HANDLING



WAREHOUSING,
CROSS-DOCKING AND
STEVEDORING



DISTRIBUTION
AND LAST-MILE



LABELLING,
PICKING & PACKING



CUSTOMS CLEARANCE,
DOCUMENTATION,
INSURANCE, PORT AGENCY
AND CRUISE SERVICES



WAREHOUSING,
CROSS-DOCKING AND
STEVEDORING



TRANSPORT

GROUP

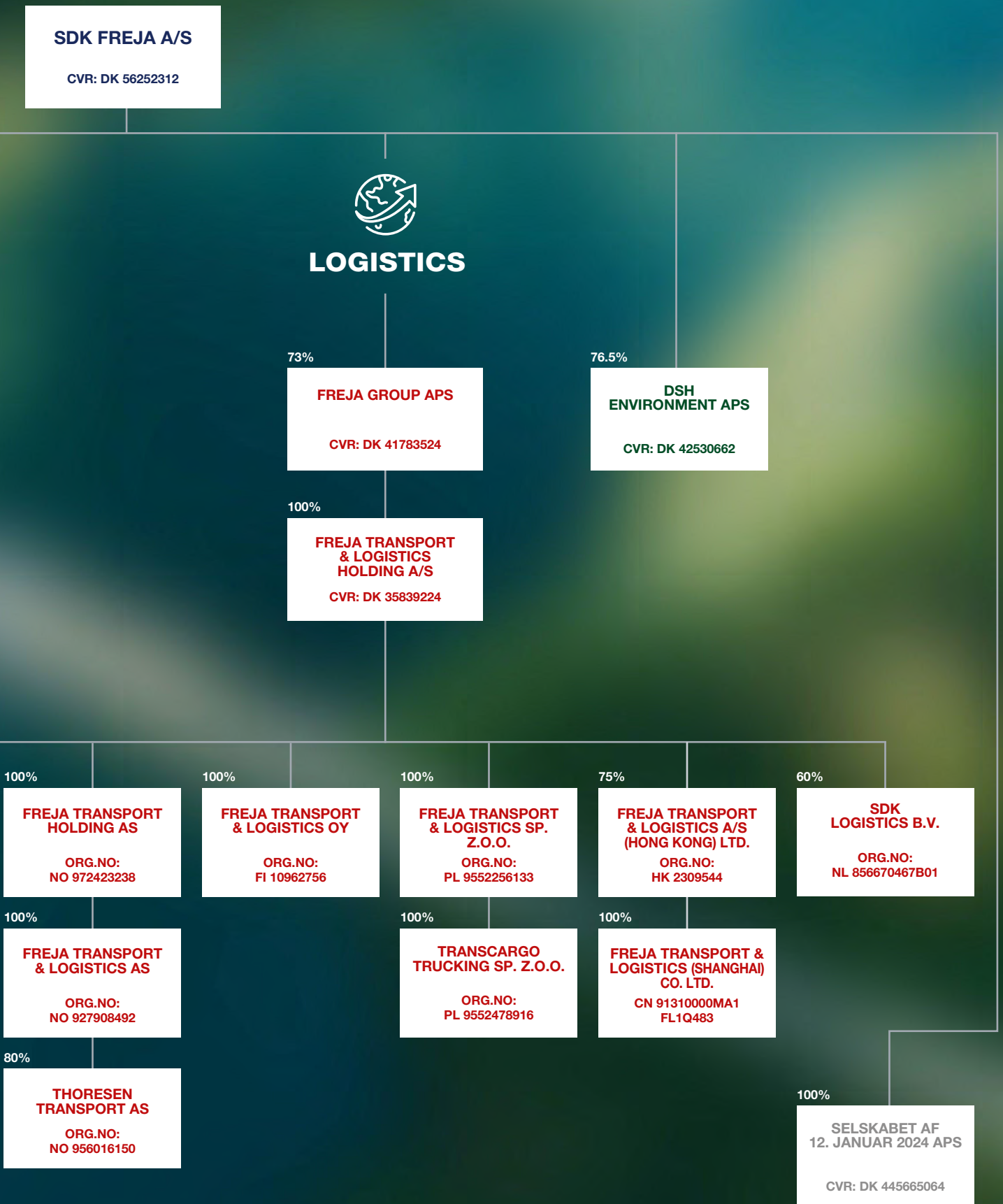
STRUCTURE



SHIPPING



Group Structure as per signing date of Annual Report 2023/24





+8
MILLION TONS
HANDLED OVER QUAY



+7,800
AGENCY
CALLS HANDLED



+240,000
SQ M
MULTI-TERMINALS AND
WAREHOUSE SPACE



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

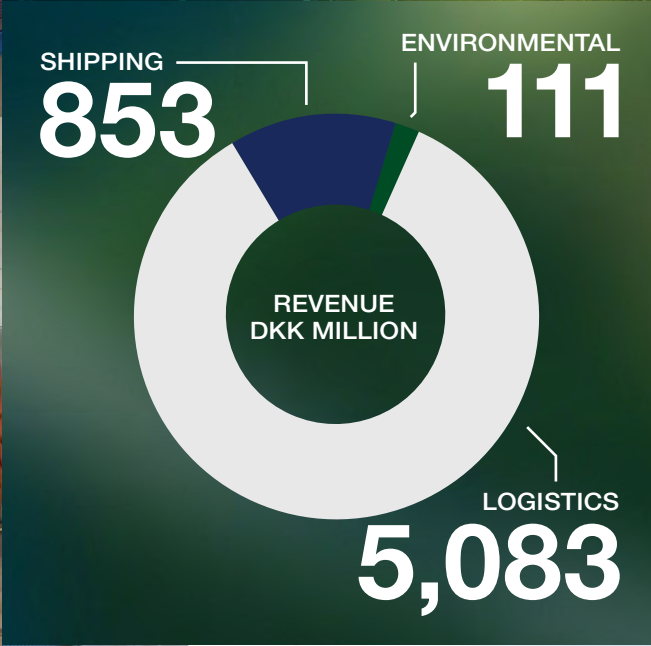




COVERING EUROPE WITH

+3,300

TRAILERS



+1,400

DEDICATED EMPLOYEES

DECARBONISATION - ALL SCOPES

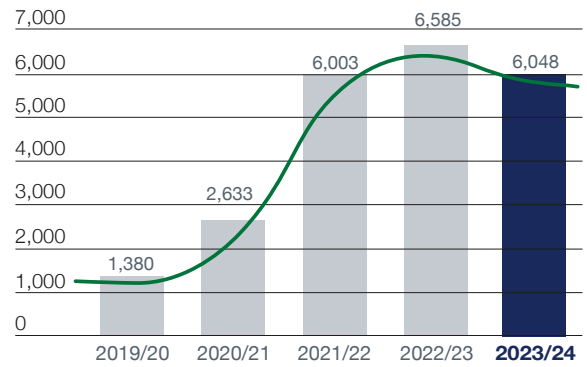
-17%

SINCE 2021/22

FIVE YEAR OVERVIEW

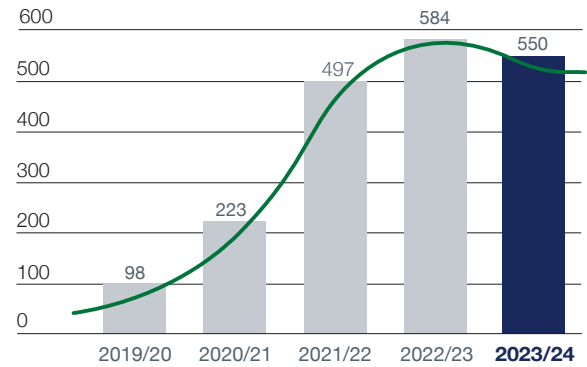
REVENUE

(DKK million)



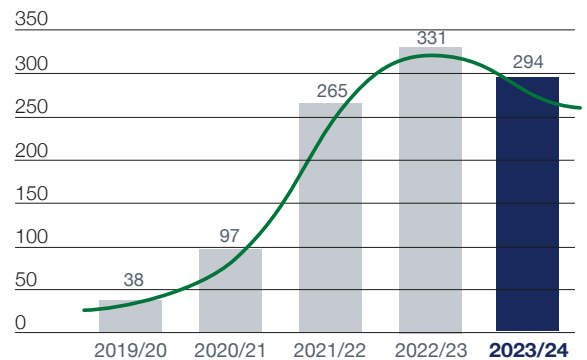
OPERATING PROFIT (EBITDA) BEFORE SPECIAL ITEMS

(DKK million)



OPERATING PROFIT (EBIT) BEFORE SPECIAL ITEMS

(DKK million)



FIVE YEAR OVERVIEW

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Results					
Revenue	6,047,866	6,585,012	6,003,410	2,633,007	1,379,864
Gross profit	1,477,857	1,558,181	1,301,701	629,962	366,625
Operating profit before depreciation and amortisation (EBITDA) before special items	549,533	584,165	497,344	222,784	98,390
Profit/loss of primary operations	286,833	319,569	257,254	88,550	30,895
Operating profit (EBIT) before special items	293,845	330,810	265,316	97,170	37,691
Net financial expenses	(35,090)	(44,233)	(29,868)	(14,817)	(5,597)
Profit before tax (EBT) before special items	260,121	287,433	244,686	82,529	32,189
Special items	(234,051)	0	(964)	(20,492)	0
Profit before tax (EBT)	26,070	287,433	243,722	62,037	32,189
Profit for the year	508	225,499	194,056	45,869	26,431
Financial position					
Balance sheet total	3,919,306	3,910,883	3,732,836	3,237,323	689,445
Equity, parent company's share	543,868	616,799	513,519	383,910	131,269
Total equity	834,913	916,623	784,573	542,323	132,470
Net working capital	(358,099)	(352,885)	(353,455)	(323,208)	(64,617)
Net interest bearing debt	881,048	857,647	1,087,241	1,247,849	299,266
Cash flow					
Cash flows from operating activities	244,285	561,772	374,888	307,831	105,032
Cash flows from investing activities	3,705	(15,722)	(127,849)	(760,508)	(82,901)
- Cash flows from investment in PP&E	(42,707)	(20,764)	(16,109)	(16,801)	(71,518)
Free cash flows	247,990	546,050	247,039	(452,677)	22,131
Cash flows from financing activities	(234,254)	(337,847)	(197,059)	669,344	(51,275)
Total cash flows	13,736	208,203	49,980	216,667	(29,144)
Financial ratios (%)					
Gross margin	24.4	23.7	21.7	23.9	26.6
Operating margin ²⁾	9.1	8.9	8.3	8.5	7.1
Profit margin ²⁾	4.9	5.0	4.4	3.7	2.7
Conversion ratio ²⁾	19.9	21.2	20.4	15.4	10.3
ROIC before tax ^{1) 2)}	17.1	18.8	15.1	9.2	12.6
Return on equity (ROE) ¹⁾	0.1	26.5	29.2	13.6	21.5
Solvency ratio	21.3	23.4	21.0	16.8	19.2
Gearing ratio ¹⁾	1.6	1.5	2.2	5.6	3.0
Non-financials					
Number of full-time employees	1,455	1,515	1,350	1,247	400

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

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

2) The financial ratios have been calculated on based on the results before special items.

We are determined to continue to deliver robust, flexible and high-quality customer solutions to our customers, ensuring that they remain competitive, as we evolve our company.

GROUP PERFORMANCE

LOGISTICS



Ulrik Rasmussen, Group CEO, Logistics

2023/24 has been characterised by a lower demand for transportation and logistics solutions overall, due to the normalisation of global trade and a general weakening of purchasing power among consumers. By being able to quickly react and adapt to these changing market conditions, we have once again been reaffirmed that our flexible asset light business model contributes to keep us competitive throughout any challenging market.

We always hold great respect for all our customers and have been very conscious of how we can support them in remaining competitive. We know, we are in the 'people business', which is why it has always been an essential part of our strategy to keep our customer at the centre, to understand their needs, and meet their expectations. To this end, throughout 2023/24, we have been focused on strengthening our organisation and improving our services to position ourselves as a strong full-service provider. With our customers at the centre, our goal is to continue developing unique and tailored transportation and logistics solutions across all our products and services.

Being able to maintain this high level of service towards our customers is only made possible by an extraordinary and dedicated effort from our valuable employees, who have been exceptional at navigating a constantly changing world. Along with investments in new and improved support systems and procedures to enhance our efficiency, as well as



Despite a diminishing market, we have maintained our freight volumes from last fiscal year.

Ulrik Rasmussen
Group CEO
Logistics





having strengthened and improved our knowledge sharing across departments, locations, and countries, we are ready to deliver even better customers offerings and services in the coming years.

We are also continuously working to achieve our ESG (Environment, Social, and Governance) objectives, with many milestones along the way. We invest in our organisation's competencies and continue to strive to make the world a better place for all; and a place where our diversity improves our decision making. In short, we want to contribute to the green transition and take on our responsibility.

In a world of constant change, we aim to strengthen our position in the transportation and logistics market. Therefore, acquisitions remain a significant part of our strategy to achieve the best possible position in the future, supporting our ambition to continuously improve our services and be a flexible, efficient and innovative partner.

Our financial performance in 2023/24 aligns with our strategic plans across all countries. It is very satisfying to see that all countries and products are contributing positively to the outcome in 2023/24. Despite the slowdown and reduced consumer spending, we still achieve a very solid result on both top and bottom lines which exceed our expectations.

For 2024/25 we expect that interest rates will remain high and purchasing power will continue to be weakened, resulting in minimal growth in freight volumes globally. Despite a challenging transportation and logistics market, we are, however, confident that the market will continue to demand a flexible, efficient and robust transportation and logistics partner that consistently puts the customer at the centre. We believe that our business model, in conjunction with our strategy, ensures this.

Therefore, we are comfortable with our future development, where we continue to strive to be the customers' first choice.

A huge appreciation to our team of talented employees, who once again have ensured a splendid and satisfying result. It is their hard work and dedication that have made this possible, and I wish to express my heartfelt gratitude for their efforts.

Lastly, I would like to thank our customers and partners for their trust and cooperation. It is together that we create progress and success.

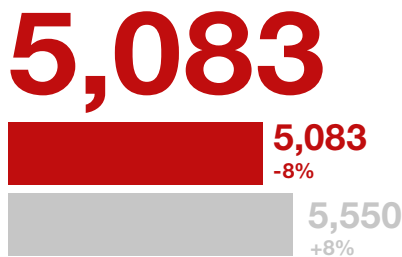
CONDENSED INCOME STATEMENT AND KEY FIGURES

For the period 1 May - 30 April

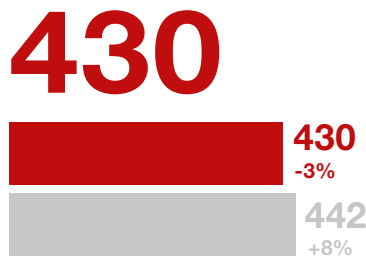
(DKK million)	2023/24	2022/23	Change
Revenue	5,083.4	5,549.6	(466.2)
Direct costs	(3,942.5)	(4,377.2)	434.7
Gross profit	1,140.9	1,172.4	(31.5)
Other external expenses	(136.5)	(150.5)	14.0
Staff costs	(576.9)	(582.2)	5.3
Other operating income	2.2	2.5	(0.3)
Operating profit before depreciation and amortisation (EBITDA)	429.7	442.2	(12.5)
Depreciation and amortisation	(204.8)	(199.1)	(5.7)
Operating profit (EBIT)	224.9	243.1	(18.2)
Special items	0.0	0.0	0.0
Financial income/expenses	(19.2)	(34.9)	15.7
Profit before tax (EBT)	205.7	208.2	(2.5)
Gross margin	22.4%	21.1%	1.3%
Conversion ratio	19.7%	20.7%	(1.0%)
Operating margin	8.5%	8.0%	0.5%
EBT margin	4.0%	3.8%	0.2%

Certain accounting items in 2022/23 have been reclassified compared to the 2022/23 reporting to align with the 2023/24 reporting.

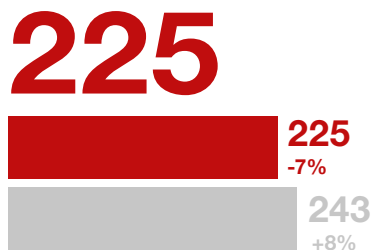
REVENUE DKK M



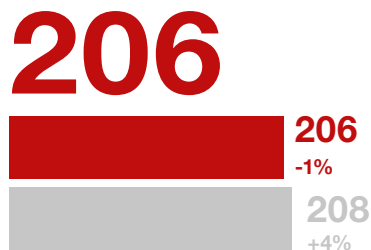
EBITDA DKK M



EBIT DKK M



EBT DKK M



■ 2023/24 ■ 2022/23

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Shipping has managed to maintain momentum in our existing business, while also attracting new exciting opportunities

Lars Jespersen
Group CEO
Shipping



In 2023/24, Shipping has once again had a satisfying year. Our commercial efforts have borne fruit through strategic partnerships, close collaborations with our customers, and dedicated employees who have successfully navigated in volatile markets. We anticipate continuing this momentum in the coming year.

GROUP PERFORMANCE

SHIPPING

Despite turbulence in the global markets due to the ongoing tragic situation in Ukraine, as well as rising interest rates and declining consumer spending, especially in the DIY-segment, shipping has proven to be more stable than expected. In Shipping, we have succeeded in maintaining momentum in our existing business while also attracting a range of exciting new opportunities across all our business areas.

With our strong market position and loyal customer relationships, our chartering division has equally managed to navigate this year's volatile market and find good solutions for our customers.

Our stevedoring activities have, as always, presented exciting challenges. We have seen record volumes in bulk, and in 2023/24, we have again handled many project tasks, especially for the energy industry. Large bulk commodities such as wood pellets has been a stable and strong market this year, as well as handling portside preparations for wind turbine constructions, where Shipping has been a leading partner.

Our agency, HUB and navy activities have also been very busy in 2023/24 with an influx of unique tasks to solve for our customers. Additionally, with Sweden's acceptance into NATO, we expect an increase in navy



Lars Jespersen, Group CEO, Shipping

activities, an area where we are able to continue to draw on our expertise and experience in handling fleet vessels as we did this year with the increased activity of NATO vessels in various Danish ports.

Our cruise activities have seen a record number of calls, and we have expanded with cruise activities in Iceland. Shipping continues to work on expanding our presence and locations worldwide.

2024/25 marks the final year of our latest four-year strategy, which has been fully achieved in terms of earnings, but has also dictated work to reduce our CO2 footprint. This is an important part of our commitment to the environment and society, and while major leaps still await technological development of operational

equipment used in our activities, our long-term goals involve material changes. Therefore, we will continue this work in the coming year, while also facing the task of defining a new and ambitious business strategy. A task we look forward to embracing.

In 2023/24 we intensified our focus on incorporating automation and AI into our workflows. We expect significant progress, particularly in improving administration and streamlining business processes.

Looking ahead, we expect that 2024/25 will bring challenges. However, with our continued focus on customer service, innovation, sustainability and strategic growth, we are well-prepared for the future.

A huge appreciation to our team of talented employees, who once again have ensured a splendid and satisfying result. It is their hard work and dedication that have made this possible, and I wish to express my heartfelt gratitude for their efforts.

Lastly, I would like to thank our customers and partners for their trust and cooperation. It is together that we create progress and success.



CONDENSED INCOME STATEMENT AND KEY FIGURES

For the period 1 May - 30 April

(DKK million)	2023/24	2022/23	Change
Revenue	880,7	921,0	(40,3)
Direct costs	(583,0)	(622,1)	39,1
Gross profit	297,7	298,9	(1,2)
Other external expenses	(32,4)	(28,0)	(4,4)
Staff costs	(166,4)	(164,1)	(2,3)
Other operating income	3,8	3,2	0,6
Operating profit before depreciation and amortisation (EBITDA)	102,7	110,0	(7,3)
Depreciation and amortisation	(38,6)	(38,3)	(0,3)
Operating profit (EBIT)	64,1	71,7	(7,6)
Special items	0,0	0,0	0,0
Financial income/expenses	0,4	(0,5)	0,9
Profit before tax (EBT)	64,5	71,2	(6,7)
Gross margin	33,8%	32,5%	1,3%
Conversion ratio	21,5%	24,0%	(2,5%)
Operating margin	11,7%	11,9%	(0,2%)
EBT margin	7,3%	7,7%	(0,4%)

REVENUE
DKK M

881

EBITDA
DKK M

103

EBIT
DKK M

64

EBT
DKK M

65


 2023/24
 2022/23

The landslide of Nordic Waste was an unforeseen event, resulting in a significant impact to this year's financial results.

GROUP PERFORMANCE

ENVIRONMENTAL

In the summer of 2021, SDK FREJA acquired a minority stake in the Danish start-up company Nordic Waste, which was established to develop techniques relevant for circular development in the polluted soil clean-up industry. The core business of the company involved soil remediation and extraction of raw materials for the construction and building industry, where raw materials were – and still are – in short supply.

The secondary goal of Nordic Waste was to deposit either clean soil or soil with a contamination level equivalent to that of urban soil into a clay pit in accordance with permits issued by the municipality. Filling up the clay pit was agreed to in order to restore the scenery to its original state prior to the past 70 years of quarrying activities. As such, Nordic Waste served a dual purpose of soil clean-up and landscape restoration via soil deposits.

As part of SDK FREJA's initial minority acquisition of Nordic Waste in 2021, financial due diligence as well as environmental assessment surveys were conducted.

In October 2022 and May 2023, SDK FREJA acquired further stakes in Nordic Waste, as the business model and sustainable ambitions of the company continued to align with the ESG initiatives and aspirations of the SDK FREJA Group.

Unfortunately, and due to unforeseen circumstances, a landslide took place on Nordic Waste's facility in 2023. Nordic Waste made substantial efforts in slowing and mitigating the landslide.

The landslide could, however, not be stopped, and effectively toppled down offices and facilities on its way, spilling out onto public land. The Danish Environmental Protection Agency laid a heavy injunction of financial collateral far beyond Nordic Waste's financial ability, and the company was led to bankruptcy.

The landslide has also affected Nordic Waste's sister company DSH Recycling given that DSH Recycling's primary source of income was property rent from the land used by Nordic Waste. The bankruptcy of Nordic Waste has caused DSH Recycling to file for reconstruction due to lack of rental income from the bankrupt company.

The bankruptcy of Nordic Waste has resulted in significant negative impact on the financial results for 2023/24. The extensive work to halt the landslide of Nordic Waste has led to unforeseen and significant extraordinary costs and write-downs totalling DKK 234 million.

CORPORATE SOCIAL RESPONSIBILITY

The DSH Environment ApS' subsidiary of Nordic Waste A/S was a part of SDK FREJA during 2023/24 until it was declared bankrupt on 22 January 2024. Consequently, SDK FREJA has been unable to obtain or access the information required for the statutory statement, in accordance with section 99a, concerning all activities undertaken and results achieved particularly with respect to climate change and HR data, which SDK FREJA are reporting on as a Group for the reporting period of 2023/24.

In connection with the bankruptcy of Nordic Waste A/S the environmental supervisory authorities have undertaken extensive environmental remediation actions. Since these actions have been undertaken by the environmental supervisory authorities, SDK FREJA A/S is unable to account in detail for these actions.

The sister company of Nordic Waste A/S in bankruptcy named DSH Recycling A/S is also a subsidiary of DSH Environment ApS. DSH Recycling A/S owns the land plot where Nordic Waste A/S in bankruptcy operated its activities. Due to the missing rental income following the bankruptcy of Nordic Waste A/S, DSH Recycling A/S went into reconstruction.

The following sections have incorporated the relevant and available sustainability information pertaining to Nordic Waste A/S, in line with consolidation requirements of section 128 of the Danish Financial Statements Act. However, since the Group lost control over Nordic Waste A/S and it is no longer a subsidiary, the information available to the Group is limited.

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

BUSINESS MODEL

SDK FREJA Group is primarily a shipping and logistics company, and our main activities encompass Road, Air & Sea, Logistics, Stevedoring, Agency, Customs Clearing, Commercial Chartering, Liner Services, Cruise Services. While we are locally based in Northern Europe, we operate within a global network. We guarantee high-quality and customised personal service, with a strong focus on what we do best, so our customers can focus on their core business.

In addition, our Group held a majority stake in Nordic Waste A/S until 22 January 2024. Nordic Waste A/S was an environmental company specialising in the receipt, deposition, cleaning and utilization of soil and residual products from the construction industry. The majority of incoming soil was classified as clean or lightly polluted. The company was obligated to place clean and lightly polluted soil in the former clay pit, as part of the requirement to restore the area to its original terrain. Polluted soil was cleaned using methods approved in the environmental permit. Notably, Nordic Waste A/S was the first environmental company in Denmark to strategically implement soil washing positioning itself as a pioneer and innovator in the field. The objective was for the recovery of raw materials through soil washing to eventually constitute a significant part of the business.

ENVIRONMENT AND CLIMATE CHANGE

IDENTIFIED RISKS

We recognise that our logistics activities impact the environment and climate, particularly with respect to greenhouse gas emissions and energy consumption. We also understand that we have a responsibility to help mitigate these impacts and to create positive change through innovative and sustainable practices to the best of our ability.

POLICY

By transparently sharing our progress, achievements and challenges, we aim to be accountable to our stakeholders and inspire others in the industry to join us on this challenging yet exciting journey. One of our key focus areas in the logistics business is to reduce greenhouse gas emissions. We recognise that climate change poses a significant risk to our planet and society, which is why we have implemented strategies to reduce our emissions in various ways. Our environmental and energy

policy commits us to sustainability and sets targets for our key issues, which are:

- Climate impact under our control
- Climate impact in our value chain
- Resource and waste management for Nordic Waste A/S, the objective was to recover raw materials through the washing of soil.

2023/24 ACTIVITIES AND RESULTS

In 2023/24, SDK FREJA has increased its collaborations on alternative fuels to help reducing our Scope 3 emissions (as defined by the GHG Protocol, 2001) from our transport partners. In spite of these efforts, Scope 3 still makes up 97% of our total emissions.

Our primary focus has been on what we can independently influence, primarily Scope 1 and 2. We continue to improve our buildings and facilities working closely with external consultants and facility managers to reduce our electricity and heat consumption. As a result, we have successfully reduced our scope 2 emissions by 14.8% from the base year 2021/22, relative to revenue. Our newest building in Jönköping, constructed with Swedish environmental certification, includes solar panels, among other features to reduce our greenhouse gas emissions further. In 2022/23, Nordic Waste A/S was environmentally certified according to ISO 14001. The recertification process was underway at the end of 2023 but had to be put on hold due to the landslide. ISO 14001 is an environmental management system that includes policies and procedures for handling of environmental conditions. As part of this system, environmental risks are identified and managed according to their impact of the surroundings, and efforts are made to meet objectives for improving environmental and climate conditions. The recertification was not completed.

In 2023/24, the efforts at Nordic Waste A/S were to improve environmental and climate impact primarily focused on reduction fuel consumption on-site through behaviour regulation and logistics optimisation. In addition, the company was negotiating with Favrskov Municipality on the local planning of a solar cell plant in the area.

SELECTED PERFORMANCE DATA

Environment

MT CO2e	2023/24	2022/23	2021/22
All scopes	799,243	815,370	949,745
Scope 1	21,524	22,622	21,992
Scope 2	2,915	2,712	2,933
Scope 3	774,804	790,036	924,820

The overall emissions figures are satisfactory and show that we are on the right track. Looking into the numbers they also show where we still need to adjust time-chartered vessels from Scope 3 to Scope 1.

EXPECTATIONS FOR THE COMING YEARS

Driven by our continuous facility improvements, we are setting interim targets aiming for a 30% reduction in Scope 2 emissions by 2030. We are determined to continue making the necessary investments to lower emissions from our service operations and reach our goal of reducing our Scope 1 and 2 emissions by 60% by 2040, and Scope 3 emissions by 50% by 2040. This will be achieved by:

- Scope 1. Transitioning to an electrified fleet, or other alternatives
- Scope 2. Solar PV installations and partnerships around CO2 reduction measures
- Scope 3. Increased offer of CO2 reducing alternatives, partnerships with customers and suppliers/partners.

EMPLOYEES

IDENTIFIED RISKS

We prioritize the health and safety due to the inherent risks associated with freighting and cargo handling. The ability to attract and maintain qualified employees is crucial to the company.

POLICY

Our health and safety policy ensures that everyone has the right to a safe workplace, both physically and mentally. To this end, we set stringent requirements for the use of personal protective equipment and mandate preventative actions for everyone working on behalf of SDK FREJA A/S. We diligently record incidents and accidents to learn from them and prevent reoccurrences. Additionally, our health and safety representatives and managers hold regular meetings to continuously improve health and safety for all employees.

2023/24 ACTIVITIES AND RESULTS

At SDK FREJA, we have successfully maintained lost time injuries at a stable level. In 2023/24, our Lost Time Injury Frequency Rate (LTIFR) was 4.6, which meets our goal of having an LTIFR below 8 in 2023/24.

Nordic Waste A/S was committed to specific objectives around employee relations, including a goal to support social responsibility by ensuring that at least 5% of the employees at the end of 2023/24 consisted of individuals with a reduced work capacity or special needs.

SDK FREJA also aim to contribute to young people's education by supporting selected educational institutions. Simultaneously, we maintained a dialogue with several educational institutions about formalising collaboration of internships and other opportunities. In 2023/24, we continued to successfully employ several trainees as part of this initiative.

SELECTED PERFORMANCE DATA

	2023/24	2022/23	2021/22
Employees, total*	1,430	1,492	1,424
Employees, female	363	389	402
Employees, male	873	923	836
Managers, female	42	34	35
Managers, male	152	146	151
Employees, female %	28.3%	28.4%	30.7%
Managers, female %	21.6%	18.9%	18.8%
Employee turnover %	12.0%	12.9%	12.5%
Sickness absence %	2.2%	2.6%	4.7%
LTIFR* per 1.000.000 working hours	4.6	3.9	10.3

* employees counted end of April

EXPECTATIONS FOR THE COMING YEARS

SDK FREJA expects to continue its efforts to ensure safe work conditions and has set a target to achieve an LTIFR below 4, which we will accomplish through intensive awareness campaigns, E-learning initiatives and increased visibility.

HUMAN RIGHTS**IDENTIFIED RISKS**

At SDK FREJA we acknowledge that our shipping and logistics activities expose us to potential risks such as the exploitation of workers through underpayment or poor working conditions, as well as inadequate compliance with legal requirements through subcontractors. Therefore, it is crucial for us that our partners and suppliers uphold the same values and principles of good business ethics as we do.

POLICY

In order to mitigate the risk of human rights violations, SDK FREJA has established written agreements, including our [Code of Conduct](#).

Nordic Waste A/S adhered to SDK FREJA's Code of Conduct regarding human rights. However, since the company's activities solely were situated in Denmark, where human rights are explicitly outlined in legislation and enforced by authorities, the company had not identified any risks necessitating an additional company policy.

2023/24 ACTIVITIES AND RESULTS

During 2023/24 every contracted subcontractor within our Road business division has agreed to adhere to our Code of Conduct. Moreover, substantial weight is given to the selection of business partners. We have conducted questionnaire audits at a number of new and existing business partners and suppliers, a process that we continually review.

EXPECTATIONS FOR THE COMING YEARS

We will continuously increase the number of questionnaire audits for both new and existing business partners and expand the proportion of agreements and contracts that incorporate our Code of Conduct.

ANTI-CORRUPTION**IDENTIFIED RISKS**

We acknowledge the presence of risk associated with bribery, corruption and facilitation payments in the area where we operate.

POLICY

At SDK FREJA A/S, we are committed to prevention of bribery, corruption and facilitation payments. Our Anti-Bribery & Corruption Policy, which is designed to complement the guidelines applicable to the board of directors, executive board and all our employees, provides a detailed description of how bribery, corruption and facilitation payments should be understood and outlines the associated risks.

2023/24 ACTIVITIES AND RESULTS

In 2023/24 SDK FREJA continued to train, update and inform employees about the risks related to bribery, corruption and facilitation payments. We have no knowledge of bribery, corruption and facilitation payments, and we remain committed to ensure that both new and existing employees are aware of our values and policies in this area through E-learning initiatives.

SDK FREJA A/S has a whistleblower scheme managed by an external law firm to ensure anonymity. We have spotlighted the scheme both internally to create awareness among our employees and externally. It is highlighted in our Code of Conduct as well as on our intranet and website. Our whistleblower scheme is available in multiple languages, both internally and externally, for easy access and allows our employees to anonymously and freely express concerns or complaints. During 2023/24, the scheme was used on two occasions.

Both cases were investigated by an independent third party and were subsequently dismissed.

EXPECTATIONS FOR THE COMING YEARS

Our goal is that all employees complete E-learning on Anti Bribery & Corruption, which is part of our internal Code of Conduct.

Nordic Waste A/S adhered to the SDK FREJA anti-corruption policy. However, since the company's activities solely were situated in Denmark, where precautions towards corruption are explicitly outlined in legislation and enforced by authorities, the company had not identified risks necessitating an additional company policy.

ESG ACCOUNTING POLICIES

ESG Accounting Policies stated below include SDK FREJA Group's Shipping and Logistics activities only. The selected data has not been considered material for entities related to treatment and cleaning of soil.

STATIONARY COMBUSTION (SCOPE 1)

GHG emissions related to the combustion of natural gas, diesel and burning used for the heating at warehouses and offices. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY COMPANY CARS (SCOPE 1)

GHG emissions related to the combustion of petrol and diesel used in company cars owned or controlled by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY OWNED TRUCKS (SCOPE 1)

GHG emissions related to the combustion of diesel and HVO used in owned trucks by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

PURCHASED ELECTRICITY (SCOPE 2)

Location-based approach - GHG emissions related to purchased electricity at all SDK FREJA offices, calculated using the location-based approach. The GHG emissions are calculated based on the annual electricity consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

Market-based approach - Several office locations do not have submetering for their electricity and heating consumption. The emissions related to this are therefore included in Scope 3, category 1.

PURCHASED HEATING (SCOPE 2)

GHG emissions related to purchased district heating at SDK FREJA offices. The GHG emissions are calculated based on the annual heating consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA) or the supplier-specific emission factors.

PURCHASED GOODS AND SERVICES (SCOPE 3, CATEGORY 1)

The upstream GHG emissions related to purchased goods and services by all SDK FREJA entities, including purchased electricity and heating at offices where its consumption is not sub-metered to SDK FREJA. The GHG emissions are calculated based on the spend data on different goods and services, categories and product category emission factors published by the World Input-Output Database (WIOD). For the electricity and heating consumption specifically, the electricity and heating consumption are estimated based on the surface area of the offices and each country's average electricity and heating consumption per m2 as published by Entranze. The GHG emissions are then calculated based on the estimated electricity and heating consumption, and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

PURCHASED CAPITAL GOODS (SCOPE 3, CATEGORY 2)

The upstream GHG emissions related to purchased capital goods by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different capital goods categories and product category emission factors published by the World Input-Output Database (WIOD).

FUEL AND ENERGY RELATED ACTIVITIES (SCOPE 3, CATEGORY 3)

The upstream GHG emissions related to purchased fuels and energy by all applicable SDK FREJA entities. This includes all fuels covered in Scope 1 and all energy (electricity, heating and cooling) reported in Scope 2. The GHG emissions are calculated based on the consumption data on the different types of fuel and energy and the respective upstream emission factors published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA) and the International Energy Agency (IEA).

UPSTREAM TRANSPORTATION AND DISTRIBUTION (SCOPE 3, CATEGORY 4)

The lifecycle GHG emissions related to subcontracted transport by road, air and sea. The GHG emissions are calculated based on each activity's corresponding activity data (consisting of distance travelled and tonnage transported) and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

**WASTE GENERATED IN OPERATIONS
(SCOPE 3, CATEGORY 5)**

The lifecycle GHG emissions related to disposal and treatment of waste generated in SDK FREJA's owned and controlled operations, both for recycled and non-recycled waste. The GHG emissions are calculated based on the annual quantity of waste generated and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

BUSINESS TRAVEL (SCOPE 3, CATEGORY 6)

GHG emissions related to business travel by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different types of business travel and product category emission factors published by the World Input - Output Database (WIOD).

EMPLOYEE COMMUTING (SCOPE 3, CATEGORY 7)

GHG emissions related to the combustion of petrol and diesel in company lease cars when used for personal use. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

UPSTREAM LEASED ASSETS (SCOPE 3, CATEGORY 8)

GHG emissions related to the combustion of marine gas oil (MGO) used in time-chartered vessels as part of Shipping's fleet. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by the International Maritime Organization (IMO).

SICKNESS ABSENCE

Calculated on last period average number of employees and last period number of working days and number of sick leave registered in our absence system.

EMPLOYEE TURNOVER

The employee turnover in % is taken from voluntary exits and not covering exits where SDK FREJA for some reason has ended the employment.

ACCIDENT RATE

LTIFR (Lost Time Injuries Frequency Rate) per 1,000,000 working hours.

STATUTORY STATEMENT ON GENDER DIVERSITY IN ACCORDANCE WITH SECTION 99B OF THE DANISH FINANCIAL STATEMENTS ACT GENDER COMPOSITION ON LEADERSHIP POSITIONS FOR THE GROUP

Our gender representation has seen little change from previous year, with males comprising 71.7% and females 28.3% of our workforce. We recognise the historical gender gap within our organisation and industry, acknowledging our responsibility to achieve a more balanced gender representation.

Currently, our Board of Directors consists of eight members elected at the general assembly, including three women representing 37.5% of the board. Consequently, SDK FREJA has no underrepresented gender on its Board of Directors. In SDK FREJA A/S there are only five employees. Since the company employs fewer than 50 employees, it is not required to establish a policy for the underrepresented gender, nor set and report upon a target.

Number of Board of Directors members	8
Percentage of the underrepresented gender	37.5%
Target	N/A
Deadline	N/A
Number of employees on other management levels	2
Percentage of the underrepresented gender0%
Target	N/A
Deadline	N/A

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

As a company involved in shipping and logistics, SDK FREJA handles significant amounts of data in our daily operations. This data includes supplier and customer information, GPS data and personal data related to our employees. We are deeply committed to handling data in a responsible and ethical manner in accordance with all relevant laws and regulations. Our dedication to ethical data processing is of utmost importance to us.

We ensure that employees only have access to data that is necessary for their responsibilities, supported by a validated document management system within our quality system. As part of our data governance processes, we conduct quarterly reviews of access rights. Additionally, we have a Human Resources (HR) System specifically designed to manage employee data, with stringent access requirements in place to ensure that only authorised personnel can access the data.

In the coming years, we will continue our efforts to ensure compliance with NIS2.

Under the responsibility of the Executive Management, we have established internal policies on IT security and IT awareness as well as guidelines for all employees to follow when handling data in connection with our activities. All employees are required to complete annual E-learning courses on IT security, and we maintain an ongoing phishing programme to ensure awareness.

CORPORATE GOVERNANCE

MANAGEMENT STRUCTURE

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

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

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

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

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

BOARD OF DIRECTORS

Composition

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

Competencies of the Board

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

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

Current competencies required of and possessed by the Board are knowledge of the shipping, transport & logistics business, environmental sector, international commercial

experience, strategy, finance, IT and digitalisation, M&A and risk management.

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

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

Board of Directors self-evaluation

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

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

Board meetings

The Board of Directors held six ordinary board meetings in 2023/24. The content of the meetings is determined by the annual cycle of the Board, thus ensuring that all important policies are reviewed.

ANNUAL GENERAL MEETING

BOARD OF DIRECTORS

GROUP MANAGEMENT

DIVISION MANAGEMENT



SHIPPING



LOGISTICS



TORBEN ØSTERGAARD-NIELSEN

Chairman

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

Special competences

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

Other directorships

Chairman and Vice Chairman of the boards in several USTC Group companies.
Vice Chairman of the board in Larsen & Ibsen Holding A/S. Member of the boards in Fayard Holding ApS & Group companies, H.J. Hansen Holding A/S & Group companies, FLCO Holding ApS, Gottfred Petersen A/S and Selected Car Group A/S.

Other

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



NINA ØSTERGAARD BORRIS

Vice Chairman

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

Special competences

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

Other directorships

Member of the boards in A/S United Shipping & Trading Company, Uni-Tankers A/S, Bunker Holding A/S, CM Biomass Partners A/S, A/S Global Risk Management Ltd. Holding, A/S Global Risk Management Ltd. Fondsmæglerselskab and Middelfart Erhvervsråd.
Chairman of the board in Unit IT A/S. Member of Beiratssitzung Nord, Deutsche Bank.

Education

MSc in Applied Economics and Finance supplemented by courses at Harvard University and London School of Economics and Political Science.



MIA ØSTERGAARD RECHNITZER

Board member

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

Special competences

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

Other directorships

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

Education

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



PETER APPEL

Board member

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

Special competences

In-depth knowledge and extensive experience within legal matters related to the shipping industry, as an adviser to and member of directors in a number of Danish shipping companies and investment foundations with connections to the area. 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, Fayard Holding Aps, and Fayard A/S. Member of the boards in A/S United Shipping & Trading Company, Bunker Holding A/S, Uni-Tankers A/S, Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, Sølovsudvalget, and Northern Offshore Services.

Education

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

BOARD OF DIRECTORS



**LARS KREJBERG
PETERSEN**

Board member

Born in 1963.

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

Special competences

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

Other directorships

Member of the boards in
Nemco 98 A/S and Dansk
Affaldsminimering Aps.

Education

BBA and BBA(M).



**FLEMMING
DALGAARD**

Board member

Born in 1964.

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

Special competences

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

Other directorships

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

Education

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



**ANN CHRISTIN
ANDERSEN**

Board member

Born in 1966.

Board member since 2022.
Board Member, Strategic
Advisor.

Special competences

Experienced executive/board
member mainly in the energy
sector. 30+ years operational
experience in the maritime and
energy industry. Now CEO of
Norwegian Energy Partners.
Previous experience with
orchestrating transformation
(safety, digital/technology and
ESG) and scaling start-ups.

Other directorships

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

Education

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



JØRGEN HANSEN

Board member

Born in 1959.

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

Special competences

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

Other directorships

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

Education

Transportation and logistics.



From left: Lars Jespersen, Søren Gran Hansen, Henrik Klausen, Ulrik Rasmussen

GROUP MANAGEMENT

HENRIK KLAUSEN

Group CFO SDK FREJA A/S

Born in 1964.
Employed since August 2014.

Education/Background

Master of Science in Business
Economics and Auditing.

LARS JESPERSEN

Group CEO Shipping

Born in 1968.
Employed since November 1998.

Education/Background

Bachelor, Insead.

Other external positions

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

SØREN GRAN HANSEN

Group CEO SDK FREJA A/S

Born in 1968.
Employed since September 2013.

Education/Background

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

ULRIK RASMUSSEN

Group CEO Logistics

Born in 1975.
Employed since April 2010.

Education/Background

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



CONSOLIDATED
FINANCIAL
STATEMENTS

INCOME STATEMENT

For the period 1 May - 30 April

DKK '000	Notes	2023/24	2022/23
Revenue	1	6,047,866	6,585,012
Direct costs		(4,570,009)	(5,026,831)
Gross profit		1,477,857	1,558,181
Other external expenses		(173,950)	(253,718)
Staff costs	2	(761,386)	(731,539)
Other operating income and expenses	3	7,012	11,241
Operating profit before depreciation and amortisation (EBITDA) before special items		549,533	584,165
Depreciation of property, plant and equipment	9+10	(239,931)	(235,881)
Amortisation of intangible assets	8	(15,757)	(17,474)
Operating profit (EBIT) before special items		293,845	330,810
Special items	4	(234,051)	0
Operating profit (EBIT) after special items		59,794	330,810
Share of profit from associates and joint ventures	12	1,366	856
Financial income	5	39,676	15,982
Financial expenses	6	(74,766)	(60,215)
Profit before tax		26,070	287,433
Tax on profit for the year	7	(25,562)	(61,934)
Profit for the year		508	225,499
Profit is attributable to:			
Owners of SDK FREJA A/S		(11,763)	165,168
Non-controlling interests		12,271	60,331
Profit for the year		508	225,499

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period 1 May - 30 April

DKK '000	2023/24	2022/23
Profit for the period	508	225,499
Other comprehensive income	0	0
Items that will be subsequently reclassified to profit or loss	0	0
Exchange differences on translation of foreign operations	(1,408)	(24,162)
Fair value adjustments to cash flow hedges	0	0
Other adjustments	320	(576)
Income tax relating to these items	0	0
Other comprehensive income for the period, net of tax	(1,088)	(24,738)
Total comprehensive income for the year	(580)	200,761
Total comprehensive income is attributable to:		
Owners of SDK FREJA A/S	(12,549)	146,822
Non-controlling interests	11,969	53,939
Total comprehensive income for the year	(580)	200,761

BALANCE SHEET

Assets

DKK'000	Notes	30 April 2024	30 April 2023
Goodwill	8	785,972	798,816
Intangible assets	8	207,707	279,911
Property, plant and equipment	9	204,324	301,872
Right-of-use assets	10	781,072	806,622
Deposits		8,170	8,360
Deferred tax assets	11	15,086	10,085
Securities		6,748	7,446
Investments in associates and joint ventures	12	4,940	3,574
Receivables from Group companies		502,000	346,100
Total non-current assets		2,516,019	2,562,786
Trade receivables	13	831,318	766,877
Receivables from Group companies		1,676	21
Receivables from associates		919	853
Inventories		114	382
Corporation tax		672	2,053
Other receivables		52,542	79,446
Prepayments		24,995	21,150
Cash and cash equivalents		491,051	477,315
Total current assets		1,403,287	1,348,097
Total assets		3,919,306	3,910,883

BALANCE SHEET

Equity and liabilities

DKK '000	Notes	30 April 2024	30 April 2023
Share capital	14	6,500	6,500
Foreign currency reserve		(20,289)	(19,183)
Retained earnings		557,657	629,482
Capital and reserves attributable to owners		543,868	616,799
Non-controlling interests	15	291,045	299,824
Total equity		834,913	916,623
Borrowings	18	319,945	370,133
Lease liabilities	10	610,441	667,276
Deferred tax liabilities	11	53,663	79,861
Provisions	16	2,924	14,009
Other liabilities	17	247,988	357,564
Debt to non-controlling shareholders		100,000	100,000
Total non-current liabilities		1,334,961	1,588,843
Borrowings	18	126,616	15,803
Lease liabilities	10	215,097	181,750
Other liabilities	17	264,000	0
Income tax payables		43,205	58,787
Trade payables		787,640	835,679
Payables to Group companies		2,392	1,870
Payables to associates		1,495	2,632
Contract liabilities		667	2,192
Provisions	16	4,461	6,030
Other payables		303,859	300,674
Total current liabilities		1,749,432	1,405,417
Total liabilities		3,084,393	2,994,260
Total equity and liabilities		3,919,306	3,910,883

CHANGES IN EQUITY

Equity at 30 april 2024

DKK '000	Notes	Share capital	Foreign currency reserve	Retained earnings	Hedging reserve	Total	Non-controlling interests	Total equity
Equity at 1 May 2023	14	6,500	(19,183)	629,482	0	616,799	299,824	916,623
Profit for the year		0	0	(11,763)	0	(11,763)	12,271	508
Other comprehensive income		0	(1,106)	320	0	(786)	(302)	(1,088)
Total comprehensive income for the period		0	(1,106)	(11,443)	0	(12,549)	11,969	(580)

Transactions with owners in their capacity as owners

Dividend paid and payable		0	0	(40,000)	0	(40,000)	(4,891)	(44,891)
Additions of non-controlling interests		0	0	(21,453)	0	(21,453)	(15,857)	(37,310)
Adjustment for the year of the put-option liability		0	0	(155,900)	0	(155,900)	0	(155,900)
Contribution from owners		0	0	155,900	0	155,900	0	155,900
Shared-based payments		0	0	1,071	0	1,071	0	1,071
Total transactions with owners in their capacity as owners		0	0	(60,382)	0	(60,382)	(20,748)	(81,130)
Equity at 30 April 2024		6,500	(20,289)	557,657	0	543,868	291,045	834,913

Equity at 30 april 2023

DKK '000	Notes	Share capital	Foreign currency reserve	Retained earnings	Hedging reserve	Total	Non-controlling interests	Total equity
Equity at 1 May 2022	14	6,500	(1,441)	508,460	0	513,519	271,054	784,573
Profit for the year		0	0	165,168	0	165,168	60,331	225,499
Other comprehensive income		0	(17,742)	(604)	0	(18,346)	(6,392)	(24,738)
Total comprehensive income for the period		0	(17,742)	164,564	0	146,822	53,939	200,761

Transactions with owners in their capacity as owners

Dividend paid and payable		0	0	(20,000)	0	(20,000)	(4,200)	(24,200)
Additions of non-controlling interests		0	0	(23,897)	0	(23,897)	(20,969)	(44,866)
Adjustment for the year of the put-option liability		0	0	(108,300)	0	(108,300)	0	(108,300)
Contribution from owners		0	0	108,300	0	108,300	0	108,300
Shared-based payments		0	0	355	0	355	0	355
Total transactions with owners in their capacity as owners		0	0	(43,542)	0	(43,542)	(25,169)	(68,711)
Equity at 30 April 2023		6,500	(19,183)	629,482	0	616,799	299,824	916,623

CASH FLOW STATEMENT

DKK '000	Notes	2023/24	2022/23
Profit for the year		508	225,499
Adjustments	24	453,186	351,614
Changes in net working capital	25	(103,960)	64,718
Interest received		39,676	15,914
Interest paid		(74,766)	(60,215)
Income taxes paid		(70,359)	(35,758)
Net cash flow from operating activities		244,285	561,772
Purchase of intangible assets		(7,824)	(8,603)
Change in deposits etc.		888	(281)
Purchase of property, plant and equipment	9	(42,707)	(20,764)
Sale of property, plant and equipment		53,348	13,926
Net cash flow from investing activities		3,705	(15,722)
Repayment of borrowings	21	(10,499)	(116,282)
Proceeds from borrowings	21	71,124	60,500
Principal elements of lease payments	21	(212,678)	(212,999)
Cash capital increase		0	0
Transactions with non-controlling interest		(37,310)	(44,866)
Dividend paid		(44,891)	(24,200)
Cash flow from financing activities		(234,254)	(337,847)
Net cash flow for the year		13,736	208,203
Cash and cash equivalents, beginning of the year		477,315	269,112
Cash and cash equivalents at end of the year		491,051	477,315
Cash and cash equivalents comprise the following:			
Cash at bank and in hand		491,051	477,315
Non-cash financing and investment activities	21		

NOTES

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1. REVENUE

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

DKK '000	2023/24	2022/23
Business area overview		
Logistics and road activities	5,083,422	5,549,596
Shipping (Stevedore and Agency)	853,263	901,670
Environmental	111,181	133,746
	6,047,866	6,585,012
Geographical overview		
Denmark	1,876,424	2,007,972
Sweden	812,245	898,383
Norway	960,620	1,019,905
Finland	652,743	783,672
Poland	147,583	164,733
Other	1,598,251	1,710,347
	6,047,866	6,585,012

2. STAFF COSTS

DKK '000	2023/24	2022/23
Wages and salaries	664,133	626,400
Pensions	50,154	47,431
Other social security	47,099	57,708
	761,386	731,539
Average number of employees	1,455	1,515

DKK '000	2023/24	2022/23
Salaries and remuneration to the Board of Directors and the Executive Board	9,009	19,344

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

Key Management compensation

Key Management consists of Group Management and Executive Board. The compensation to Key Management for employee services is shown below.

DKK '000	2023/24	2022/23
Short term employee benefits	17,814	36,399
Share-based payment	1,071	355
	18,885	36,754

3. OTHER OPERATING INCOME AND EXPENSES

DKK '000	2023/24	2022/23
Other operating income		
Gains from the disposal of property, plant and equipment	5,951	7,613
Governmental grants	213	0
Other operating income	1,105	3,980
	7,269	11,593
Governmental grants comprise of grants received in connection with the COVID-19 pandemic and cover expenses for fixed costs and salaries. There are no unfulfilled conditions or other contingencies attached to these grants.		
Other operating expenses		
Losses from disposals of right-of-use assets and property, plant and equipment	257	137
Other operating expenses	0	215
	257	352
Net other operating income and expenses	7,012	11,241

4. SPECIAL ITEMS

DKK '000	2023/24	2022/23
Impairment of land and property, plant and equipment	69,944	0
Impairment of intangible assets	59,249	0
Impairment of right of use asset	34,742	0
Reversal of operational provisions due to Nordic Waste bankruptcy	(12,320)	0
Impairment of goodwill	16,590	0
Landslide mitigation costs	51,002	0
Legal and other advisory costs	14,844	0
	234,051	0

"Special items comprise losses arising from the landslide and subsequent bankruptcy of Nordic Waste A/S. The costs include impairment losses, costs associated with mitigating the effects of the landslide and related legal and other advisory costs.

Had the items not been classified as Special items, they would have been included in the following line items:

Impairment of property, plant and equipment	104,686	0
Impairment of intangible assets	75,839	0
Other external expenses	53,526	0
	234,051	0

5. FINANCIAL INCOME

DKK '000	2023/24	2022/23
Interest from parent company	14,117	4,947
Interest income from financial assets measured at amortised costs	18,600	7,549
Foreign exchange rate gains	6,441	2,897
Fair value adjustments of security investments	518	589
	39,676	15,982

6. FINANCIAL EXPENSES

DKK '000	2023/24	2022/23
Interest to parent company	18,209	7,585
Foreign exchange rate losses	1,434	12,641
Interest expense on financial liabilities measured at amortised cost	30,649	20,399
Interest expense on leases	22,616	18,757
Other financial expenses	1,858	833
	74,766	60,215

7. TAX ON PROFIT FOR THE YEAR

DKK '000	2023/24	2022/23
Current tax on profit for the year	56,158	66,381
Current tax on profit for previous years	472	567
Deferred tax on profit for the year	(31,068)	(5,014)
	25,562	61,934
Calculated 22.0 % tax on profit for the year before income tax	5,735	63,235

Tax effects of:

Differences in the tax rates in foreign subsidiaries relative to 22%	(1,831)	(2,701)
Non-taxable income	(688)	(1,943)
Different tax legislation	745	(158)
Non-deductible expenses	21,243	3,443
Deferred tax, effect of change in tax rate	82	(51)
Adjustment of tax relating to previous years	276	109
	25,562	61,934
Effective tax rate	98%	21.5%

As a result of the bankruptcy of Nordic Waste A/S and commencement of financial reconstruction of DSH Recycling A/S the Group has recognized a significant amount of non-deductible expenses regarding landslide mitigation costs, legal fees and impairments.

8. INTANGIBLE ASSETS

DKK '000	Goodwill	Brands	Customer relations	Technologies and know-how	Software	Total
Cost:						
At 1 May 2023	798,816	163,695	59,493	68,697	23,110	1,113,811
Additions during the year	5,000	0	0	0	2,824	7,824
Disposal during the year	(16,590)	0	0	(68,697)	0	(85,287)
Exchange difference	(1,254)	(5)	(36)	0	34	(1,261)
At 30 April 2024	785,972	163,690	59,457	0	25,968	1,035,087
Accumulated amortisation and impairment:						
At 1 May 2023	0	0	17,712	6,299	11,073	35,084
Amortisation for the year	0	0	7,694	3,149	4,914	15,757
Disposal during the year	(16,590)	0	0	(68,697)	0	(85,287)
Impairment for the year*	16,590	0	0	59,249	0	75,839
Exchange difference	0	0	(12)	0	27	15
At 30 April 2024	0	0	25,394	0	16,014	41,408
Carrying amount 30 April 2024	785,972	163,690	34,063	0	9,954	993,679

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

* December 2023, the defunct clay pit on which Nordic Waste A/S production facilities were located, began an uncontrollable landslide resulting in the production facilities being destroyed. Consequently, both intangible, tangible, and right-of-use of assets regarding Nordic Waste A/S or this activity were written down.

8. INTANGIBLE ASSETS (CONTINUED)

Impairment test

Goodwill

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

DKK '000	30 April 2024	30 April 2023
FREJA Goodwill	620,000	620,000
FREJA Brand	163,690	163,695
Multiple units without significant goodwill	165,972	178,816
Carrying amount 30 April	949,662	962,511

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

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

For Goodwill and Brand impairment testing regarding FREJA the future cash flows are based on budget and business plans for the year 2024/25 and projections for the subsequent four years up to and including 2028/29. The key assumptions applied for determining expected cash flows are revenue growth and EBITDA margin. Based on the fact that freight markets are now back to more normalized conditions, Management expects revenue in 2024/25 to be at the same level as in 2023/24 and for the remaining forecast period a lower revenue growth than in recent years as well as a lower operating margins. From 2029/30 and onwards SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry, equal to 2.0% (2022/23: 2.0%) and operating margin of 4.0% (2022/23: 4.0%). The applied pre-tax discount rate amounts to 10.1% (2022/23: 10.2%). No impairment losses on goodwill and brand in FREJA have been recognized in neither 2022/23 nor 2023/24. The goodwill and brand have been tested for impairment as of 30 April 2024.

For goodwill impairment testing on units without significant goodwill 165,972k (2022/23: 183,200k) the cash flows are based on budget and business plans for the year 2024/25 and projections for the subsequent four years up to and including 2028/29. From 2029/30 and onwards SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry, equal to 2.0% (2022/23: 2.0%) and an operating margin of 7.0% (2022/23: 8.3%). The applied pre-tax discount rate amounts to 10.1% (2022/23: 10.2%). No impairment losses on goodwill from units without significant goodwill have been recognized in neither 2022/23 nor 2023/24. The goodwill has been tested for impairment as of 30 April 2024.

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 and the brand in FREJA.

9. PROPERTY, PLANT AND EQUIPMENT

DKK '000	Land and buildings	Plant and equipment	Leasehold improvements	Total
Cost				
At 1 May 2023	336,756	83,281	16,970	437,007
Additions during the year	6,113	23,543	11,214	40,870
Reclassification of financial lease assets	0	1,838	0	1,838
Disposals during the year	(92,700)	(32,614)	(22,397)	(147,711)
Transfers for the year	0	0	0	0
Exchange difference	4,261	678	(1)	4,938
At 30 April 2024	254,430	76,726	5,786	336,942
Accumulated depreciation and impairment				
At 1 May 2023	87,752	43,768	3,615	135,135
Depreciation for the year	8,789	16,134	1,763	26,686
Impairment for the year*	69,944	0	0	69,944
Disposal during the year	(79,405)	(17,792)	(2,858)	(100,055)
Transfers for the year	0	0	0	0
Exchange difference	664	248	(4)	908
At 30 April 2024	87,744	42,358	2,516	132,618
Carrying amount 30 April 2024	166,686	34,368	3,270	204,324

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

* December 2023, the defunct clay pit on which Nordic Waste A/S production facilities were located, began an uncontrollable landslide resulting in the production facilities being destroyed. Consequently, both intangible, tangible, and right-of-use assets regarding Nordic Waste A/S or this activity were written down.



10. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group has recognised the following amounts relating to leases:

DKK '000	30 April 2024	30 April 2023
Right-of-use assets		
Properties	386,104	384,564
Vehicles and equipment	394,968	422,058
	781,072	806,622

Additions to the right-of-use assets during 2023/24 was DKK 191,786k (2022/23: DKK 239,715k)

DKK '000	30 April 2024	30 April 2023
Lease liabilities		
Current	215,097	181,750
Non-current	610,441	667,276
	825,538	849,026

The maturity analysis regarding lease liabilities is specified in note 18

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

DKK '000	2023/24	2022/23
Depreciation charge of right-of-use assets		
Properties	81,001	77,564
Equipment	132,244	129,480
Impairment of equipment related to Nordic Waste*	34,742	0
	247,987	207,044
Interest expense (included in financial expenses)	22,616	18,757
Expense relating to short-term leases (included in direct costs and other external expenses)	30,672	29,780

The total cash outflow for leases in 2023/24 was DKK 243,671k (2022/23: 242,779k).

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.

* December 2023, the defunct clay pit on which Nordic Waste A/S production facilities were located, began an uncontrollable landslide resulting in the production facilities being destroyed. Consequently, both intangible, tangible, and right-of-use assets regarding Nordic Waste A/S or this activity were written down.

11. DEFERRED TAX

DKK '000	30 April 2024	30 April 2023
At 1 May	69,776	73,698
Deferred tax recognised in the statement of profit or loss	(31,068)	(5,014)
Other adjustments	(131)	1,092
Additions relating to acquisition of subsidiaries	0	0
At 30 April	38,577	69,776
Deferred tax relates to:		
Intangible assets	51,643	66,304
Tangible assets	20,894	42,618
Trade receivables	(2,047)	(2,378)
Right-of-use assets	(25,464)	(29,403)
Borrowing costs	(66)	(71)
Provisions	(6,729)	(7,942)
Other	(103)	648
Tax loss carry forwards	449	0
	38,577	69,776
Of which presented as deferred tax assets	15,086	10,085
Of which presented as deferred tax liabilities	(53,663)	(79,861)
Net deferred tax	(38,577)	(69,776)

The Group has an unrecognised tax loss of DKK 21,209k (2022/23: 21,209k), which relates to carry-forward losses due to Group contribution restrictions in foreign subsidiaries in connection with mergers in previous years. The tax loss can be used in the financial year 2028/29 at the earliest, but thereafter has no expiry date.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

DKK '000	30 April 2024	30 April 2023
Associates		
Aggregate carrying amount of individually associates	4,940	3,574
Aggregate amounts of the Group's share of:		
Profit from continuing operations	1,366	856
Other comprehensive income	0	(148)
Total comprehensive income	1,366	708
Opening balance		
Share of operating profits	1,366	856
Addition of shares	0	3
Disposals of shares	0	0
Share of other comprehensive income	0	(148)
Closing balance	4,940	3,574



13. TRADE RECEIVABLES

DKK '000	30 April 2024	30 April 2023
Trade receivables before provision for expected credit losses	838,190	776,218
Provision for expected credit losses	(6,872)	(9,341)
Trade receivables net	831,318	766,877

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 provision for expected credit losses on trade receivables is as follows:

Opening balance	9,341	6,522
Addition by acquisition of business	0	0
Increase in loss allowance recognised in profit or loss during the year	1,699	5,664
Receivables written off during the year as uncollectible	(3,357)	(1,011)
Unused amount reversed	(804)	(1,531)
Exchange rate adjustments	(7)	(303)
Closing provision for impairment of trade receivables	6,872	9,341

The Group has purchased credit insurances on the majority (80-90%) of its customers. Therefore, the provisions above only cover the uninsured part of trade receivables. For the management of the group's credit risk, please refer to note 18.

14. SHARE CAPITAL

	30 April 2024		30 April 2023	
	Number of shares	Nominal value (DKK '000)	Number of shares	Nominal value (DKK '000)
The share capital comprise:				
Share capital beginning of period	6,500	6,500	6,500	6,500
Capital increase	0	0	0	0
Share capital end of period	6,500	6,500	6,500	6,500

The share capital of SDK FREJA A/S is 6,500 shares with a nominal value of DKK 1,000 each in 2022/23 and 2023/24.

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



15. NON-CONTROLLING INTERESTS

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

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

DKK '000	2023/24	2022/23
Non-controlling interests' ownership	27.0%	27.0%
Summarised balance sheet		
Current assets	1,302,050	1,169,759
Current liabilities	1,168,367	1,185,377
Current net assets	133,683	(15,618)
Non-current assets	1,740,847	1,734,534
Non-current liabilities	854,756	857,137
Non-current net assets	886,091	877,397
Summarised statement of comprehensive income		
Revenue	5,083,422	5,549,596
Profit for the period	158,996	162,663
Other comprehensive income	(805)	(22,370)
Total comprehensive income	158,191	140,293
Profit allocated to NCI	43,944	45,857
Dividends paid to NCI	(190)	0
Summarised cash flows		
Cash flow from operating activities	245,541	418,852
Cash flow from investing activities	(8,158)	(9,023)
Cash flow from financing activities	(169,790)	(170,322)
Net increase/(decrease) in cash and cash equivalents	67,593	239,507

15. NON-CONTROLLING INTERESTS (CONTINUED)

Non controlling interests hold 23.5% of DSH Environment ApS which is the holding company for the Environmental activities previously performed through Nordic Waste A/S and DSH Recycling A/S. Following the bankruptcy of Nordic Waste A/S in January 2024 and commencement of financial reconstruction of DSH Recycling A/S in February 2024 resulting in SDK FREJA no longer having control over these activities, DSH Environment ApS does not hold any operating assets, and the liabilities exceed the assets by DKK 20.6 million.

During the financial year, SDK FREJA A/S acquired 15% of DSH Environment ApS from a non-controlling interest at a cash consideration of DKK 34 million. Additionally, a combined share for share and cash exchange of DKK 3.3 million was made between DSH Environment ApS and the non-controlling interest holding 24% of Nordic Waste A/S resulting in the non-controlling interest in Nordic Waste A/S becoming a non-controlling interest of DSH Environment ApS. During the year, SDK FREJA A/S took on the full payment guarantee for borrowings of DSH Environment ApS. Consequently, no part of the negative net equity is attributed to the non-controlling interest.

The effect of these transactions is as follows:

DKK '000	2023/24
Carrying amount of non-controlling interests acquired	15,857
Consideration paid to non-controlling interests	(37,310)
Loss	(21,453)



16. PROVISIONS

DKK '000	Land restoration	Return liabilities
At 1 May 2023	12,320	7,719
Reversal of operational provision due to Nordic Waste bankruptcy	(12,320)	0
Additional provisions recognised	0	1,443
Unused amounts reversed	0	(711)
Amounts used during the year	0	(1,014)
Exchange rate adjustments	0	(52)
At 30 April 2024	0	7,385
Current	0	4,461
Non-current	0	2,924
At 30 April 2024	0	7,385

Return liabilities cover obligations in connection with leases of trailers to remedy any damages in excess of normal wear and tear, which is to be paid when the trailer is returned.

17. OTHER LIABILITIES

As part of the acquisition of FREJA in December 2020, the seller of FREJA and Key Management of FREJA A/S became 25.3% shareholder in the entity holding the combined logistics activities in SDK FREJA. They hold an option partially sell their shares to the Group as from 2024, and the Group holds an option to acquire the shares on similar terms. The transaction price will be based on pre-agreed earnings multiple. The carrying amount of the liability is DKK 502.0 million as of 30 April 2024 (30 April 2023: DKK 346.1 million)

The part of the option that shareholders can exercise in 2024 is included as current liabilities as of 30 April 2024. The carrying amount as of 30 April 2024 DKK 502.0 million is presented as follows:

DKK '000	Option Share
Current	264,000
Non-current	238,000
At 30 April 2024	502,000

18. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group manages financial risks centralised in SDK FREJA 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. On a weekly basis, the Group tries to balance purchases and sales in the same currency. In addition, the development of the exchange rate is continuously monitored. Forward contracts are entered when the Group's net exposure in a given currency is considered significant.

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 2024					
Trade receivables	66,282	331,642	66,580	59,476	523,980
Trade payables	(64,557)	(364,873)	(41,773)	(54,443)	(525,646)
Leasing	(127,256)	(277,987)	(109,841)	(10,391)	(525,475)
Borrowings	0	0	0	0	0
Total	(125,531)	(311,218)	(85,034)	(5,358)	(527,141)
30 April 2023					
Trade receivables	93,379	304,868	66,867	34,174	499,288
Trade payables	(67,675)	(406,885)	(44,650)	(44,547)	(563,757)
Leasing	(87,305)	(281,896)	(121,004)	(12,004)	(502,209)
Borrowings	(11)	(190)	0	0	(201)
Total	(61,612)	(384,103)	(98,787)	(22,377)	(566,879)

The aggregated net foreign exchange gain/loss recognised in profit or loss except for those arising on financial instruments measured at fair value through profit is a gain of DKK 5,007k.

As shown above the Group is primarily exposed to changes in SEK, NOK and EUR. The sensitivity on profit or loss and equity to changes in the exchange rates arises mainly from SEK, NOK and EUR denominated financial instruments.

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

DKK '000	Impact on post-tax profit		Impact on equity	
	2024	2023	2024	2023
SEK/DKK exchange rate increase of 5% (2022/23: 5%)	(6,277)	(3,081)	(6,277)	(3,081)
EUR/DKK exchange rate increase of 0.5% (2022/23: 0.5%)	(1,556)	(1,921)	(1,556)	(1,921)
NOK/DKK exchange rate increase of 5% (2022/23: 5%)	(4,252)	(4,939)	(4,252)	(4,939)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable interest rates, which expose the Group to cash flow interest rate risk. The Group does not currently have a formal policy for how large a proportion of the Group's debt must be in fixed-rate and variable-rate loans, but management aim to have a balanced mix between fixed-rate and variable-rate loans. When taking out new loans, the management assesses from time to time what will be most advantageous for the Group based on the interest rate level and other market conditions at the time of the loan. The Group's borrowings are measured at amortised costs and variable rate borrowings may be contractually reprised.

Profit and loss is sensitive to higher/lower interest income from cash and cash equivalents and interest expenses from borrowings as a result of changes in interest rates. An increase of 100 basis points will, all things equal, result in a net increase in interest expenses of DKK 4,922k (2022/23: DKK 4,857k). A decrease of 100 basis point will have a symmetrical opposite effect. Other components of equity are not directly affected by changes in interest rates.

Credit risk

Credit risk arises from cash and cash equivalents at banks, 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.

The company has a receivable from parent company USTC. The credit risk associated with this receivable is considered immaterial.

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 (Moody rating A2 or higher).

Provision for loss on trade receivables are as follows

	Current	Less than 90 days past due	More than 90 days past due	Total
As of 30 April 2024				
Expected loss rate	0.0%	0.5%	60.0%	0.8%
Gross carrying amount - trade receivables	684,676	143,534	9,980	838,190
Loss allowance	204	680	5,988	6,872
As at 30 April 2023				
Expected loss rate	0.0%	1.2%	78.5%	0.8%
Gross carrying amount - trade receivables	701,519	64,080	10,619	776,218
Loss allowance	210	800	8,331	9,341

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

Maturity analysis

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

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

Contractual maturity of financial liabilities

DKK '000	Carrying amount	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 30 April 2024					
Borrowings	446,561	132,367	312,804	93,224	538,395
Lease liabilities	825,538	215,861	488,026	182,160	886,047
Trade payables	787,640	787,640	0	0	787,640
Debt to non-controlling interests	100,000	6,743	104,496	0	111,239
Put-option liability related to non-controlling interests	502,000	264,000	238,000	0	502,000
	2,661,739	1,406,611	1,143,326	275,384	2,825,321

As at 30 April 2023

Borrowings	385,936	19,582	300,548	149,506	469,636
Lease liabilities	849,026	216,531	485,666	182,767	884,964
Trade payables	835,679	835,679	0	0	835,679
Debt to non-controlling interests	100,000	5,397	110,794	0	116,191
Put-option liability related to non-controlling interests	346,100	0	346,100	0	346,100
	2,516,741	1,077,189	1,243,108	332,273	2,652,570

18. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

DKK '000	30 April 2024	30 April 2023
Financial assets		
Financial assets at amortised cost		
Trade receivables	831,318	766,877
Receivables from Group companies and associates	504,595	346,974
Other financial assets at amortised cost	52,542	79,446
Cash and cash equivalents	491,051	477,315
Financial assets at fair value through profit or loss (FVPL)	6,748	7,446
	1,886,254	1,678,058
Financial liabilities at amortised cost		
Liabilities at amortised cost		
Trade payables	787,640	835,679
Payables to Group companies and associates	3,887	4,502
Borrowings	446,561	385,936
Lease liabilities	825,538	849,026
Put-option liability related to non-controlling interests	502,000	346,100
	2,565,626	2,421,243

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

19. CAPITAL STRUCTURE

Management regularly assesses whether the Group's capital structure is aligned with the interests of the Group and its shareholders.

The overall objective is to ensure a continued development and strengthening of the Group's capital structure that supports long-term profitable growth and a solid improvement in key earnings and ratios. This includes assessment of and decisions on the split of financing between share of equity and debt, which is a long-term strategic decision to be made in connection with significant investments and transactions.

20. COMMITMENTS AND CONTINGENT LIABILITIES

Charges and security

The carrying amount of tangible and current assets pledged as security for current and non-current borrowings amount to DKK 103,301k (30 April 2023: DKK 107,875k).

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

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

Considerable parts of the Group's activities are performed with basis in storage halls situated on leased sites. As it is usual practice and according to the leases, the Group is obliged to surrender and yield up the sites in the state and condition in which they were taken over. The amount which the Group is required to pay upon vacating the storage halls is estimated to be equivalent to the value of the buildings removed (net costs equal to zero).

The leased sites are all subject to a long period of non-terminability on the part of the lessor (15-30 years) and are not expected to be vacated.

21. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

DKK '000	1 May 2023	Financing cash flows	New leases and loans	Changes in foreign exchange rates	Other changes	30 April 2024
Borrowings	385,936	(10,499)	71,124	0	0	446,561
Leases	849,026	(212,678)	227,091	(464)	(37,437)	825,538
Total liabilities from financing activities	1,234,962	(223,177)	298,215	(464)	(37,437)	1,272,099

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

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

22. RELATED PARTIES

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

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

Transactions with Key Management personnel

No transactions were made with Key Management personnel in 2023/24 other than remuneration, as described in note 2.

The following transactions were carried out with related parties:

DKK '000	2023/24	2022/23
Sale of goods and services to associated companies	7,869	5,072
Direct cost, associated companies	2,455	0
Purchase of management services from parent company	1,100	1,405
Other external costs, associated companies	3,531	5,090
Finance, net parent company	3,818	2,616
Receivable from parent company	503,676	346,121
Payables to Group companies	2,392	1,870
Rent to non-controlling interests	1,917	1,861
Capital contributions from parent company	155,900	108,300
Dividend paid to parent company	40,000	20,000

23. EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the assessment of the Annual Report 2023/24 have occurred after the balance sheet date.

24. CASH FLOW STATEMENT - ADJUSTMENTS

DKK '000	2023/24	2022/23
Financial income	(39,676)	(15,982)
Financial expenses	74,766	60,215
Depreciation, amortisation and impairment losses, including losses and gains on sales	395,050	245,879
Tax on profit for the year	25,562	61,934
Exchange adjustments	(5,033)	(1,274)
Other adjustments	2,517	842
	453,186	351,614

25. CASH FLOW STATEMENT - CHANGES IN NET WORKING CAPITAL

DKK '000	2023/24	2022/23
Change in trade and Group receivables	(66,162)	119,884
Change in other receivables	26,904	(7,394)
Change in inventory	268	(203)
Change in prepayments	(3,845)	10,705
Change in trade payables and Group payables	(50,179)	(21,748)
Change in other payables	(10,946)	(36,526)
	(103,960)	64,718

26. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK '000	2023/24	2022/23
PwC		
Audit services	2,186	2,143
Audit-related services	565	231
Tax and VAT services	203	200
Other services	2,599	2,708
	5,553	5,282
Other audit companies (2 companies)		
Audit services	413	346
Audit-related services	3	0
Tax and VAT services	0	0
Other services	37	35
	453	381

27. LIST OF GROUP COMPANIES

The Group's principal subsidiaries and associates as of 30 April 2024 are set out below:

	Type	Place of incorporation	Ownership interest
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Esbjerg Marine Service K/S	Associated	Denmark	32.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
SDK Stevedore A/S	Associated	Denmark	50.00%
SDK Shipping AB	Subsidiary	Sweden	100.00%
SDK Shipping AS	Subsidiary	Norway	100.00%
SDK Chartering A/S	Subsidiary	Denmark	100.00%
SDK Cruise A/S	Subsidiary	Denmark	100.00%
SDK Solutions Holding ApS	Subsidiary	Denmark	63.80%
Shipping Consultancy A/S	Subsidiary	Denmark	100.00%
Shipping Consultancy Sweden AB	Subsidiary	Sweden	100.00%
Sternwinds Shipping SL	Associated	Spain	40.00%
FREJA Group ApS	Subsidiary	Denmark	73.00%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	73.00%
SDK Logistics B.V	Subsidiary	Netherlands	43.80%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	73.00%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	73.00%
FREJA Transport & Logistics AB	Subsidiary	Sweden	73.00%
FREJA Transport Holding AS	Subsidiary	Norway	73.00%
FREJA Transport & Logistics AS	Subsidiary	Norway	73.00%
Thoresen Transport AS	Subsidiary	Norway	58.40%
Thoresen Transport Avd. Lastebil AS	Subsidiary	Norway	58.40%
FREJA Transport & Logistics OY	Subsidiary	Finland	73.00%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	73.00%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	73.00%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	54.75%
FREJA Transport & Logistics (Shanghai) CO., LTD	Subsidiary	China	54.75%
DSH Environment ApS	Subsidiary	Denmark	76.50%
Selskabet af 12. januar 2024 ApS	Subsidiary	Denmark	100.00%



28. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards 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.

Individual reclassifications have been made between staff costs, direct cost, and the external expenses in 2022/23. The reclassifications have no effect on the year's result, equity or on 2022/23 key figures in the 5-year overview.

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.

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

ASSOCIATED COMPANIES

Associated companies are companies over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies. Significant influence is generally considered to exist when the Group holds between 20% and 50% of the voting rights. Investments in associated companies are accounted for using the equity method of after initially being recognised at cost.

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

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investments have been changed where necessary to ensure consistency with the policies adopted by the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "Share of profit from associates".

BUSINESS COMBINATIONS

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the 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 are 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.

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

FOREIGN CURRENCY TRANSLATION

Functional currency

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

Transactions and balances

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

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

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

REVENUE

Revenue from logistic services

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

Revenue from Shipping services

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

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

Revenue from environment services

Environment services consist of receiving soil and other materials for either landfill or for recycling if possible. Revenue is recognised at a point in time.

Revenue from services delivered is recognised in accordance with the over-time recognition principle following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer.

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 other direct costs of operation, such as rental of logistics facilities and costs of property projects.

OTHER EXTERNAL EXPENSES

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

STAFF COSTS

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

Sharebased Payment

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

OTHER OPERATING INCOME AND EXPENSES

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

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

SPECIAL ITEMS

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

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

FINANCIAL INCOME AND EXPENSES

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

INCOME TAX EXPENSE AND DEFERRED TAX

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

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

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, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

INTANGIBLE ASSETS

Goodwill

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

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

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

Brands

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

Amortisation is based on the straight-line method over the estimated useful life of the asset.

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

LEASES

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between repayment of the lease liability and finance cost. The finance cost is charged to profit or

loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis and is subject to impairment.

Leases include mainly properties, equipment and trailers.

Right-of-use assets are measured at cost comprising the following:

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

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

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

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

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

IMPAIRMENT OF NON-CURRENT ASSETS

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

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

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

FINANCIAL INSTRUMENTS

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

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

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

At initial recognition, the Group measures financial assets at their fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. 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 group's business model for managing the asset and the cash flow characteristics of the asset. Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised costs. Interest income for these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss.

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

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

Equity instruments

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

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.

TRADE RECEIVABLES

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

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

INVENTORIES

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

OTHER RECEIVABLES

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

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

EQUITY

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, 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 include the cash flow hedge reserve and is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of the hedged non-financial item or reclassified to profit or loss as appropriate.

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

FINANCIAL LIABILITIES

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

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

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

OTHER PAYABLES

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

DEFERRED REVENUE

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

PROVISIONS

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

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

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

FAIR VALUE ESTIMATION

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

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

CASH FLOW STATEMENT

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

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

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

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

KEY FIGURES

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

FINANCIAL HIGHLIGHTS

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

28. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The following amendments or new standards (IFRS) have been implemented at 1 May 2023:

IAS 1, Presentation of Financial Statements and Practice Statement 2

The Amendment clarifies that the disclosures of accounting policies are only required for material line items. However, it is still permitted.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendment introduces a new definition of accounting estimates: "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". The new definition emphasises that accounting estimates involves the utilisation of measurement techniques and assumptions. This is made to assist users of the financial statement to distinguish between changes in accounting estimate and changes in accounting policies.

IAS 12, Income Taxes

The amendment requires the recognition of deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

IAS 12, Income taxes: International Tax Reform - Pillar II Model Rules

The amendment contains two parts: A temporary exemption for recognition of deferred taxes from the effect of implementation of Pillar II. Additionally, the amendment specifies some disclosure requirements for companies affected by Pillar II, including estimable information of the entity's exposure to the Pillar II income taxes.

IFRS 17, Insurance Contracts

This standard replaces IFRS 4 and implements a new uniform method of accounting for insurance contracts and reinsurance contracts and ensures that the recognition occurs over the duration of the contracts. IFRS 17 also introduces a new measurement model, which requires that estimates must be remeasured in each reporting period.

IFRS 17, Insurance Contracts

Insurance Contracts: This amendment concern the presentation of comparative information for financial assets when implementing IFRS 17.

SDK FREJA has assessed the effect of the new standards, amendments, and interpretations. SDK FREJA has concluded that all standards, amendments, and interpretations effective for financial years beginning on or after 1 May 2023 are either not relevant to SDK FREJA or have no significant effect on the Financial Statements of SDK FREJA.

The following new standards, amendments, and interpretations of relevance to SDK FREJA have been adopted by the IASB and adopted by the EU. The standards are not yet effective and will therefore not be implemented in the Annual Reports until they take effect.

IAS 1, Presentation of Financial Statements

Clarify that the definition of current liabilities must be based on the rights existing on the balance sheet date. The requirement for an unconditional right to postpone payment for 12 months from the balance sheet date is therefore changed to a right to defer payment for 12 months from the balance sheet date. Please note, the amendments consists of three separate amendments which must be viewed together.

The amendment will be effective for financial years beginning on or after 1 January 2024.

The IASB has issued the following new standards, amendments and new interpretations which could be relevant to SDK FREJA, but which have not yet been adopted by the EU:

IFRS 16, Leasing

The amendment to IFRS 16 clarifies the leased share in a sale and leaseback transaction should be measured to ensure no gain or loss arises from recognition of the lease asset. Furthermore, it is clarified that the lease liability should be measured to reflect the present value of the expected future lease payments. The illustrative examples in IFRS 16 have been updated to reflect these changes. Early adoption of the amendment is permitted. If the amendment is applied for an earlier period, this fact shall be disclosed.

The amendment will be effective for financial years beginning on or after 1 January 2024.

IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments

Disclosures:

The amendment introduces disclosure requirements for supplier finance arrangements (reverse factoring), regarding terms and conditions in the agreements, including payment terms for both the liabilities comprised by the agreements and similar for those not covered by the agreements. Significant variances must be explained.

The amendment also requires disclosure of recognised values at both the beginning and the end of the year for the liabilities comprised by the agreements.

The amendment will be effective for financial years beginning on or after 1 January 2024.

IAS 21, Foreign exchange rates

The amendment clarifies the procedures relating to the assessment of whether a currency is exchangeable into another currency, and when it is not, how to determine the exchange rate to use and which disclosures to provide.

SDK FREJA expects to implement these new standards, amendments, and interpretations when they take effect. SDK FREJA does not expect the implementation to have a significant impact on the accounts for SDK FREJA.

IFRS 18: Presentation and disclosure in financial statements

The standard will replace IAS 1 and aims to improve the quality of financial reporting by defined subtotals in the statement of profit or loss, disclosures about management-defined performance measures, and adding new principles for aggregation and disaggregation of information. The standard is expected to change the presentation on the profit and loss statement for the Group and require further disclosures.

The standard will be effective for annual reporting periods beginning on or after 1 January 2027 and is still awaiting EU adoption.

IFRS 19: Subsidiaries without public accountability

Disclosures:

The standard is voluntary and eligible subsidiaries can apply it when preparing their own consolidated, separate or individual financial statements. These subsidiaries will apply the recognition, measurement and presentation requirements in other IFRS accounting standards, but can replace the disclosure requirements with reduced disclosure requirements.

The standard will be effective for annual reporting periods beginning on or after 1 January 2027 and is still awaiting EU adoption.

29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

CRITICAL ACCOUNTING ESTIMATES

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

The Group tests whether Goodwill and Brands has suffered any impairment on an annual basis. For the 2023/24 and 2022/23 reporting periods, the recoverable amount of the cash-generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

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.

CRITICAL JUDGEMENTS

Consolidation

In February 2024, the Board of DSH Recycling A/S, the sister company of Nordic Waste A/S, being the owner of the production assets of Nordic Waste A/S decided to apply for financial reconstruction under the Danish Bankruptcy act. As of the balance sheet date, The Board of Directors appointed by SDK FREJA is still in service. However, during this process, the Board cannot take any major decisions without the approval of a supervisor appointed by the court. Additionally, 25% of the external creditors can decide that the supervisor steps in as Management of the company. The Board can only apply for bringing the entity back to normal operations again if it can be proven that the entity is in a financial position to continue its operations. On this basis, Management has determined that commencement of restructuring proceedings resulted in loss of control over DSH Recycling A/S.

Nordic Waste A/S went bankrupt 22 January 2024 and as mentioned above DSH Recycling A/S applied for financial reconstruction under the Danish Bankruptcy Act on 23 February 2024. Both companies are included in the consolidation until the date of bankruptcy and the date of financial reconstruction respectively.

DISCONTINUED OPERATIONS

Management has assessed whether the Environmental activities which have been closed down during the year following the bankruptcy of Nordic Waste A/S constitutes a major line of business. In 2022/23, the activities contributed with more than an insignificant amount to the Group's earnings. However, contribution to revenue and the share of the Group's total assets was insignificant. Additionally, employees comprised an insignificant proportion of the Group's employees. On this basis, Management has assessed that the environmental activities do not constitute a major line of business, and consequently, the result of the activities has not been presented as discontinued operations.

PARENT COMPANY

FINANCIAL STATEMENTS



INCOME STATEMENT

For the period 1 May - 30 April

DKK '000	Notes	2023/24	2022/23
Other operating income		7,120	5,923
Other external expenses	1	(14,651)	(10,979)
Staff costs	2	(13,797)	(26,019)
Operating profit before depreciation and amortisation (EBITDA)		(21,328)	(31,075)
Depreciation and amortisation of intangible assets, property, plant and equipment		0	0
Operating profit (EBIT)		(21,328)	(31,075)
Profit from investments in Group companies and associates	3	(26,420)	151,014
Profit from investments in associates		58	345
Financial income	4	14,740	5,126
Financial expenses	5	(28,016)	(11,876)
Profit before tax		(60,966)	113,534
Tax on profit for the year	6	5,758	8,292
Profit for the year	7	(55,208)	121,826

CFO HIGHLIGHTS

The parent company's income statement for 2023/24 shows a loss of DKK 55.2 million against a profit of DKK 121.8 million last year. The company's equity amounts to DKK 886.9 million per 30 April 2024. The year's result is significantly affected by the development in the subsidiaries in Environmental, as a result of the landslide in Nordic Waste A/S and the subsequent bankruptcy, as well as the fact that DSH Recycling A/S has been taken under reconstruction. This has negatively affected the year's profit from subsidiaries by DKK 147.6 million. Profit from subsidiaries this year amounts to a deficit of DKK 26.4 million against a profit of DKK 151.0 million last year.

BALANCE SHEET

ASSETS

DKK '000	Notes	30 April 2024	30 April 2023
Investments in Group companies	8	706,263	711,345
Investments in associates	9	944	885
Receivables from Group companies	10	502,000	346,100
Total non-current assets		1,209,207	1,058,330
Receivables from sales and services		0	4
Receivables from Group companies		70,816	3
Other receivables		2,574	327
Deferred tax	11	1,653	895
Corporation tax		5,000	8,000
Cash and cash equivalents		0	2
Total current assets		80,043	9,231
Total assets		1,289,250	1,067,561

BALANCE SHEET**EQUITY AND LIABILITIES**

DKK '000	Notes	30 April 2024	30 April 2023
Share capital		6,500	6,500
Foreign currency reserve		(20,289)	(19,183)
Retained earnings		900,642	855,284
Total equity		886,853	842,601
Provisions regarding negative equity in subsidiary companies		60,716	0
Provisions regarding negative equity in subsidiary companies		60,716	0
Borrowings	12	32,000	32,000
Other payables		148	143
Total non-current liabilities		32,148	32,143
Borrowings	12	58,896	6,400
Trade payables		8,038	2,018
Payables to associate		0	6
Payables to Group companies		228,305	165,713
Other payables		14,294	18,680
Total current liabilities		309,533	192,817
Total liabilities		341,681	224,960
Total equity and liabilities		1,289,250	1,067,561
Distribution of profit	7		
Security, contingent liabilities and lease and contractual obligations	13		
Related parties	14		
Events after the balance sheet date	15		
Material accounting policy information	16		

CHANGES IN EQUITY

2023/24

DKK '000	Share capital	Foreign currency reserve	Retained earnings	Total equity
Equity at 1 May 2023	6,500	(19,183)	855,284	842,601
Dividend paid	0	0	(40,000)	(40,000)
Cost of capital changes and dividend distributions	0	0	(16,405)	(16,405)
Net profit for the year	0	0	(55,208)	(55,208)
Contribution from owners	0	0	155,900	155,900
Exchange adjustment	0	(1,106)	0	(1,106)
Capital adjustments	0	0	1,071	1,071
Equity at 30 April 2024	6,500	(20,289)	900,642	886,853

The share capital consists of 6,500 shares of a nominal value of DKK 1,000.

No shares carry any special rights.

2022/23

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



NOTES

TO THE PARENT COMPANY FINANCIAL STATEMENTS

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1. SPECIAL ITEMS

Other external expenses include extraordinary cost of DKK 8.0 million relating to advisory costs.

2. STAFF COSTS

DKK '000	2023/24	2022/23
Wages and salaries	13,119	25,455
Pensions	642	526
Other social security expenses	36	38
	13,797	26,019
Average number of employees	5	5
Salaries and remuneration to the Board of Directors and the Executive Board	9,009	19,344

3. PROFIT FROM INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

DKK '000	2023/24	2022/23
Shares of profit for the year	(21,592)	155,842
Amortisation of goodwill	(4,828)	(4,828)
Profit from investments in Group companies and associates	(26,420)	151,014

4. FINANCIAL INCOME

DKK '000	2023/24	2022/23
Interest from Group companies	14,265	5,026
Other financial income	448	56
Exchange rate gains	27	44
	14,740	5,126

5. FINANCIAL EXPENSES

DKK '000	2023/24	2022/23
Interest to Group companies	21,442	9,170
Other financial cost	6,549	2,671
Exchange rate losses	25	35
	28,016	11,876

6. TAX ON PROFIT FOR THE YEAR

DKK '000	2023/24	2022/23
Current tax on profit for the year	(5,000)	(8,000)
Adjustment of provision for deferred tax	(758)	(292)
Total tax for the year	(5,758)	(8,292)

7. DISTRIBUTION OF PROFIT

DKK '000	2023/24	2022/23
Dividend paid	40,000	20,000
Retained earnings	(95,208)	101,826
	(55,208)	121,826

8. INVESTMENTS IN GROUP COMPANIES

DKK '000	30 April 2024
COST	
At 1 May 2023	738,975
Additions for the year	34,098
Disposals for the year	0
Transfers for the year	0
At 30 April 2024	773,073
VALUE ADJUSTMENTS	
At 1 May 2023	(27,629)
Disposals for the year	0
Exchange adjustment	(1,106)
Shares of profit for the year	(21,592)
Dividend	(55,966)
Other net equity movements	(16,405)
Amortisation of goodwill	(4,828)
At 30 April 2024	(127,526)
Investments in subsidiaries with a negative net asset value transferred to provisions	60,716
Carrying amount at 30 April 2024	706,263
Remaining positive differences (goodwill) included in the above carrying amount at 30 April 2024	46,675

8. INVESTMENTS IN GROUP COMPANIES (CONTINUED)

The Parent company's investments in Group companies comprise:

	Type	Place of incorporation	Ownership interest
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
Esbjerg Marine Service K/S	Associated	Denmark	32.00%
SDK Stevedore A/S	Associated	Denmark	50.00%
SDK Shipping AB	Subsidiary	Sweden	100.00%
SDK Shipping AS	Subsidiary	Norway	100.00%
SDK Chartering A/S	Subsidiary	Denmark	100.00%
SDK Cruise A/S	Subsidiary	Denmark	100.00%
SDK Solutions Holding ApS	Subsidiary	Denmark	63.80%
Shipping Consultancy A/S	Subsidiary	Denmark	100.00%
Shipping Consultancy Sweden AB	Subsidiary	Sweden	100.00%
Sternwinds Shipping SL	Associated	Spain	40.00%
FREJA Group ApS	Subsidiary	Denmark	73.00%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	73.00%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	73.00%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	73.00%
FREJA Transport & Logistics AB	Subsidiary	Sweden	73.00%
SDK Logistics B.V	Subsidiary	Netherlands	43.80%
FREJA Transport & Logistics Holding AS	Subsidiary	Norway	73.00%
FREJA Transport & Logistics AS	Subsidiary	Norway	73.00%
Thoresen Transport AS	Subsidiary	Norway	58.40%
Thoresen Lastebil AS	Subsidiary	Norway	58.40%
FREJA Transport & Logistics OY	Subsidiary	Finland	73.00%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	73.00%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	73.00%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	54.75%
FREJA Transport & Logistics (Shanghai) CO. LTD	Subsidiary	China	54.75%
DSH Environment ApS	Subsidiary	Denmark	76.50%
Selskabet af 12. januar 2024 ApS	Subsidiary	Denmark	100.00%

9. INVESTMENTS IN ASSOCIATES

DKK '000

30 April 2024

COST

At 1 May 2023	688
Additions for the year	0
Transfers for the year	0
At 30 April 2024	688

VALUE ADJUSTMENTS

At 1 May 2023	197
Exchange rate adjustments	1
Shares of profit for the year	58
Other equity adjustments	0
At 30 April 2024	256
Carrying amount at 30 April 2024	944

10. RECEIVABLES FROM GROUP COMPANIES

DKK '000	30 April 2024	30 April 2023
COST		
At 1 May	346,100	237,800
Additions for the year	155,900	108,300
At 30 April	502,000	346,100
Carrying amount at 30 April	502,000	346,100

11. DEFERRED TAX

DKK '000	30 April 2024	30 April 2023
At 1 May	895	604
Change for the year (Profit & Loss)	758	292
Change for the year (Equity)	0	(1)
At 30 April	1,653	895

12. BORROWINGS

DKK 0k falls due after 5 years.

13. SECURITY CONTINGENT LIABILITIES AND LEASE, AND CONTRACTUAL OBLIGATIONS

DKK '000	30 April 2024	30 April 2023
Lease and rent obligations	532	99
Instruction obligation regarding operational leasing. Expected residual values at the end of	1,263	2,028

Contingent liabilities

The Group's Danish companies are jointly and severally liable for the tax on the Group's jointly taxed income etc. Total accrued corporation tax appears from the Annual Report of Selfinvest ApS which acts as management company in the jointly taxed group. Moreover, the Group's Danish enterprises are jointly and severally liable for Danish withholding tax. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Company's liability.

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

14. RELATED PARTIES

Related parties comprise the Board of Directors, the Executive Board and Group Management in Group companies 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 SelfGenerations T ApS, in which Torben Østergaard-Nielsen, CEO, Middelfart exercises control.

15. EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the assessment of the Annual Report 2023/24 have occurred after the balance sheet date.

16. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Preparation

The Annual Report of SDK FREJA A/S for 2023/24 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 2023/24 is presented in DKK thousands.

Recognition and measurement

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

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

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

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

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

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

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

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

Leasing

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

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

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

Translation policies

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

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

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

16. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

INCOME STATEMENT

Other external expenses

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

Staff expenses

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

Other operating income and expenses

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

Income from investments in subsidiaries and associates

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

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

BALANCE SHEET

Investments in subsidiaries and associates

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

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

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

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

Receivables

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

Prepayments

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

Dividend

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

Deferred tax assets and liabilities

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

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

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

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

Current tax receivables and liabilities

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





MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of SDK FREJA A/S for the financial year 1 May 2023 – 30 April 2024.

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Company Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

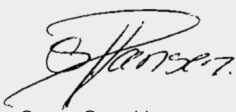
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 30 April 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 May 2023 - 30 April 2024.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

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

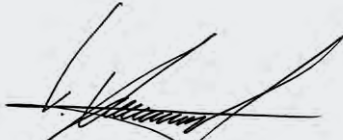
Fredericia, 19 June 2024

EXECUTIVE BOARD



Søren Gran Hansen

BOARD OF DIRECTORS



Torben Østergaard-Nielsen
Chairman



Nina Østergaard Borris



Mia Østergaard Rechnitzer



Jørgen J. Hansen



Peter Hald Appel



Lars Krejberg Petersen



Flemming Dalgaard



Ann Christin Andersen

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SDK FREJA A/S

OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 30 April 2024 and of the results of the Group's operations and cash flows for the financial year 1 May 2023 to 30 April 2024 in accordance with IFRS Accounting 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 2024 and of the results of the Parent Company's operations for the financial year 1 May 2023 to 30 April 2024 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 2023 – 30 April 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including material accounting policy information, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

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

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

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

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

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with IFRS Accounting 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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

Trekantområdet, 19 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



Jens Weiersøe Jakobsen
State Authorised Public Accountant
mne30152



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

