

ANNUAL REPORT 2021/22

CREATING VALUE FOR A BRIGHTER TOMORROW





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FINANCIAL HIGHLIGHTS 2021/2022

The financial development for 2021/22 for SDK FREJA shows we are on the right track and have a solid platform for further growth in accordance with the Strategy Plan.

Significant growth has been achieved, and new companies and activities have been added during the year. We are therefore, all in all, well positioned to reach our goal of growing SDK FREJA significantly in the years to come.

REVENUE
DKK M

6,003



EBITDA
(BEFORE SPECIAL ITEMS)
DKK M

497



EBIT
(BEFORE SPECIAL ITEMS)
DKK M

265



■ 2021/22 ■ 2020/21 ■ 2019/20



EBT
DKK M

244



CONVERSION RATIO
DKK M

20.4



TOTAL EQUITY
DKK M

785



 ROAD TRANSPORT	 SEA FREIGHT
 AIR FREIGHT	 PROJECT FORWARDING
 LOGISTICS SOLUTIONS	 HEALTHCARE SOLUTIONS
 WAREHOUSING SOLUTIONS	 REFRIGERATED SOLUTIONS
 STEVEDORE	 AGENCY
 CRUISE	 CHARTERING
 LAND RECOVERY	 RAW MATERIALS RECOVERY
 ENVIRONMENTAL INNOVATION	 SOIL TREATMENT CONSULTANCY

ABOUT SDK FREJA

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

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

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

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

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.

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





+3,300

COVERING EUROPE WITH
+3,300 TRAILERS

+8 mill.

+8 MILLION TONS
HANDLED OVER QUAY

1,350

EMPLOYEES
ACROSS EUROPE

+210,000

+210,000 SQ M OF
STRATEGICALLY WELL LOCATED
MULTI-TERMINALS AND
WAREHOUSE SPACE

7,600

7,600 AGENCY
CALLS HANDLED
WE OFFER 24/365
AGENCY SERVICE



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

WAREHOUSING,
CROSS-DOCKING AND
STEVEDORING

LABELLING,
PICKING
& PACKING

DISTRIBUTION
AND LAST-MILE

WASTE MANAGEMENT
AND RECYCLING

FIVE YEAR OVERVIEW

DKK'000	2021/22	2020/21	2019/20	2018/19*	2017/18*
Results					
Revenue	6,003,410	2,633,007	1,379,864	1,469,841	1,005,180
Gross profit	1,301,701	629,962	366,625	330,301	273,931
Operating profit/loss before amortisation and depreciation (EBITDA) before special items	497,344	222,784	98,390	57,703	45,089
Operating profit (EBIT) before special items	265,316	97,170	37,691	31,995	24,449
Net financial expenses	(29,868)	(14,817)	(5,597)	6,943	906
Profit before tax (EBT) before special items	244,686	82,529	32,189	25,052	23,543
Profit before tax (EBT)	243,722	62,037	32,189	25,052	23,543
Profit for the year	194,056	45,869	26,431	17,966	18,540
Financial position					
Balance sheet total	3,732,836	3,237,323	689,445	467,563	452,670
Equity, parent company's share	513,519	383,910	131,269	111,056	93,264
Total equity	784,573	542,323	132,470	112,927	94,318
Net working capital	(353,455)	(323,208)	(64,617)	10,675	39,850
Net interest bearing debt	1,087,241	1,247,849	299,266	84,202	122,296
Cash flow					
Cash flows from operating activities	374,888	307,831	105,032	61,290	3,144
Cash flows from investing activities	(127,849)	(760,508)	(82,901)	(23,195)	(65,010)
- Cash flows from investment in PP&E	(8,781)	(14,759)	(65,985)	(22,764)	(5,060)
Free cash flows	247,039	(452,677)	22,131	38,095	(61,866)
Cash flows from financing activities	(197,059)	669,344	(51,275)	8,562	(7,768)
Total cash flows	49,980	216,667	(29,144)	46,657	(69,634)
Financial ratios (%)					
Gross margin	21.7	23.9	26.6	22.5	27.3
Operating margin	8.3	8.5	7.1	3.9	4.5
Profit margin	4.4	3.7	2.7	2.2	2.4
Conversion ratio	20.4	15.4	10.3	9.7	8.9
ROIC before tax	15.1	9.2 **	12.6	12.9	13.1
Return on equity (ROE)	29.2	13.6 **	21.5	17.6	21.8
Solvency ratio	21.0	16.8	19.2	23.8	20.6
Gearing ratio	2.2	5.6 **	3.0	1.5	2.7
Non-financials					
Number of full-time employees	1,350	1,247	400	399	344

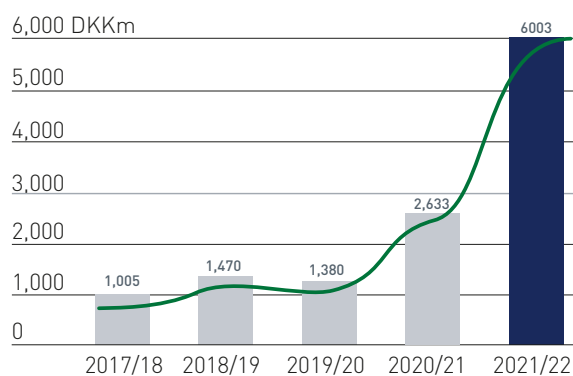
Definitions for the ratios above are specified in note 28 in the Consolidated Financial Statement.

*) The company has implemented IFRS on 1 May 2020. The comparative figures for 2018/19, 2017/18 and 2016/17 are presented in accordance with the Danish Financial Statement Act.

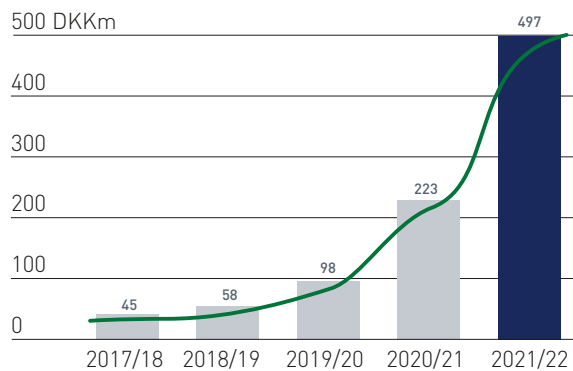
***) The ratio of the year is negatively affected by only 4 months of full EBITDA (FREJA figures only included in EBITDA as from 29 December 2020).



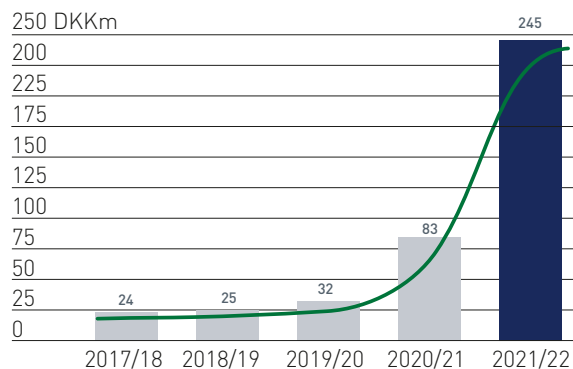
REVENUE



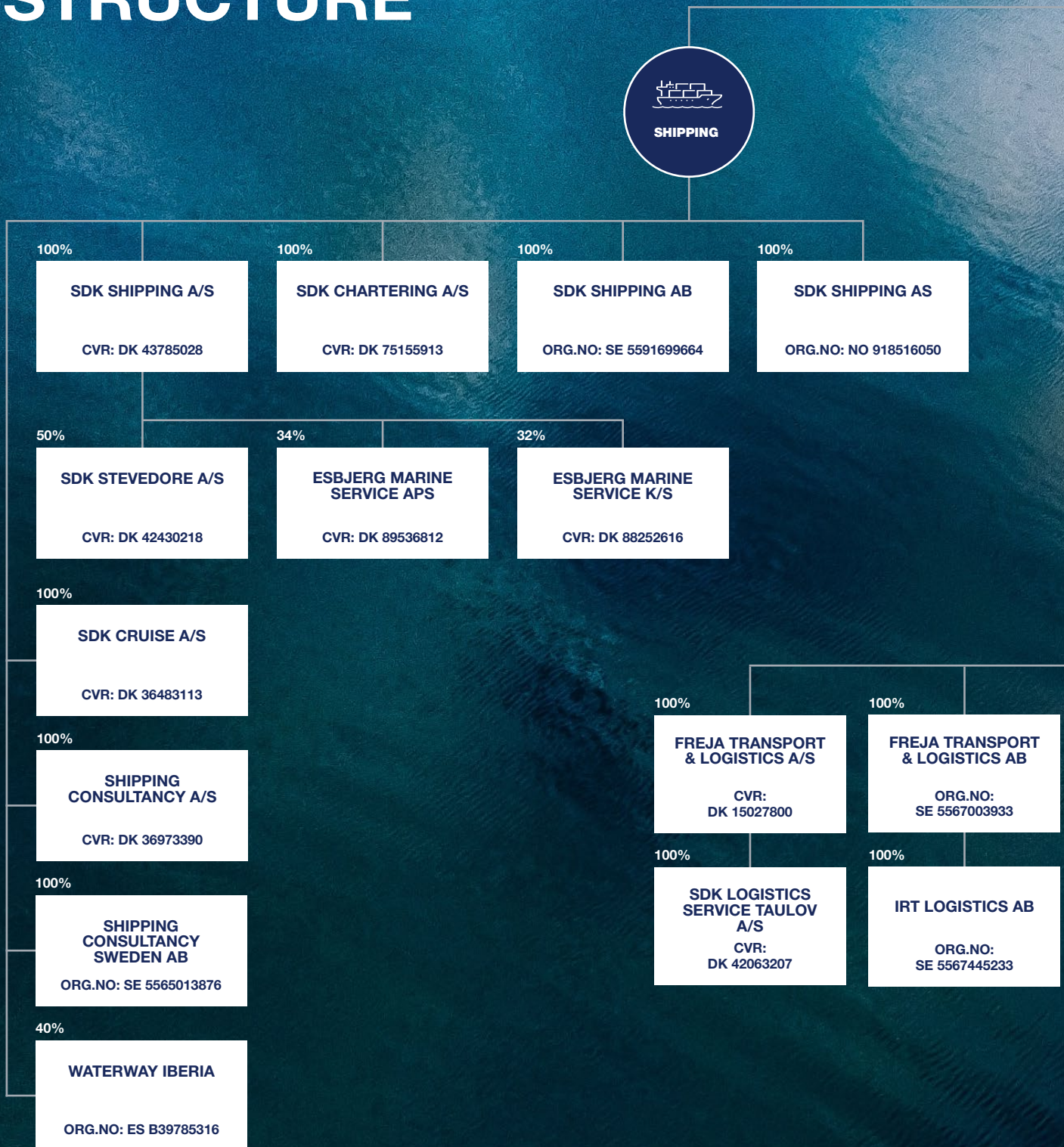
OPERATING PROFIT (EBITDA) BEFORE SPECIAL ITEMS

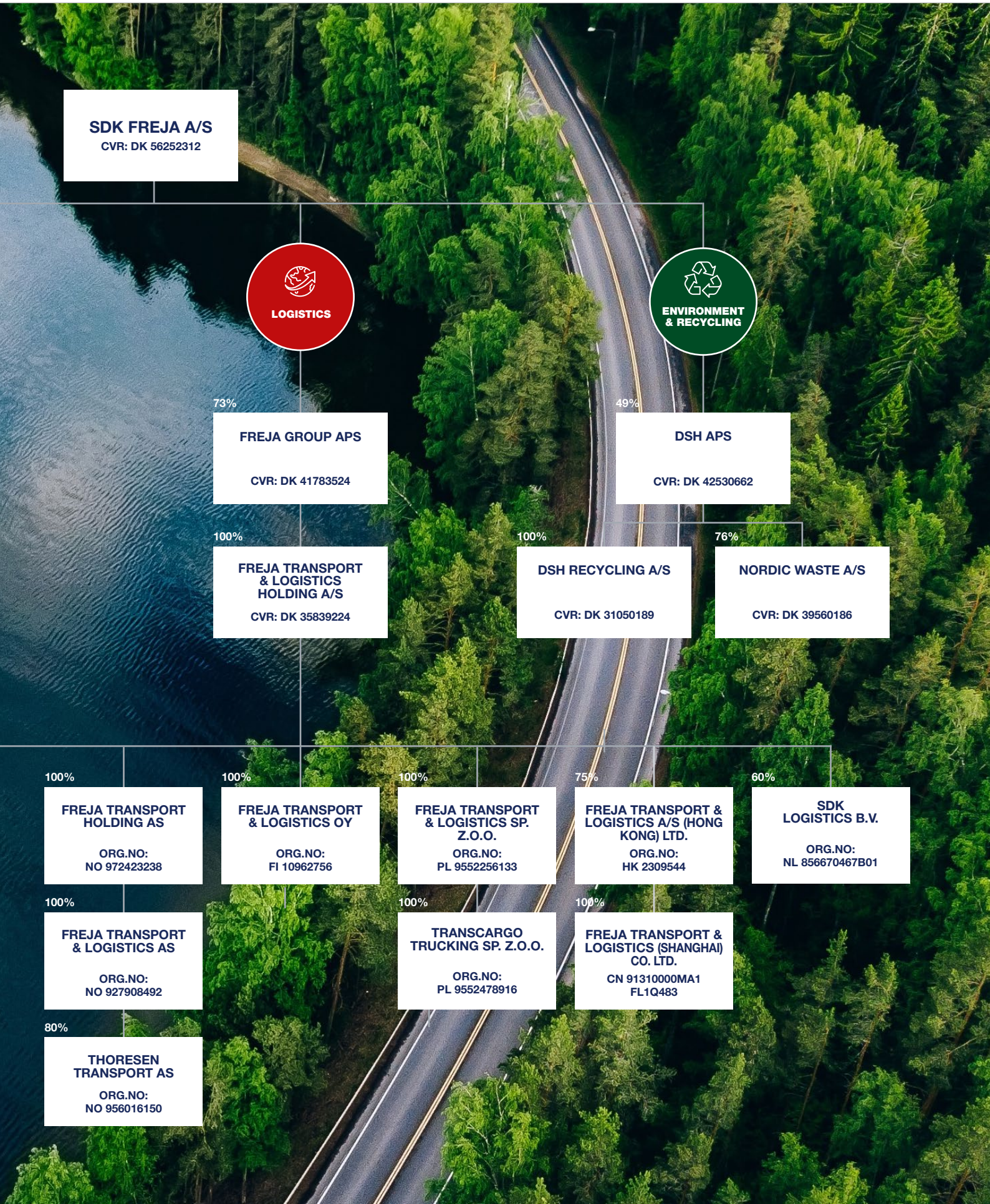


PROFIT BEFORE TAX (EBT) BEFORE SPECIAL ITEMS



GROUP STRUCTURE





NEW LANDMARK YEAR – AN OUTSTANDING FINANCIAL PERFORMANCE

The 2021/22 financial year was another turbulent year, marked by the global logistics chains being under pressure with lack of carrier, warehousing and port capacity, putting both our customers and employees under extraordinary pressure.

The 2021/22 financial year was another turbulent year, marked by the global logistics chains being under pressure with lack of carrier, warehousing and port capacity, putting both our customers and employees under extraordinary pressure.

Despite these challenging times, SDK FREJA Group delivers an outstanding financial performance.

The key component to this performance is our always dedicated and innovative employees who, on a daily basis, find solutions to solve the needs of our customers.

The 2021/2022 financial year was also the year to welcome a third business area into our Group as we acquired 49% of DSH with business activities within environmental and recycling services. DSH has a unique position in a market niche with strong long-term growth expectations, while at the same time offering operational synergies to our Shipping and Logistics business.

The implementation of our Strategy Plan 2025 is on track as we have further strengthened our market position while at the same time providing a scalable platform for further profitable growth and geographical expansion within both

Logistics and Shipping. We have further strengthened our service offerings with new customer solutions and a wider range of products as well as continued the development of our organisation and IT platform.

SDK FREJA have a continued focus on the ESG agenda, and we will publish our first joint sustainability report in Q3 2022. This is an important step towards the future work with ESG.

Acquisitions are at the core of our ambitious strategy plan. After a successful integration of FREJA and SDK Logistics activities during the past year, we have made a few smaller bolt-on acquisitions within Logistics during 2021/22. We have identified a number of acquisition opportunities within both Logistics and Shipping that can bring critical mass from a geographic and purchasing standpoint, along with providing complementary service offerings to further strengthen SDK FREJA's strategic market position.

To sum up – we have again delivered strong financial performance but have the ambition to grow even further in the years to come, both organically and by acquisitions.

DEVELOPMENT IN THE YEAR

The SDK FREJA Group achieved a revenue of DKKm 6,003 (DKKm 2,633 in the previous year). Earnings before tax amounted to DKKm 244 (DKKm 62). At the end of the year, equity amounted to DKKm 785 (DKKm 542).

Compared to last year, earnings before tax increased by DKKm 182 (DKKm 30), corresponding to a 294% (94%) increase.

EXPECTATIONS FOR THE YEAR AHEAD

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

Given the uncertainties described above – which are considered higher than usual – our revenue expectations for 2022/23 are slightly lower than 2021/22, and earnings are expected to reach 65 - 75% of 2021/22.



**Acquisitions
are an
important
part of our
ambitious
strategy plan**



Søren Gran Hansen
Group CEO
SDK FREJA A/S

CSR AND GENDER COMPOSITION

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

Business model

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

Environment and climate change

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

SDK FREJA will publish its first joint sustainability report in Q3 2022, and this is an important step towards the future work with ESG.

FREJA offers sustainable fuel solutions to our customers and will continue to focus on reducing our empty haulage and increasing our load utility on road transport. During the next period, we will uncover possible actions to reduce our environmental impact in other activities in SDK FREJA.

Aside from CO2 emissions, SDK FREJA also monitors waste generation and has an internal goal of reaching a recycling rate of 60%. In 2021, 54,5% of our waste was sent to recycling. We aim to sort and recycle as much waste as possible throughout our operations. Furthermore, we also have a goal to continuously reduce the consumption of electricity, water and heating in all our buildings to minimise our environmental footprint.

SDK FREJA have from the start of 2022 increased our focus on facility management and energy reduction. As a part of our efforts, an energy specialist has joined the team in Denmark to maintain and optimise energy resources at our own facilities.

Human rights

We recognise that through our activities within road transport, air and sea projects, logistics, stevedoring, agency, customs clearing, commercial chartering, liner services and cruise services, we might encounter risks related to people being underpaid or working under poor conditions, as well as experience inadequate compliance with legislation. It is important that our partners and suppliers share the same attitude towards business morals and ethics as us.

To minimise risks of breaching human rights, SDK FREJA have written agreements, including our Code of Conduct, which you can find here: https://www.freja.com/wp-content/uploads/2021/06/Code-of-Conduct-for-Suppliers-to-FREJA_2021.pdf, with all key subcontractors, aiming to ensure compliance with our requirements and applicable legislation. In 2021, more than 90% of our subcontractors within road transportation had signed the Code of Conduct.

In the next reporting period, we will continue to spread awareness about our Code of Conduct in the rest of our supply chain to ensure that all significant suppliers know about the Code of Conduct and accept it. We will also start conducting supplier ESG audits from a risk perspective.

Human rights violations

SDK FREJA has not received any reports through our whistle-blower program, and we have no knowledge of any violations in relation to our operations.

Employees

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

As a result of the COVID-19 pandemic, we have had good experiences with the use of online meetings rather than physical ones, and we expect to continue more with this going forward. It reduces travel time, which means less CO2 emissions, and it is often more convenient for our employees as they save time on transport and thereby have more time to focus on their tasks.

FREJA has an established trainee program where we every year offer new talents the possibility to join our team in Denmark, Norway or Sweden. The programme takes two years, and in that time the trainees primarily go to work at FREJA, while ten weeks of the program are dedicated to schoolwork, providing the trainees with a broad knowledge base and experience. Once the training has been completed, the trainees can call themselves freight forwarders, and most of them will have the possibility to pursue a career at SDK FREJA. Every year, we ask for feedback from the trainees in order to continuously improve the program. In 2021, 11 trainees graduated from the program.

Anti-corruption

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

SDK has implemented a whistle-blower system in 2021, while FREJA has had a whistle-blower system in place for the past four years. The whistle-blower system is in place to allow anonymous reporting within our business in order to prevent unacceptable behaviour and criminal actions. In the reporting period, there were no reports of unethical behaviour. The work with anti-corruption will continue unchanged.

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

Gender composition in leadership positions

SDK FREJA A/S's Board of Directors is the supreme management body in the company and currently consists of six members. Today, the percentage of female members of the Board elected by the shareholders is 14%. The target for the underrepresented gender on the Board of Directors is 33% by 2023.

As part of our criteria for members of the Board of Directors, we seek individuals with experience from our industry. Operating in a male-dominated industry, we are experiencing challenges to attract women with relevant industry experience to our Board. This is also the reason why we did not yet reach our target in 2021. In 2022, we are planning an expansion of our Board of Directors to nine members in total. This presents us with an opportunity to increase the share of women on our Board. To reach our target, it is essential for us to attract representatives of the underrepresented gender, and we will continuously work to achieve an equal representation of genders on our Board in accordance with section §99b of the Danish Financial Statements Act.

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

- requiring to be presented with both male and female candidates when using external recruitment partners
- inviting suitable candidates of both genders for an interview when filling management positions
- increasing focus on potential female management talents in the organisation and actively encouraging them to apply for management positions.

Despite the efforts made, we have not seen any changes in the gender representation at other management levels in 2021. Going forward, we will continue our efforts to promote gender diversity across all management levels.

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

As a company in the logistics and shipping industry, SDK FREJA A/S collects and manages large amounts of data as part of our operations. The types of data we manage include supplier and customer data, GPS data, as well as personal data related to our own employees.

We are strongly committed to managing our data in a responsible and ethical manner, complying with all applicable laws and

regulations. We take our responsibility to manage data processes in an ethical way very seriously. As a result, we have developed a number of internal policies and guidelines for our employees to follow when managing data in relation to our operations. One of our primary considerations for our data management processes is access to data. As a logistics and shipping company, we seek to be as transparent as possible to our customers when it comes to the transportation of their goods. However, we are also aware of our responsibility to protect the data of our customers, suppliers and employees.

We follow the principle of least privilege access when it comes to management of data in our organisation. This means that the individual only has access to the data that is strictly required to do their job. The same principle applies to our customers and suppliers, who are only able to access the data that is directly related to their goods. We have formalised our internal data management processes in our IT policy. The policy is available to all employees.

To support our internal guidelines and policies, we have a formalised data management system that ensures that our employees only have access to the data that is required to carry out their responsibilities. As a part of our data management processes, we review the list of access rights every quarter. In relation to our employee data, we have a HR system in place with strict access requirements to ensure that data is only accessible by authorised personnel.

FINANCIAL AND OPERATIONAL RISKS

Foreign exchange risks

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

Credit risks

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

Interest rate risks

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

Trading risks

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

An elaboration of the Group's financial risk management can be viewed in note 16 in the Consolidated Financial Statement.





Logistics

GROUP PERFORMANCE LOGISTICS

Our very satisfying development and earnings are characterised by the fact that we have kept our customers' supply chains flowing with a very high and flexible service level during another unpredictable year with plenty of disruptions.

As in the previous years, FREJA has continued to focus on strengthening our already solid organisation with more skilled people while utilising our position as a full-service provider – a position which has been strengthened during the last year – to stay at the top of the market. In focusing on providing the best possible service, we continued to provide our customers with excellent solutions within the Road, Air & Sea, Project and Logistics businesses – to become the customers' first choice.



Our staff is core, and they have once again delivered an extraordinary effort to keep our customers' supply chains flowing

Our staff is the core of our business, and they have once again delivered an extraordinary effort to keep our customers' supply chains flowing

during another year of unpredictability and volatility. This proves our point of logistics being a people business and is the reason we continue to invest in developing our organisation. We still believe that our ability to hire, educate, develop and retain staff in accordance with our core values and strong mindset will be key to our long-term success.

The integrations with SDK Logistics, TF Freight and TL Trans are completed, and we have already discovered many benefits – especially in terms of better solutions to our customers. Thoresen Transport and IRT, which are the latest acquired companies, will soon be fully integrated. We are very pleased with again proving successful in our asset-light business model that together with our strong IT platform and organisation can integrate newly acquired companies in a fast and secure way. This shows that by staying loyal to our core values in FREJA, we continue to succeed.

Despite another fiscal year with plenty of disruption and challenges, among others the global supply chain which has been stretched to its limits, as well as the COVID-19 pandemic still posing a challenge to global supply and logistics, FREJA has once again delivered strong growth in revenue and a very satisfying development at EBT level. Especially Denmark, Finland, Norway, Sweden and China have shown strong development and earnings. Holland has had another good year, while Poland continues to follow their long-term business plan.

It is crucial for FREJA to continuously invest in IT solutions and IT tools to support our customer service experience. FREJA wants to meet the demands from our customers, now and in the future. These demands include the ability to access all relevant data and have a full overview of their Business Intelligence. We believe that being able to offer transparency is key to long-term success with all our partners, and we strive to deliver "best in class" on that agenda.

Our expectations for the 2022/23 financial year are to benefit from our stronger set-up and network as well as taking part in the ongoing consolidation in the market. Acquisitions are an important part of our ambitious strategy plan. Despite the war in Ukraine and the increased uncertainty related to the global economy, how-ever, we believe that the continued disruptions of global supply chains will support a high demand for our services.

Overall, we are very pleased and comfortable with the current development and with the opportunities we want to explore in the near future.



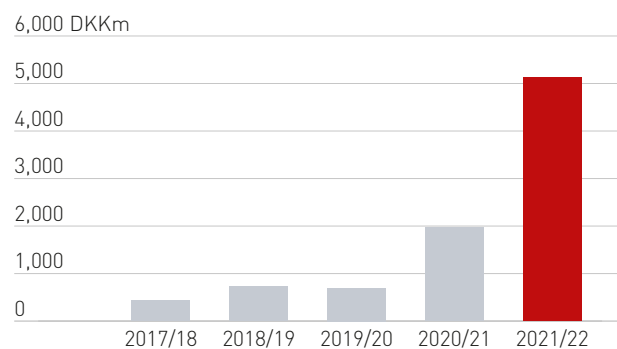
Ulrik Rasmussen
Group CEO
Logistics

CONDENSED INCOME STATEMENT AND KEY FIGURES

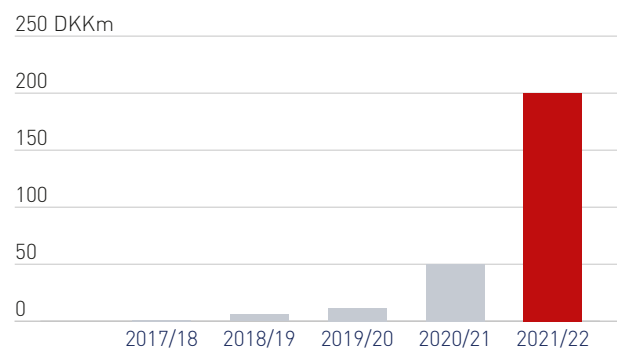
DKKm	2021/22	2020/21	Change
Revenue	5.127,7	1.966,5	161%
Direct costs	4.120,2	1.615,1	155%
Gross profit	1.007,5	351,4	187%
Other external expenses	186,6	54,1	245%
Staff costs	412,8	175,0	136%
Operating profit before amortisation and depreciation (EBITDA) before special items	408,1	122,3	234%
Amortisation and depreciation	182,8	51,0	258%
Operating profit (EBIT) before special items	225,3	71,3	216%
Special items	0,0	12,4	-100%
Financial income/expenses	25,2	8,6	193%
Profit before tax (EBT)	200,1	50,3	298%
Gross margin	15.2%	17.9%	-2.6%
Conversion ratio	28.8%	20.3%	8.5%
Operating margin	8.0%	6.2%	1.7%
EBT margin	3.9%	2.6%	1.3%

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

REVENUE



EBT



LOGISTICS DENMARK

Jan Sunde
Managing Director
Denmark



FREJA Denmark has improved results despite uncertain market conditions and supply chain disruptions. During 2021/22, FREJA Denmark focused on keeping supply chains intact by serving our valued customers. Our business model ensures a close contact to customers, which is increasingly important during challenging times. We are and always will be a “people’s business”.

FREJA Denmark has had yet another strong financial year despite numerous challenges: COVID-19, the conflict between Russia and Ukraine, short supply of products and materials and spiralling fuel costs. Also, new EU Mobility legislation (which needs to be fully adapted in each EU country before we see the full effect) have added to the list of challenges we have had to navigate.

And all of the above factors have increased the costs and complexity of our business.

Throughout all this, the FREJAnS have done their utmost to serve our customers and keep supply chains flowing. Even though the waves of COVID-19 for the past years have put extraordinary pressure on our valued employees, they have made fantastic efforts to keep supply chains intact.

While continuing with what has proven to work, the organisation is always improving and expanding new services. FREJA will adapt to market demands and the market conditions required by our customers. During 2021/22, we saw large fluctuations in volume and capacity within all our business sectors. We expect the pressure on capacity to continue to fluctuate, and we will do our utmost to stay at the forefront of any change, ensuring supply chains stay open and thus create value for our customers.

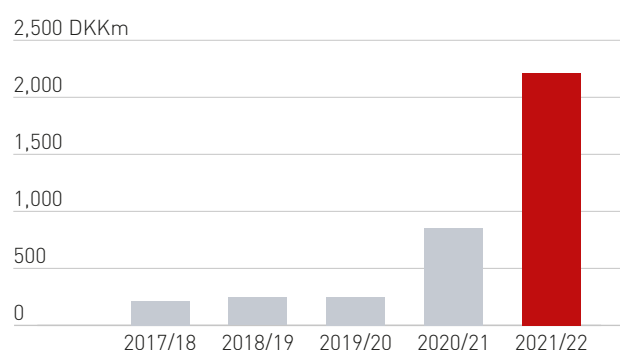
Even as FREJA Denmark has shown its ability to adapt and thrive during uncertainty, we sincerely hope the world will return to some kind of ‘business as usual’ as opposed to the current uncertainty and unclear picture.

CONDENSED INCOME STATEMENT AND KEY FIGURES

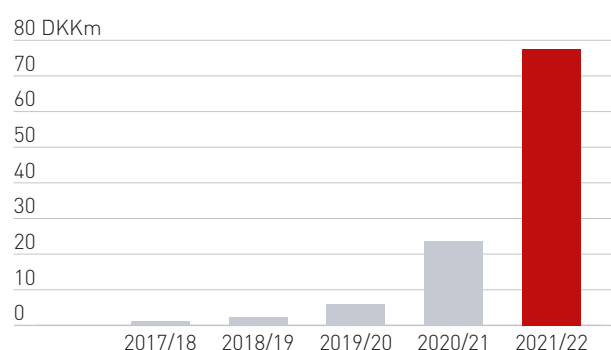
DKKm	2021/22	2020/21	Change
Revenue	2.215,8	855,1	159%
Direct costs	1.815,7	708,8	156%
Gross profit	400,1	146,3	173%
Other external expenses	75,2	25,6	194%
Staff costs	169,0	64,5	162%
Operating profit before amortisation and depreciation (EBITDA) before special items	155,9	56,2	177%
Amortisation and depreciation	73,5	30,5	141%
Operating profit (EBIT) before special items	82,4	25,7	221%
Special items	0,0	0,0	NA
Financial income/expenses	4,9	2,1	133%
Profit before tax (EBT)	77,5	23,6	228%
Gross margin	18.1%	17.1%	0.9%
Conversion ratio	20.6%	17.6%	3.0%
Operating margin	7.0%	6.6%	0.5%
EBT margin	3.5%	2.8%	0.7%

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

REVENUE



EBT



LOGISTICS NORWAY

Kjell-Arne Eloranta
Managing Director
Norway



The activity in 2021/22 was historically high. Despite heavy disruption and challenging market conditions, the growth in revenue, the number of shipments and EBT were up 20%, adjusted for the positive synergies from the acquisition of Thoresen Transport AS. The synergies from SDK Logistics were also positive and have contributed to improve our competitiveness and profitability.

Our strong financial year can once again be attributed to our focus on quality and heavy investments, which have led to important new service contracts with both new and existing customers. Emergency pharma and healthcare products connected to the pandemic situation are some of the new customer areas where we have succeeded in delivering with excellence.

The capacity situation has been challenging in all segments with overseas transport having been under stress caused by the lack of containers, blank sailings, the blockade in Suez and overloaded harbours. As of spring, however, we have succeeded in increasing our allotment.

In the airfreight market, our good relations with several airlines have made us able to serve our customers well even during a decline in flights. Furthermore, our contract logistics portfolio has been extended to 34,000 sqm and will further increase to +40,000 sqm this summer.

In the Road and Rail segments, we have also expanded our capacity, even though being limited by long production times for new transport equipment and the challenge of recruiting new drivers. Luckily, our sister company in Poland, Transcargo, has been able to increase their portfolio of drivers and trucks, helping us meet the increasing demand.

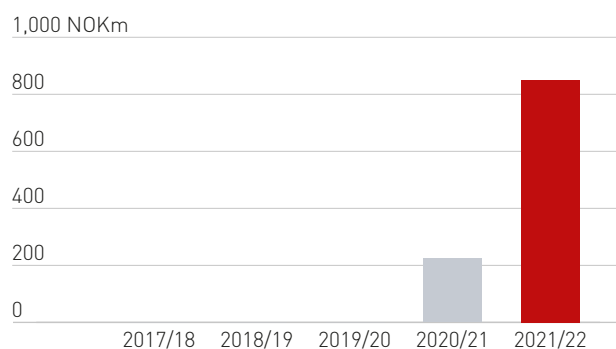
For the coming years, we will continue to focus on keeping both our quality and capacity situation at the highest level, offering our customers even more predictability in an uncertain market.

CONDENSED INCOME STATEMENT AND KEY FIGURES

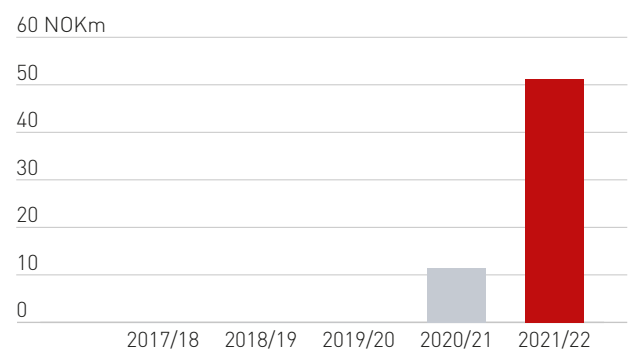
NOKm	2021/22	2020/21	Change
Revenue	851,0	224,2	280%
Direct costs	596,4	156,5	281%
Gross profit	254,6	67,7	276%
Other external expenses	63,1	15,6	304%
Staff costs	91,8	28,4	223%
Operating profit before amortisation and depreciation (EBITDA) before special items	99,7	23,7	321%
Amortisation and depreciation	41,2	11,0	275%
Operating profit (EBIT) before special items	58,5	12,7	361%
Special items	0,0	0,0	NA
Financial income/expenses	7,3	1,3	462%
Profit before tax (EBT)	51,2	11,4	349%
Gross margin	29.9%	30.2%	-0.3%
Conversion ratio	23.0%	18.8%	4.2%
Operating margin	11.7%	10.6%	1.1%
EBT margin	6.0%	5.1%	0.9%

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

REVENUE



EBT



LOGISTICS SWEDEN

Morten Dreyer
Managing Director
Sweden



During a year with many changes and unpredictable times, FREJA Sweden has seen positive developments in both earnings and activity level. Having strengthened our position and developed new markets, the results show in our performance with the broader portfolio of services we are able to offer our clients. In a year with the merger of three companies, we are satisfied with the achieved results, both financially and culturally.

Our development in the 2021/22 financial year has been good, and we are satisfied with the performance both financially and in our operations. Earnings and revenue have developed positively as we have managed to manoeuvre in a difficult and changing environment. The organisation has succeeded despite the many changes in Sweden with the merger of FREJA, SDK Logistics and TF Freight, and the acquisition of IRT Logistics.

In addition to the mergers and the unification of our cultures, we have spent many resources on the integration processes and IT applications. Today we are on the same platform allowing us to profit from the synergies and the collaboration between our employees and departments.

Playing to our strong synergies, FREJA Sweden is well positioned to take full advantage of our skilled employees, so we can continue to offer our customers the best solutions in the market, being the full-service provider we aim to be.

A new management has been introduced, gathering the know-how and competencies from all the companies and aiding our future goals of being a trusted and valued partner to all our clients.

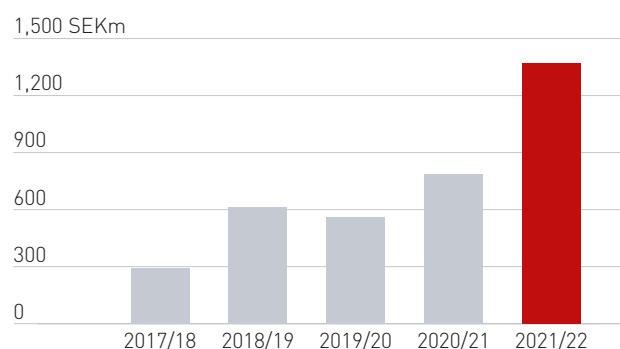
We expect to continue improving our products and ensuring the continuation of the positive development and financial performance for years to come.

CONDENSED INCOME STATEMENT AND KEY FIGURES

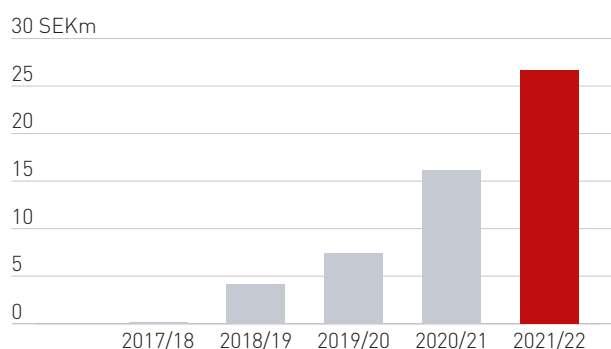
SEKm	2021/22	2020/21	Change
Revenue	1.369,8	787,0	74%
Direct costs	1.096,2	631,0	74%
Gross profit	273,6	156,0	75%
Other external expenses	72,6	21,3	241%
Staff costs	119,6	84,5	42%
Operating profit before amortisation and depreciation (EBITDA) before special items	81,4	50,2	62%
Amortisation and depreciation	52,3	31,9	64%
Operating profit (EBIT) before special items	29,1	18,3	59%
Special items	0,0	0,0	NA
Financial income/expenses	2,4	2,2	9%
Profit before tax (EBT)	26,7	16,1	66%
Gross margin	20.0%	19.8%	0.2%
Conversion ratio	10.6%	11.7%	-1.1%
Operating margin	5.9%	6.4%	-0.4%
EBT margin	1.9%	2.0%	-0.1%

Income statement figures 2020/21 only include the period January to April 2021 for FREJA Transport & Logistics AB. SDK Logistics AB and TF Freight AB are included in the period May 2020 to April 2021. Income statement figures include the effect of the IFRS 16 standard on leases.

REVENUE



EBT



LOGISTICS FINLAND

Matti Urmas
Managing Director
Finland



Despite a year still influenced by the pandemic and the war in Ukraine, FREJA Finland has endured and can present their best financial performance to date. The strong growth and results were made possible by having a clear business plan with a keen eye for key priority areas in the daily business: Strong focus on customer service, quick and agile responses and solutions, and an open communication with our customers.

Positive development has continued in all business areas, including thermo activities, where we have had a very successful development and integration of the recently acquired TL Trans.

Our growth has been achieved despite past two years of uncertainty and turmoil. The pandemic, and more recently the introduction of the EU Mobility Package in February 2022, along with the war in Ukraine, which has negatively impacted production costs due to rapidly increasing oil prices, have all challenged the foreign trade. Both at a global business environment level as well as at a geographical segment level. We have, however, been able to navigate these troubled waters thanks to our agile setup and ability to quickly reallocate resources.

The European Road activities have seen a very positive development due to our ability to quickly respond to rapid market changes and special customer demands, as well as our wide and important partner network. Overseas activities have been under great pressure due to less capacity offered by shipping lines and air carriers, mainly as a result of COVID-19. Despite this impact, our overseas activities have developed positively, as we continue our strategy of being the most attractive service provider in Finland.

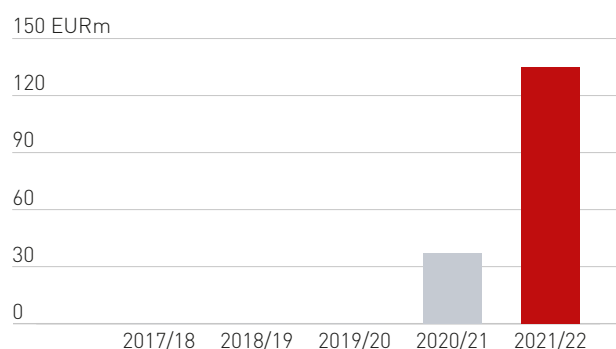
Our focus in the coming financial year will be to ensure our existing businesses and our market shares, while we continue strengthening our multi-channel marketing to increase brand awareness in Finland – a strategy which seems to work well.

CONDENSED INCOME STATEMENT AND KEY FIGURES

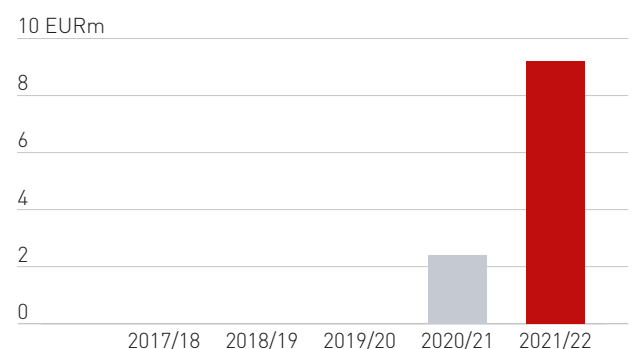
EURm	2021/22	2020/21	Change
Revenue	135,0	37,0	265%
Direct costs	116,9	31,9	266%
Gross profit	18,1	5,1	255%
Other external expenses	2,9	0,8	263%
Staff costs	4,5	1,4	221%
Operating profit before amortisation and depreciation (EBITDA) before special items	10,7	2,9	269%
Amortisation and depreciation	1,5	0,5	200%
Operating profit (EBIT) before special items	9,2	2,4	283%
Special items	0,0	0,0	NA
Financial income/expenses	0,0	0,0	NA
Profit before tax (EBT)	9,2	2,4	283%
Gross margin	13.4%	13.8%	-0.4%
Conversion ratio	50.8%	47.1%	3.8%
Operating margin	7.9%	7.8%	0.1%
EBT margin	6.8%	6.5%	0.3%

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

REVENUE



EBT



LOGISTICS POLAND

Tomasz Cegielski
Managing Director
Poland



FREJA Poland has strengthened its position as a logistics operator in an otherwise highly competitive market. During the last 12 months, we have introduced new products – Contract Logistics and Air & Sea freight – to fulfil our customers’ needs, and we aim to become one of the leading logistics operators on the Polish market.

In the 2021/22 financial year, we improved our revenue and contribution margin in a very challenging period where the economic situation in Poland has been very heavily affected by the COVID-19 pandemic and the war in Ukraine.

Our modern logistics location in Szczecin has performed according to our business plan and is providing quality service to several long-standing clients. Our cross-dock function gives us the possibility to supplement logistics activities with road transportation services, both in part loads and full loads areas as well as groupage.

Transcargo Trucking in Poland has expanded its fleet and now has 150 modern trucks. With a combination of our owned and sub-contracted fleet, this gives us a unique opportunity to minimise operational risk and deliver excellent quality to our customers and partners.

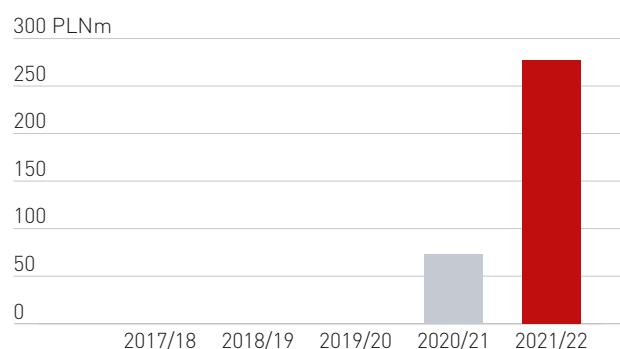
The market in Poland has become challenging with new regulation and the implementation of the EU Mobility Package as well as the still ongoing COVID-19 pandemic. However, our aim to provide best-in-class quality and customer service to customers and partners even during challenging market fluctuations has continued to pay off in our latest financial results. Our highly specialised and motivated organisation in combination with our flat organisational structure are strong assets for current and future tasks. Offering supply chain solutions to new and existing customers will be one of our milestones in 2022/23. Our future ambition is to provide a full scope of services everywhere in Poland where we are present.

CONDENSED INCOME STATEMENT AND KEY FIGURES

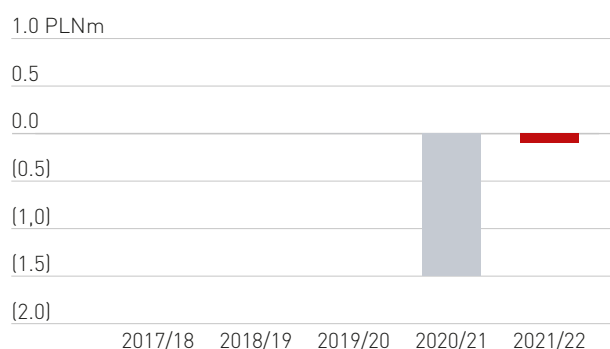
PLNm	2021/22	2020/21	Change
Revenue	277,6	72,9	281%
Direct costs	241,9	64,6	274%
Gross profit	35,7	8,3	330%
Other external expenses	13,0	3,2	306%
Staff costs	12,0	2,9	314%
Operating profit before amortisation and depreciation (EBITDA) before special items	10,7	2,2	386%
Amortisation and depreciation	9,5	3,0	217%
Operating profit (EBIT) before special items	1,2	-0,8	-250%
Special items	0,0	0,0	NA
Financial income/expenses	1,3	0,7	86%
Profit before tax (EBT)	-0,1	-1,5	-93%
Gross margin	12.9%	11.4%	1.5%
Conversion ratio	3.4%	-9.6%	13.0%
Operating margin	3.9%	3.0%	0.8%
EBT margin	0.0%	-2.1%	2.0%

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

REVENUE



EBT



LOGISTICS CHINA

Leo Hu
Managing Director
China



2021/22 was a strong financial year for FREJA China, as we delivered our best financial results to date. Revenue increased by almost 100% while EBT increased by approximately 200% compared to 2020/21. Despite various disruptions, all three offices (Shanghai, Guangzhou and Qingdao) have maintained their steady growth in both existing business segments – Industrial Project and Air & Sea freight – from their respective regions.

During the past financial year, the market has shown a strong demand in global transportation, especially from China to other parts of the world. The combined efforts of the entire organisation, our focus on delivering quality and not least meeting demands from every customer, have supported our development and furthered close and interdependently connected customer relations.

Despite the fact that regional conflicts, economic sanctions, trade barriers and COVID-19 lockdowns still impose major impacts on global trading and the supply chain, our results have shown that we, nonetheless, have managed to thrive and grow, much in due to our core competitiveness presented in our staff. We have a group of professionals and specialists who take care of every single of our customers' individual needs, keep every promise and deliver safely to every destination.

Clean energy continues to develop fast in China as the country sticks to its policy of energy conservation and emission reduction, which gives opportunities in the Industrial Project segment as the demand for building new energy plants is increasing.

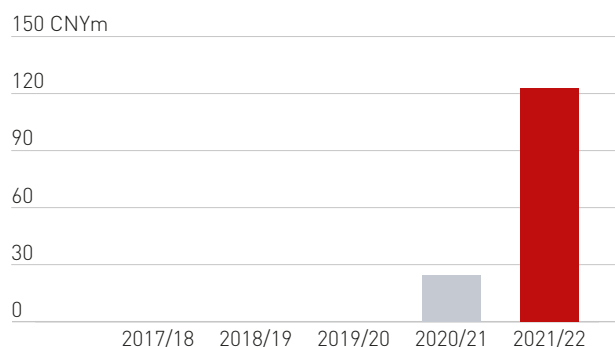
Our professional and dedicated team will continue to focus on our strengths, maintaining the growth from existing business areas, increasing the market share and delivering safely and on time to every customer around the world.

CONDENSED INCOME STATEMENT AND KEY FIGURES

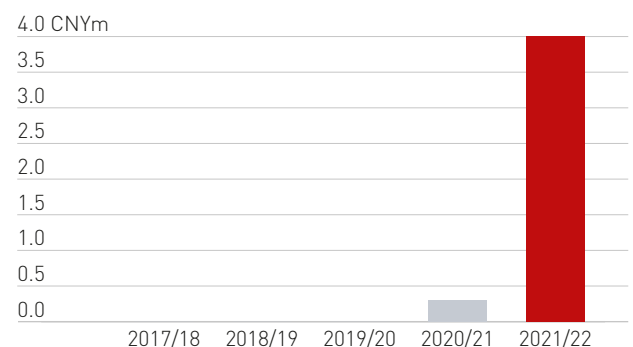
CNYm	2021/22	2020/21	Change
Revenue	122,8	24,3	405%
Direct costs	110,5	21,9	405%
Gross profit	12,3	2,4	412%
Other external expenses	1,9	0,4	375%
Staff costs	5,9	1,5	293%
Operating profit before amortisation and depreciation (EBITDA) before special items	4,5	0,5	800%
Amortisation and depreciation	0,5	0,2	150%
Operating profit (EBIT) before special items	4,0	0,3	1,233%
Special items	0,0	0,0	NA
Financial income/expenses	0,0	0,0	NA
Profit before tax (EBT)	4,0	0,3	1,233%
Gross margin	10.0%	9.9%	0.1%
Conversion ratio	32.5%	12.5%	20.0%
Operating margin	3.7%	2.1%	1.6%
EBT margin	3.3%	1.2%	2.0%

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

REVENUE



EBT



LOGISTICS NETHERLANDS

Ron Visser
Managing Director
The Netherlands



SDK Logistics B.V. has managed to deliver a stable financial result in 2021/22. The steps we have taken within the FREJA Group have been very positive. Using our IT platform across the FREJA Group is just one example of how the synergies have given us a huge boost, as we now can offer our customers much more in terms of service and quality.

Despite a strong financial year in terms of growth in both revenue and capacity, the 2021/22 financial year has also been defined by challenges, among others the still ongoing COVID-19 pandemic and more recently the new regulations in the Road department, the EU Mobility Package. This has had a big impact on not just capacity but also operating costs. However, the whole organisation has done a great job to keep the current capacity at the same level as before the regulations were introduced in February 2022 – and we continue to rise to any challenge we meet.

The Sea department is growing in terms of import containers from the Far East, which also gives us increased warehousing activities. The cooperation with other Sea departments within the FREJA Group has also shown great synergies. Due to our geographic position, the Netherlands is the natural entry to Europe for import containers from around the world. This strategic position gives us plenty of opportunities – something we have been using to our advantage as we have seen this department grow during 2021/22, and which we, despite much uncertainty, believe will continue to grow in the years to come.

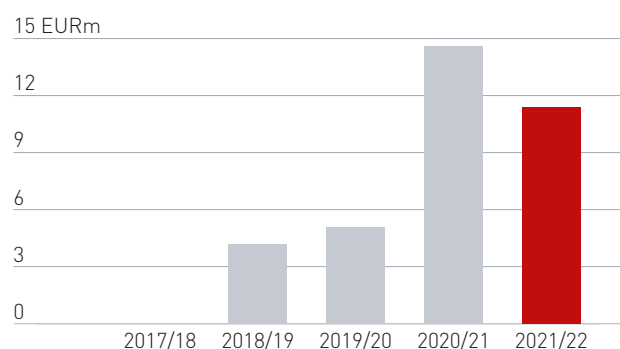
In anticipation of the next financial year showing continued uncertainty related to the global economy, we expect further disruptions in the global supply chains, both due to the situation in Ukraine and due to a general lack of capacity. In response, we want to build a strong and unifying culture which will ensure our ability to keep building market shares while offering the best customer service.

CONDENSED INCOME STATEMENT AND KEY FIGURES

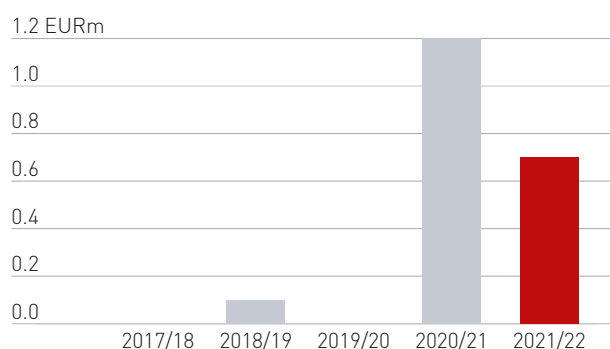
EURm	2021/22	2020/21	Change
Revenue	11,4	14,6	-22%
Direct costs	10,0	12,7	-21%
Gross profit	1,4	1,9	-26%
Other external expenses	0,1	0,2	-50%
Staff costs	0,4	0,3	33%
Operating profit before amortisation and depreciation (EBITDA) before special items	0,9	1,4	-36%
Amortisation and depreciation	0,2	0,2	0%
Operating profit (EBIT) before special items	0,7	1,2	-42%
Special items	0,0	0,0	NA
Financial income/expenses	0,0	0,0	NA
Profit before tax (EBT)	0,7	1,2	-42%
Gross margin	12.3%	13.0%	-0.7%
Conversion ratio	50.0%	63.2%	-13.2%
Operating margin	7.9%	9.6%	-1.7%
EBT margin	6.1%	8.2%	-2.1%

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

REVENUE



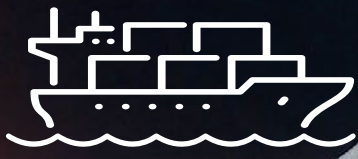
EBT







SHIPPING





GROUP PERFORMANCE SHIPPING

The 2021/22 financial year was another turbulent year with significant market challenges following the aftermath of a global pandemic and a tragic war in Ukraine. With the right organisational set-up, a strong market position and not least dedicated employees and management, SDK has, however, withstood the adversity well and can present a very satisfactory result for the year.

Freight and warehousing capacity became a scarce commodity during the pandemic – a trend that seems to continue – and this has led to large price increases throughout the logistics chain. The tragic war in Ukraine has also had a major impact on our daily lives and is affecting commodity flows and energy prices. This has meant that we once again have relied heavily on our employees, who have been agile and solution-oriented in order to provide our customers with the best service.

We have seen the market change with new patterns in our customers' service demands when it comes to their goods. It has been exciting and a pleasure to be involved in solving our customers' logistics needs.

2022 is also the year in which the cruise industry has once again found faith in the future after the COVID-19 pandemic. Despite two years of virtually no normal activity, our cruise colleagues have had many challenging tasks for the cruise industry. These have ranged from the lay-up of ships to the demobilisation of crews, and for the past many months we have assisted with preparing the ships again for the upcoming cruise season.

Because of the war in Ukraine, many cruise lines destinations and schedules have also been changed. As a consequence of the many logistical challenges of establishing cruise activities at new ports, we are therefore looking forward to a record year, measured by the number of ships calling at the Scandinavian ports.

Over the years, SDK has solved many special tasks, and the past year has been

no exception. We have solved project tasks within the construction industry and handled ships that have been in distress at sea. This has required extraordinary solutions from our employees to the great satisfaction of our customers.

The implementation of our 2025 strategy is on track. We have grown organically in all areas and have, at the same time, a strong focus on growth through acquisitions. The year has not offered any new acquisitions, but there is a serious dialogue with several potential candidates.

As an essential element in our 2025 strategy, we also have a continued strong focus on increased digitisation.

Within our agency tasks, we have succeeded in digitising work processes that ensure efficient task solution 24/7 quickly and smoothly for the mutual benefit of our customers as well as ourselves.

FREJA being part of the family has meant that we can now jointly offer an even wider range of logistics solutions – something our customers have received very well.

We have a strong focus on ESG and of course on our CO2 footprint. During the past year, we have taken several initiatives to optimise our buildings, terminals and handling machines for a green profile.

After a challenging year, we can therefore conclude that we have nevertheless managed to maintain a high level of service and obtain satisfactory financial performance in all our core areas, which

include Chartering, Stevedoring, Project Management, Agency, Passage, Cruise and STS.

We can thank our skilled employees, loyal customers and strong ownership for our continued stellar growth and financial performance – and as such we have absolutely no doubt that SDK is well equipped for the coming years.

”

**We want
to be the
customers'
first choice**



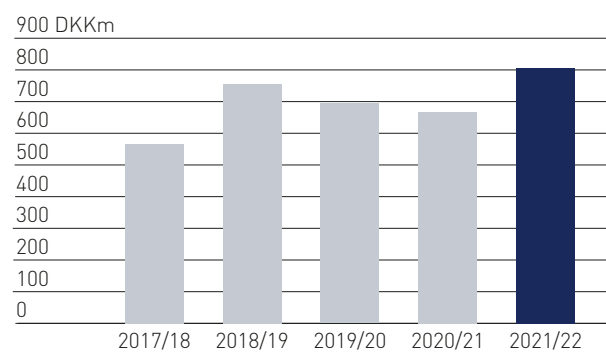
Lars Jespersen
Group CEO
Shipping

CONDENSED INCOME STATEMENT AND KEY FIGURES

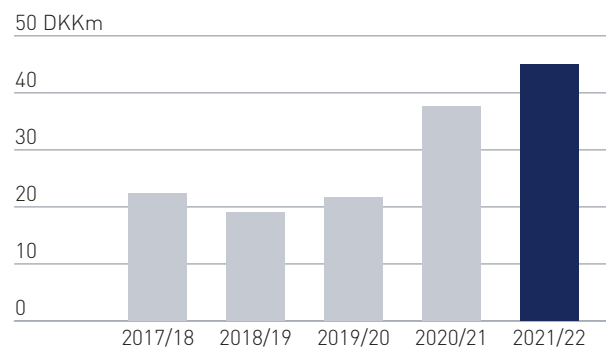
DKKm	2021/22	2020/21	Change
Revenue	806,2	666,5	21%
Direct costs	560,8	432,4	30%
Gross profit	245,4	234,1	5%
Other external expenses	23,4	22,6	3%
Staff costs	155,6	152,8	2%
Other operating income	(0,3)	0,0	NA
Operating profit before amortisation and depreciation (EBITDA) before special items	66,7	58,7	14%
Amortisation and depreciation	21,7	20,1	8%
Operating profit (EBIT) before special items	45,0	38,6	17%
Special items	0,0	0,0	N/A
Financial income/expenses	1,6	0,9	78%
Profit before tax (EBT)	43,4	37,7	15%
Gross margin	30.4%	35.1%	-4.7%
Conversion ratio	18.3%	16.5%	1.8%
Operating margin	8.3%	8.8%	-0.5%
EBT margin	5.4%	5.7%	-0.3%

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

REVENUE



EBT



ENVIRONMENT & RECYCLING



MENT LING



GROUP PERFORMANCE ENVIRONMENT & RECYCLING

Strong strategic, operational and financial development as a newly started business.



David York
Group CEO
Environment and Recycling

Our business focus is to support climate sustainability by meeting our customers' demand for circular eco-friendly solutions. In working with clients, we receive and reprocess waste fractions and especially polluted soil with the goal of recycling or recovering the waste and soil for new products within construction and infrastructure projects in Denmark. Our business subsegments comprises Land Recovery, Raw Materials Recovery, Environmental Innovation and Soil Treatment Consultancy.

The strategy is to continue expanding our volume through organic growth, while utilising synergies through collaboration with other companies in the industry. Our largest share of revenue comes from cities located close to port facilities in Denmark.

These locations enable environmentally friendly maritime transport of the processed raw materials, especially soil.

As a relatively newly established company, the financial results for the year are extremely satisfactory, and we owe our employees and partners a huge amount of recognition for our success.

The year has been pivotal and both strategically as well as operationally crucial to us. In July 2021, a new ownership structure was established, whereby SDK FREJA became a part owner. It was an important step in securing our ambitious growth target. The new ownership structure offers a potential of strong synergies within road and sea freight forwarding and broadens the overall potential customer base. We have initiated the use of a new soil washing plant during the year, and we have, as the sole company in Denmark, been approved to use washed sand and stones in new construction projects.

Also, a new district plan has been presented and is expected to be agreed by the municipality in Q3 2022, which will allow us to expand our soil treatment area, including the construction of warehouses for polluted soil.

During the year, we collaborated with DTU (Technical University of Denmark) on a development project for the recycling of insulation material. The project is supported with MUDP funds from the Danish government and is expected to be completed in 2022. Upon completion, we expect activities and business opportunities related to the project findings may arise immediately. Even though it is not yet possible to assess a firm financial return on the project, the expectation is that the market will show interest in the new solutions provided by the recycled insulation material.

Staying at the forefront of the industry, constantly meeting client demands and delivering the best possible solutions and services to our customers, including advice to the construction industry in particular, it is crucial that our company can recruit and retain employees with a high level of education and industry insights.

During the year, we have succeeded in recruiting and retaining employees with a high level of education and currently this portion of our staff accounts for 20% of the company's employees.



We owe our employees and partners a huge amount of recognition for our success

In order to ensure that our customers receive the right services while we deliver to the industry's high-quality requirements, not only providing but also documenting methods and business-critical procedures is of crucial operational importance to us.

During the year, we have had a strong focus on this and expect the company to be ISO 14001 certified in Q3 2022.

As the markets are currently marked by a high level of uncertainty in relation to rising interest rates, challenges with a steady supply chain to the construction sector and price developments in logistics and sea freight make it difficult to accurately assess the market in the coming year.

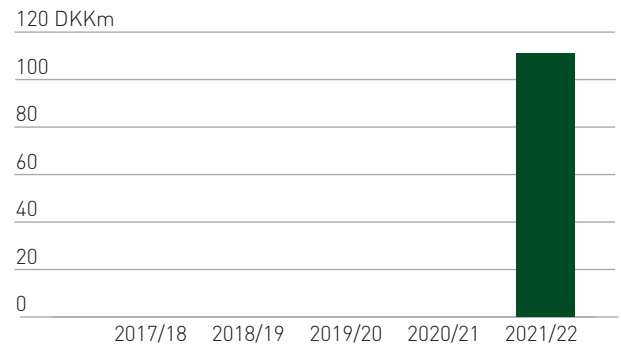
Overall, however, we are confident in the future as we currently have a large portfolio of fixed agreements which make up most of our revenue as well as an ongoing flow of project tasks combined with the weight and backing of SDK FREJA.

CONDENSED INCOME STATEMENT AND KEY FIGURES

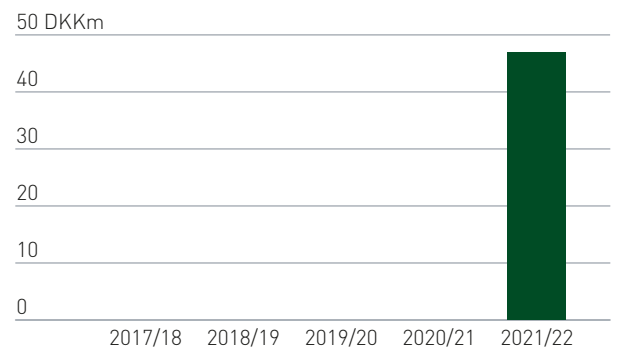
DKKkm	2021/22
Revenue	111,1
Direct costs	35,4
Gross profit	75,7
Other external expenses	7,8
Staff costs	4,6
Operating profit before amortisation and depreciation (EBITDA) before special items	63,3
Amortisation and depreciation	10,3
Operating profit (EBIT) before special items	53,0
Special items	5,1
Financial income/expenses	1,0
Profit before tax (EBT)	46,9
Gross margin	68.1%
Conversion ratio	70.0%
Operating margin	57.0%
EBT margin	42.2%

Income statement figures include the effect of the IFRS 16 standard on leases. The Unit is established with effect from 15 July 2021 - given a period of 9,5 month in the financial year 2021/22.

REVENUE



EBT



CORPORATE GOVERNANCE

MANAGEMENT STRUCTURE

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

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

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

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

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

BOARD OF DIRECTORS

Composition

The Board of Directors of SDK FREJA A/S currently has 6 members. The Board of Directors consists of three to seven members appointed by the general meeting. An alternate may be appointed for each member. The members must retire from office at the next annual general meeting, but they are eligible for re-appointment.

Competencies of the Board

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

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

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

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

See pages 38-39 for a description of the individual board members' competencies and experience.

Board of Directors self-evaluation

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

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

The result of the latest self-evaluation conducted in 2021/22 concludes a wish to add extra competencies why it is planned to expand the number of board members in the near future.

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

Board meetings

The Board of Directors held five ordinary board meetings in 2021/22. 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

EXECUTIVE BOARD

DIVISION MANAGEMENT



BOARD OF DIRECTORS



TORBEN ØSTERGAARD-NIELSEN

Chairman

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

Special competences

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

Other directorships

Chairman and member of the boards in most USTC Group companies. Member of the boards in Fayard Holding ApS, Fayard A/S, Fiberline Holding ApS, H.J. Hansen Holding A/S, Gottfred Petersen Holding A/S and Jensen's Food Group A/S. Chairman of the board in Middelfart Bycenter A/S and Selected Car Leasing A/S.

Other

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



NINA ØSTERGAARD BORRIS

Board member

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

Special competences

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

Other directorships

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

Education

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



PETER APPEL

Board member

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

Special competences

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

Other directorships

Chairman of the boards in Deloitte Fonden, Clipper Group A/S, Fayard Holding Aps, Fayard A/S and Den Danske Søretsforening. Member of the boards in Bunker Holding A/S, Uni-Tankers A/S, the USTC Group (A/S United Shipping & Trading Company), Clipper Group Ltd., BIMCO Informatique A/S, Norchem A/S, and British Chamber of Commerce in Denmark, Sølvsudvalget.

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.

After the end of the financial year, the following changes have been announced for the Group's owner family, which will take effect at the annual general meeting for the financial year 2021/22 with effect from and including the financial year 2022/23:

- Torben Østergaard-Nielsen will henceforth take over as working Chairman of the Board of Directors of USTC.
- Nina Østergaard Borrís will assume the role of CEO of USTC, and step up as Vice Chairman of the Board of SDK FREJA.
- Mia Østergaard Rechnitzer will join USTC Executive Management as Chief Governance Officer, and take up the role as Member of the Board of SDK FREJA.



LARS KREJBERG PETERSEN

Board member

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

Special competences

Supply Chain, Logistics and Business Processes.

Other directorships

Chairman of the board in Logistikkompagniet ApS. Member of the boards in Nemco 98 A/S.

Education

BBA and BBA(M).



FLEMMING DALGAARD

Board member

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

Special competences

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

Other directorships

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

Education

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



JØRGEN HANSEN

Board member

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

Special competences

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

Other directorships

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

Education

Transportation and logistics.

EXECUTIVE BOARD



SØREN GRAN HANSEN

**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 – the last 14 years in different director and board positions.



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.



DAVID YORK

**Group CEO
Environment and Recycling**

Born in 1960.
Employed since 2004.

Education/Background

Bachelor of Maritime Transport and
Nautical Science.



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 BAKKEGAARD

**Group CFO
Logistics**

Born in 1971.
Employed since March 2011.

Education/Background

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

CONSOLIDATED FINANCIAL STATEMENTS



INCOME STATEMENT

FOR THE PERIOD 1 MAY - 30 APRIL

DKK '000	Notes	2021/22	2020/21
Revenue	1	6,003,410	2,633,007
Direct costs		(4,701,709)	(2,003,045)
Gross profit		1,301,701	629,962
Other external expenses		(217,847)	(79,565)
Staff costs	2	(594,572)	(336,233)
Other operating income and expenses	3	8,062	8,620
Operating profit before amortisation and depreciation (EBITDA) before special items		497,344	222,784
Depreciation of property, plant and equipment	9, 10	(218,479)	(121,553)
Amortisation of intangible assets	8	(13,549)	(4,061)
Operating profit (EBIT) before special items		265,316	97,170
Share of profit from associates		9,238	176
Special items	4	(964)	(20,492)
Financial income	5	2,504	5,222
Financial expenses	6	(32,372)	(20,039)
Profit before tax		243,722	62,037
Tax on profit for the year	7	(49,666)	(16,168)
Profit for the year		194,056	45,869
Profit is attributable to:			
Owners of SDK FREJA A/S		142,197	39,935
Non-controlling interests		51,859	5,934
Profit for the year		194,056	45,869

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 1 MAY - 30 APRIL

DKK '000	Notes	2021/22	2020/21
Profit for the period		194,056	45,869
Other comprehensive income			
<i>Items that will be subsequently reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(2,184)	615
Fair value adjustments to cash flow hedges		1,211	85
Other adjustments		475	(6,075)
Income tax relating to these items		(266)	0
Other comprehensive income for the period, net of tax		(764)	(5,375)
Total comprehensive income for the year		193,292	40,494
Total comprehensive income is attributable to:			
Owners of SDK FREJA A/S		141,251	32,494
Non-controlling interests		52,041	8,000
Total comprehensive income for the year		193,292	40,494

BALANCE SHEET

ASSETS

DKK '000	Notes	30 April 2022	30 April 2021	30 April 2020
Goodwill	8	812,802	773,005	141,675
Intangible assets	8	293,825	226,906	0
Property, plant and equipment	9	312,858	234,658	118,456
Right-of-use assets	10	775,706	795,135	223,109
Deposits		8,212	2,362	1,723
Deferred tax assets	11	11,882	20,600	0
Securities		7,313	6,758	0
Investments in associates and joint ventures	12	2,863	1,878	1,622
Receivables from group companies		237,800	137,541	0
Total non-current assets		2,463,261	2,198,843	486,585
Trade receivables	13	886,060	703,642	172,014
Receivables from group companies		722	106	478
Inventories		179	352	264
Corporation tax		9,595	14,064	0
Other receivables		72,052	80,753	14,542
Prepayments		31,855	20,431	13,097
Cash and cash equivalents		269,112	219,132	2,465
Total current assets		1,269,575	1,038,480	202,860
Total assets		3,732,836	3,237,323	689,445

BALANCE SHEET
EQUITY AND LIABILITIES

DKK '000	Notes	30 April 2022	30 April 2021	30 April 2020
Share capital	14	6,500	6,500	6,000
Foreign currency translation reserve		(1,441)	303	(312)
Hedging reserve		0	85	0
Retained earnings		508,460	377,022	125,581
Capital and reserves attributable to owners		513,519	383,910	131,269
Non-controlling interests	15	271,054	158,413	1,201
Total equity		784,573	542,323	132,470
Borrowings	17	323,238	380,883	46,626
Lease liabilities	10	607,031	641,985	174,048
Deferred tax liabilities	11	85,580	62,779	7,123
Provisions	16	19,076	3,230	3,273
Other liabilities		251,816	166,408	8,697
Debt to non-controlling shareholders		100,000	100,000	0
Total non-current liabilities		1,386,741	1,355,285	239,767
Borrowings	17	118,480	146,949	28,861
Lease liabilities	10	207,604	197,164	52,196
Income tax payables		35,706	25,836	5,966
Trade payables		860,186	710,209	162,419
Payables to associates		1,743	1,224	850
Contract liabilities		647	1,036	8,711
Provisions	16	2,904	1,026	0
Other payables		334,252	256,271	58,205
Total current liabilities		1,561,522	1,339,715	317,208
Total liabilities		2,948,263	2,695,000	556,975
Total equity and liabilities		3,732,836	3,237,323	689,445

CHANGES IN EQUITY

EQUITY AT 30 APRIL 2022

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

CHANGES IN EQUITY

EQUITY AT 30 APRIL 2021

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

CASH FLOW STATEMENT

DKK '000	Notes	2021/22	2020/21
Profit for the year		194,056	45,869
Adjustments	24	301,797	159,267
Changes in net working capital	25	(54,891)	133,235
Interests received		2,504	5,222
Interests paid		(32,372)	(20,039)
Income taxes paid		(36,206)	(15,723)
Net cash flow from operating activities		374,888	307,831
Purchase of intangible assets		(5,249)	(2,485)
Change in deposits etc.		(5,850)	2,218
Purchase of property, plant and equipment	9	(16,109)	(16,801)
Sale of property, plant and equipment		7,328	2,042
Purchase of interests in associates companies		(47,230)	0
Payment for acquisition of subsidiary, net of cash acquired		(60,739)	(745,482)
Net cash flow from investing activities		(127,849)	(760,508)
Repayment of borrowings	21	(124,241)	(62,151)
Proceeds from borrowings	21	38,127	514,496
Principal elements of lease payments		(202,989)	(108,552)
Cash capital increase		100,259	389,531
Other		0	(42,373)
Dividend paid.		(11,155)	(21,607)
Dividend received		2,940	0
Cash flow from financing activities		(197,059)	669,344
Net cash flow for the year		49,980	216,667
Cash and cash equivalents, beginning of the year		219,132	2,465
Effects of exchange rate changes on cash and cash equivalents		0	0
Cash and cash equivalents at end of the year		269,112	219,132
Cash and cash equivalents comprise the following:			
Cash at bank and in hand		269,112	219,132

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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	2021/22	2020/21
Business area overview		
Logistics and road activities	5,111,602	1,966,490
Stevedore	343,200	279,745
Agency	402,700	307,493
Other	145,908	79,279
	6,003,410	2,633,007
Geographical overview		
Denmark	1,785,139	782,936
Sweden	1,176,461	515,978
Norway	639,882	280,643
Finland	608,929	267,067
Poland	168,635	73,961
Other	1,624,364	712,422
	6,003,410	2,633,007

2. STAFF COSTS

DKK '000	2021/22	2020/21
Wages and salaries	493,783	288,642
Pensions	42,988	22,478
Other social security	57,801	25,113
	594,572	336,233
Average number of employees	1,350	1,247

The accounting figures for 2020/21 include only FREJA from the time of purchase on 29 December 2020 and the figures therefore only cover 4 months for FREJA, which explains the increase in staff expenses from 2020/21 to 2021/22 without a corresponding increase in the number of employees.

Key Management Compensation

Key Management consists of Executive Board and Board of Directors. The compensation paid or payables to key management for employee services solely consists of short terms employee benefits DKK 29,791k (2020/21: DKK 19,960k) of which the Board of Directors received DKK 1,025k (2020/21: DKK 1,421k).

3. OTHER OPERATING INCOME AND EXPENSES

DKK '000	2021/22	2020/21
Other operating income		
Gains from the disposal of property, plant and equipment	3,534	1,762
Governmental grants	345	5,469
Other operating income	4,639	1,389
	8,518	8,620
<p>Governmental grants comprise of grants received in connection with the ongoing COVID-19 pandemic and cover expenses for fixed costs and salaries. There are no unfulfilled conditions or other contingencies attached to these grants.</p>		
Other operating expenses		
Losses from disposals of right-of-use assets and property, plant and equipment	456	0
Net other operating income and expenses	8,062	8,620

4. SPECIAL ITEMS

DKK '000	2021/22	2020/21
Transaction and integration costs from business acquisitions	964	20,492
	964	20,492

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

5. FINANCIAL INCOME

DKK '000	2021/22	2020/21
Interest income from financial assets measured at amortised costs	2,445	5,169
Foreign exchange rate gains	0	53
Fair value adjustments of security investments	59	0
	2,504	5,222

6. FINANCIAL EXPENSES

DKK '000	2021/22	2020/21
Foreign exchange rate losses	2,456	0
Interest expense on financial liabilities measured at amortised cost	12,794	11,098
Interest expense on leases	16,341	7,395
Other financial expenses	781	1,546
	32,372	20,039

7. TAX ON PROFIT FOR THE YEAR

DKK '000	2021/22	2020/21
<i>Current tax:</i>		
Current tax on profits for the year	52,093	16,704
Current tax on profits for previous years	1,275	1,386
Deferred tax on profit for the year	(3,702)	(1,922)
	49,666	16,168
Calculated 22.0 % tax on profit for the year before income tax	53,619	13,648
Tax effects of:		
Differences in the tax rates in foreign subsidiaries relative to 22 %	(2,376)	(35)
Non-taxable income	(5,310)	(718)
Non-deductible expenses	2,520	4,595
Deferred tax, effect of change in tax rate	(37)	210
Adjustment of tax relating to previous years	1,250	(506)
Income utilised against previous years taxable losses not recognised	0	(1,026)
	49,666	16,168
Effective tax rate	20%	26%

8. INTANGIBLE ASSETS

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

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

8. INTANGIBLE ASSETS (CONTINUED)

IMPAIRMENT TEST

Goodwill

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

DKK '000	30 April 2022	30 April 2021
FREJA	620,000	620,000
Multiple units without significant goodwill	192,802	153,005
Carrying amount 30 April	812,802	773,005

For goodwill 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 impairment testing on FREJA the cash flows are based on budget and business plans for the year 2022/23 and projections for the subsequent four years upto and including 2026/27. From 2027 and onwards, SDK FREJA expects the growth rate to remain in line with long-term average growth rate for the industry, equal to 1.5% and operating an margin ranging of 4.4%. The applied pre-tax discount rate amount to 8.0%. In 2020/21 the impairment test on FREJA was performed on an update of the purchase price estimate used in pricing the purchase of FREJA at 29 December 2020 and none of the factors in the applied EBITDA multiple had developed in an unfavorable direction. No impairments losses on goodwill in FREJA have been recognized in either 2020/21 or 2021/22. The goodwill has been tested for impairment at 30 April 2022.

For goodwill impairment testing on units without significant goodwill 192,802k (2020/21: 153,005k) the cash flows are based on budget and business plans for the year 2022/23 and projections for the subsequent four years upto and including 2026/27. From 2027 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% (2020/21: 2.0%) and an operating margin ranging from 4.4% to 15.0% (2020/21: 1.9% to 15.0%). The applied pre-tax discount rate amount to 6.2% (2020/21: 7.0%). No impairments losses on goodwill from units without significant goodwill have been recognized in either 2020/21 or 2021/22. The goodwill has been tested for impairment at 30 April 2022.

A reasonable change in the applied key assumptions on which the management has based its estimation of the recoverable amounts would no cause the carrying amounts to exceed the recoverable amount of the goodwill.

9. PROPERTY, PLANT AND EQUIPMENT

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

DKK '000	Land and buildings	Plant and equipment	Leasehold improvements	Total
<i>Cost:</i>				
At 1 May 2020	159,772	85,463	0	245,235
Additions during the year	9,290	6,383	1,128	16,801
Acquisition of business	84,990	30,756	5,121	120,867
Disposals during the year	(637)	(18,371)	0	(19,008)
Transfers for the year	0	(4,873)	0	(4,873)
Exchange difference	(163)	2,032	104	1,973
At 30 April 2021	253,252	101,390	6,353	360,995
<i>Accumulated depreciation and impairment:</i>				
At 1 May 2020	61,885	64,894	0	126,779
Depreciation for the year	5,545	8,598	357	14,500
Impairment for the year	0	0	0	0
Disposal during the year	(625)	(15,797)	0	(16,422)
Transfers for the year	0	0	0	0
Exchange difference	(13)	1,421	72	1,480
At 30 April 2021	66,792	59,116	429	126,337
Carrying amount 30 April 2021	186,460	42,274	5,924	234,658

10. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group has recognised the following amounts relating to leases:

DKK '000	30 April 2022	30 April 2021
Right-of-use assets		
Properties	440,407	474,015
Vehicles and equipment	335,299	321,120
	775,706	795,135

Additions to the right-of-use assets during the 2021/22 financial year was DKK 141,150k (2020/21: DKK 144,117k)

DKK '000	30 April 2022	30 April 2021
Lease liabilities		
Current	207,604	197,164
Non-current	607,031	641,985
	814,635	839,149

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

DKK '000	2021/22	2020/21
Depreciation charge of right-of-use assets		
Properties	76,932	50,707
Equipment	117,995	56,346
	194,927	107,053
Interest expense (included in financial expenses)	16,341	7,395
Expense relating to short-term leases (included in direct costs and other external expenses)	9,981	4,000

The total cash outflow for leases in 2021/22 was DKK 202,989 (2020/2021: 83,950k).

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 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

11. DEFERRED TAX

DKK '000	30 April 2022	30 April 2021
At 1 May	42,179	7,123
Deferred tax recognised in the statement of profit or loss	(3,702)	(1,922)
Other adjustments	4,426	(9,877)
Additions relating to acquisition of subsidiaries	30,795	46,855
At 30 April	73,698	42,179
Deferred tax relates to:		
Intangible assets	68,375	54,833
Tangible assets	37,798	18,760
Trade receivables	(1,811)	(457)
Right-of-use assets	(22,227)	(23,926)
Borrowing costs	(82)	(5,869)
Provisions	(5,399)	(5,682)
Other	(2,646)	495
Tax loss carry forwards	(310)	4,025
	73,698	42,179
Of which presented as deferred tax assets	11,882	20,600
Of which presented as deferred tax liabilities	85,580	62,779
Net deferred tax	73,698	42,179

The Group has a unrecognised tax loss DKK 21,209k (2020/2021 21,209k) of tax losses carried forward, which relates to previous years tax result.

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

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

DKK '000	30 April 2022	30 April 2021
Associates		
Aggregate carrying amount of individually immaterial associates	2,863	1,878
Aggregate amounts of the group's share of:		
Profit from continuing operations	463	176
Total comprehensive income	463	176
Opening balance		
Share of operating profits	463	176
Addition of shares	736	169
Disposals of shares	(214)	(89)
Closing balance	2,863	1,878

DKK '000	30 April 2022	30 April 2021
Joint ventures		
Aggregate carrying amount of individually immaterial joint ventures	0	0
Aggregate amounts of the group's share of:		
Profit from continuing operations	8,775	0
Total comprehensive income	8,775	0
Opening balance		
Share of operating profits	8,775	0
Addition of shares	35,230	0
Disposals of shares	(41,065)	0
Dividends received	(2,940)	0
Closing balance	0	0

13. TRADE RECEIVABLES

DKK '000	30 April 2022	30 April 2021
Trade receivables before provision for expected credit losses	892,582	710,145
Provision for expected credit losses	(6,522)	(6,503)
Trade receivables net	886,060	703,642

Trade receivables are amounts due from customers in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

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

Opening balances	6,503	3,603
Addition by acquisition of business	35	3,907
Increase in loss allowance recognised in profit or loss during the year	2,103	184
Receivables written off during the year as uncollectible	(745)	(84)
Unused amount reversed	(1,601)	(1,169)
Exchange rate adjustments	227	62
Provision for impairment of trade receivables	6,522	6,503

The Group has purchased credit insurances on the majority of its customers. Therefore, the provisions above only cover the uninsured part of trade receivables. For the management of the groups credit risk, please refer to note 17.

14. SHARE CAPITAL

	30 April 2022		30 April 2021	
	Number of shares	Nominal value (DKK '000)	Number of shares	Nominal value (DKK '000)
<i>The share capital comprise:</i>				
Share capital beginning of period	6,500	6,500	6,000	6,000
Capital increase	0	0	500	500
Share capital end of period	6,500	6,500	6,500	6,500

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

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

15. NON-CONTROLLING INTERESTS

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

On 16 June 2021, the group sold 1,7% of the issued shares of FREJA Group ApS for DKK 9,173k.

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

DKK '000	2021/2022	2020/2021
Non-controlling interests' ownership	27,4%	25,7%
Summarised balance sheet		
Current assets	1,107,558	888,611
Current liabilities	1,260,930	1,481,779
Current net assets	(153,372)	2,370,390
Non-current assets	1,708,399	1,665,274
Non-current liabilities	841,083	507,484
Non-current net assets	867,316	2,172,758
Summarised statement of comprehensive income		
Revenue	5,217,704	1,505,189
Profit for the period	158,018	20,929
Other comprehensive income	(556)	2,906
Total comprehensive income	157,462	23,835
Profit allocated to NCI	44,724	6,136
Dividends paid to NCI	0	0
Summarised cash flows		
Cash flows from operating activities	352,779	75,928
Cash flows from investing activities	(39,345)	(1,001,511)
Cash flows from financing activities	(271,833)	937,259
Net increase/(decrease) in cash and cash equivalents	41,601	11,676

15. NON-CONTROLLING INTERESTS (CONTINUED)

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

Below, summarized financial information for DSH ApS is presented:

DKK '000	2021/2022	2020/2021
Non-controlling interests' ownership	51,0%	0,0%
Summarised balance sheet		
Current assets	34,372	0
Current liabilities	60,195	0
Current net assets	(25,823)	0
Non-current assets	200,276	0
Non-current liabilities	66,408	0
Non-current net assets	133,868	0
Summarised statement of comprehensive income		
Revenue	49,070	0
Profit for the period	12,859	0
Other comprehensive income	180	0
Total comprehensive income	13,039	0
Profit allocated to NCI	7,327	0
Dividens paid to NCI	5,860	0
Summarised cash flows		
Cash flows from operating activities	35,568	0
Cash flows from investing activities	(15,732)	0
Cash flows from financing activities	(10,663)	0
Net increase/(decrease) in cash and cash equivalents	9,173	0

16. PROVISIONS

DKK '000	Land restoration	Return liabilities
At 1 May 2021	0	4,256
Acquired through business combination	14,230	0
Additinal provisons recognised	1,082	1,615
Unused amounts reversed	0	(166)
Amounts used during the year	0	458
Exchange rate adjustments	0	505
At 30 April 2022	15,312	6,668
Current	0	2,904
Non-current	15,312	3,764
At 30 April 2022	15,312	6,668

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

17. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

Foreign currency risk

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

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

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

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

DKK '000	SEK	EUR	NOK	Other	Total
30 April 2022					
Trade receivables	102,977	333,301	69,171	33,620	539,069
Trade payables	(81,756)	(411,275)	(59,266)	(52,453)	(604,750)
Leasing	(86,576)	(203,897)	(150,063)	(8,413)	(448,949)
Total	(65,355)	(281,871)	(140,158)	(27,246)	(514,630)

DKK '000	SEK	EUR	NOK	Other	Total
30 April 2021					
Trade receivables	92,894	241,305	40,604	28,454	403,257
Trade payables	(70,596)	(322,247)	(37,872)	(36,664)	(467,379)
Leasing	(104,533)	(208,590)	(126,846)	(12,276)	(452,245)
Total	(82,235)	(289,532)	(124,114)	(20,486)	(516,367)

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

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

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

DKK '000	Impact on post-tax profit		Impact on other components of equity	
	2022	2021	2022	2021
SEK/DKK exchange rate increase of 5% (2021: 5%)	(3,268)	(4,112)	0	0
EUR/DKK exchange rate increase of 0,5% (2021: 0,5%)	(1,409)	(1,448)	0	0
NOK/DKK exchange rate increase of 5% (2021: 5%)	(7,008)	(6,206)	0	0

Interest rate risk

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

Profit and loss is sensitive to higher/lower interest income from cash and cash equivalents and interest expenses from borrowings as a result of changes in interest rates. An increase of 100 basis points will, all things equal, result in a net increase in interest expenses of DKK 5,418k (2021: DKK 6,340k). Other components of equity are not directly affected by changes in interest rates.

Credit risk

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

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

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

As at 30 April 2022	Current	Less than 90 days past due	More than 90 days past due	Total
Expected loss rate	0,0%	2,0%	32,0%	0,7%
Gross carrying amount - trade receivables	798,378	79,855	14,349	892,582
Loss allowance	300	1,634	4,588	6,522

As at 30 April 2021	Current	Less than 90 days past due	More than 90 days past due	Total
Expected loss rate	0,0%	7,6%	96,7%	0,9%
Gross carrying amount - trade receivables	657,380	49,963	2,802	710,145
Loss allowance	0	3,794	2,709	6,503

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

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

Maturity analysis

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

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

CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

DKK '000	Carrying amount	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
As at 30 April 2022					
Borrowings	441,718	77,376	314,347	93,032	484,755
Lease liabilities	814,635	210,001	481,625	210,958	902,584
Trade payables	860,186	860,186	0	0	860,186
Debt to non-controlling share holders	100,000	2,727	108,180	0	110,907
Put-option liability related to non-controlled interest	237,800	0	237,800	0	237,800
	2,454,339	1,150,290	1,141,952	303,990	2,596,232
As at 30 April 2021					
Borrowings	527,832	182,099	255,986	127,398	565,483
Lease liabilities	839,149	204,418	484,478	228,729	917,625
Trade payables	710,209	710,209	0	0	710,209
Debt to non-controllings shareholders	100,000	2,727	110,907	0	113,634
Put option liability related to non-controlled interest	137,541	0	137,541	0	137,541
	2,314,731	1,099,453	988,912	356,127	2,444,492

17. FINANCIAL RISK MANAGEMENT (CONTINUED)

The group holds the following financial instruments:

DKK '000	2021/22	2020/21
<i>Financial assets</i>		
Financial assets at amortised cost		
Trade receivables	886,060	703,642
Other financial assets at amortised cost	72,052	80,753
Cash and cash equivalents	269,112	219,132
Financial assets at fair value through profit or loss (FVPL)	7,313	6,758
	1,234,537	1,010,285
<i>Financial liabilities at amortised cost</i>		
Liabilities at amortised cost		
Trade payables	860,186	710,209
Borrowings	441,718	527,832
Lease liabilities	814,635	839,149
	2,116,539	2,077,190

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.

18. CAPITAL MANAGEMENT

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

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

19. BUSINESS COMBINATIONS

ACQUISITIONS 2021/22

On 15 July 2021 SDK FREJA A/S acquired 49% of the shares and votes in DSH ApS and was recognised as a joint venture. The purpose of the acquisition is according to the strategy of SDK FREJA A/S to branch into the area of waste management of contaminated soil. Subsequently, on 29 April 2022 the shareholders agreement was amended thus giving SDK FREJA A/S control of DSH ApS. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

DKK '000	DSH ApS	Other acquisitions
<i>Purchase consideration:</i>		
Cash paid	0	34,792
Fair value of existing interests	44,093	0
Contingent consideration	0	0
Total purchase consideration	44,093	34,792

The assets and liabilities recognised as a result of the acquisition are as follows:

DKK '000	Fair value	Fair value
Cash	4,856	5,446
Trade and other receivables	25,256	16,342
Other receivables	1,205	1,441
Brands	0	4,442
Customer relations	0	2,393
Technologies and know-how	68,697	0
Land	73,670	0
Right-of-use assets	23,133	0
Fixed asset investments	36	0
Property, Plant and Equipment	17,173	442
Deferred tax liability	(29,327)	(1,468)
Trade payables	(8,820)	(12,723)
Lease commitment	(19,886)	0
Other liabilities	(3,861)	(4,629)
Tax payables	(1,954)	(410)
Tax receivables	0	537
Inventories	9	0
Bank overdraft	(36,249)	0
Contingent liability	(14,230)	0
Net identifiable assets acquired	99,708	11,813
Non-controlling interests measured at fair value	(72,205)	0
Goodwill arising on acquisition	16,590	22,979
Net assets acquired	44,093	34,792

Goodwill of DKK 16.6 million arising from the DSH acquisition is attributable to the new branch in waste management of contaminated soil. The goodwill recognised is not deductible for income tax purposes.

Goodwill of DKK 22.9 million arising from other acquisitions is attributable to a strengthened position in the market place and synergies expected arise from combining the operations of Group and the acquired business. The goodwill recognised is not deductible for income tax purposes.

19. BUSINESS COMBINATIONS (CONTINUED)

Purchase Consideration

The total purchase consideration on Other acquisitions DKK 34.8 million has been settled in cash. The purchase consideration on DSH consist of the fair value of existing interests in DSH. The fair value of the existing interests in DSH ApS is based on an update of the purchase price estimate used in pricing the purchase of the interests in DSH Aps on 15 July 2021. The development of all significant factors has since the purchase fo DSH ApS been assessed and none of the factors have experienced a significant change. The fair value was determined based on a disclouted cash flow model.

As of 29 April 2022 the Shareholders made an ammendment to the shareholder's agreement (SHA) whereas SDK FREJA obtained contol of DSH ApS

Acquired receivables

The fair value of acquired trade receivables is DKK 41.6 million with no loss allowance recognised in the acquisition.

Revenue and profit contribution

The DSH acquisition contributed revenues of DKK 0k and net profit of DKK 0k to the group for the period from 29 April 2022 to 30 April 2022.

If the DSH ApS acquisition had occurred on 1 May 2021, consolidated pro-forma revenue and profit for the year ended 30 April 2022 would have been 111,069k and 35,619k respectively.

These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the group and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 May 2021, together with the consequential tax effects.

The other acquisitions contributed revenues of DKK 74,538k and net profit of DKK 1,292k to the group for the period from the acquisitions dates to 30 April 2022.

DKK '000	DSH ApS Fair value	Other acquisitions Fair value
<i>Outflow of cash to acquire subsidiary, net of cash acquired</i>		
Cash consideration	0	34,792
Less: Balances acquired		
cash	(4,856)	(5,446)
bank overdraft	36,249	0
Investing activities	31,393	29,346

Acquisition-related costs

Acquisition-related costs DKK 1 million are included the statement of profit or loss and in operating cash flows in the statement of cash flows.

Non-controlling interests

The group has chosen to recognise the non-controlling interests at its fair value for this acquisition. The fair value of the non-controlling interest in DSH ApS, an unlisted company, was estimated by applying a market approach and an income approach. The fair value estimates are based on the purchase price of the purchase from the 29 April 2022.

According to the shareholders' agreement (SHA) in place up until 29 April 2022, SDK FREJA was entitled to take day to day decisions. However, in case of significant disagreement in respect of operating or strategic decisions, each party could initiate a process in which the party offering the highest price for the other party's shares would be entitled to acquire the other harty's shares. On this basis, Management assessed that joint control existed. Following an amendment to the SHA effective as of 29 April 2022, SDK FREJA has the right to acquire the shares of the other party at fair value in case of significant disagreement. Only if SDK FREJA decides not to exercise this right, the other party is entitled to acquired SDK FREJA's shares at fair value. On this basis, Management has assessed that SDK FREJA Controls DSH as of 29 April 2022.

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 95,819 (30 April DKK 95,276k).

Contingent liabilities

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

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

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

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

DKK '000	1 May 2020	Financing cash flows	New leases and loans	Changes in foreign exchange rates	Other changes	30 April 2021
Borrowings	75,487	452,345	0	0	0	527,832
Leases	226,244	(108,552)	709,164	12,293	0	839,149
Total liabilities from financing activities	301,731	343,793	709,164	12,293	0	1,366,981

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

22. RELATED PARTIES

The 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.

Transactions with key management personnel

No transactions were made with key management personnel in 2021/2022 other than ordinary remuneration, as described in note 2.

The following transactions were carried through with related parties:

DKK '000	2021/22	2020/21
<i>Sales and purchases of goods and services</i>		
Sale of goods and services to related parties	0	7,105
Purchase of management services from parent	720	720
Purchase of various goods and services from other related parties	2,910	4,853
Receiveable from Parent	238,522	137,541
Rent to shareholder	1,803	607



23. EVENTS AFTER THE BALANCE SHEET DATE

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

24. CASH FLOW STATEMENT - ADJUSTMENTS

DKK '000	2021/22	2020/21
Financial income	(2,504)	(5,398)
Financial expenses	32,372	20,039
Depreciation, amortisation and impairment losses, including losses and gains on sales	228,950	123,852
Tax on profit for the year	49,666	16,167
Exchange adjustments	2,184	4,504
Other adjustments	(8,871)	103
	301,797	159,267

25. CASH FLOW STATEMENT - CHANGES IN NET WORKING CAPITAL

DKK '000	2021/22	2020/21
Change in trade and group receivables	(241,695)	(138,736)
Change in other receivables	11,348	(20,269)
Change in Inventory	182	(88)
Change in prepayments	(11,424)	(14,296)
Change in trade creditors and group payables	128,434	105,904
Change in other payables	58,264	200,720
	(54,891)	133,235

26. FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

DKK '000	2021/22	2020/21
PwC		
Audit services	2,437	1,251
Audit-related services	27	921
Tax and VAT services	286	119
Other services	690	8,469
	3,440	10,760

27. LIST OF GROUP COMPANIES

The Group's principal subsidiaries at 30 April 2022 are set out below:

	Type	Place of incorporation	Ownership interest
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
Esbjerg Marine Service K/S	Associated	Denmark	32.00%
SDK Stevedore A/S	Associated	Denmark	50.00%
SDK Shipping AB	Subsidiary	Sweden	100.00%
SDK Shipping AS	Subsidiary	Norway	100.00%
SDK Chartering A/S	Subsidiary	Denmark	100.00%
SDK Cruise A/S	Subsidiary	Denmark	100.00%
SDK Solutions Holding ApS	Subsidiary	Denmark	63.80%
Shipping Consultancy A/S	Subsidiary	Denmark	100.00%
Shipping Consultancy Sweden AB	Subsidiary	Denmark	100.00%
Waterway, Iberia	Associated	Spain	40.00%
FREJA Group ApS	Subsidiary	Denmark	72.60%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	72.60%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	72.60%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	72.60%
FREJA Transport Holding AB	Subsidiary	Sweden	72.60%
SDK Logistics B.V	Subsidiary	Holland	43.60%
FREJA Transport & Logistics AB	Subsidiary	Sweden	72.60%
I.R.T. Logistics AB	Subsidiary	Sweden	72.60%
FREJA Transport Holding AS	Subsidiary	Norway	72.60%
FREJA Transport & Logistics AS	Subsidiary	Norway	72.60%
Thoresen Transport AS	Subsidiary	Norway	58,10%
Thoresen Lastebil AS	Subsidiary	Norway	58,10%
FREJA Transport & Logistics OY	Subsidiary	Finland	72.60%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	72.60%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	72.60%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	54.75%
FREJA Transport & Logistics (Shanghai) CO. LTD	Subsidiary	China	54.75%
DSH APS	Subsidiary	Denmark	49.00%
Nordic Waste A/S	Associated	Denmark	37.24%
DSH Recycling A/S	Subsidiary	Denmark	49.00%



28. ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared under the historical cost convention. The financial statements have been rounded to the nearest thousand.

Basis of consolidation

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

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

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

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

Non-controlling interests

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

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

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

Associated companies

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

Under the equity method of accounting, the investments are initially recognised at cost and adjusted for the group's share of post-acquisition profits and losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the group's share of losses in 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 recognise the loss within "Share of profit from associates".

28. ACCOUNTING POLICIES (CONTINUED)

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, being a period of up to twelve months after the acquisition date, or additional assets or liabilities are recognised, to reflect new information obtained about the facts and circumstances that existed as of the acquisition date, if known, would have affected the amounts recognised as of that date.

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

Foreign currency translation

Functional currency

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

Transactions and balances

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

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

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

Revenue

Revenue from logistic services

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

Revenue from Stevedore services

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

Revenue from agency

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

28. ACCOUNTING POLICIES (CONTINUED)

Revenue from other activities

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

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

Direct costs

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

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, 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

28. ACCOUNTING POLICIES (CONTINUED)

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

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

Intangible assets

Goodwill

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

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

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

Brands

Brands acquired in a business combination is recognised at fair value at the acquisition date. Brands have by management been assessed to have an indefinite useful life. Brands are therefore not amortised but are tested for impairment annually, or more frequently, if events or changes in circumstances indicate that the brands may be impaired. The useful life of the Brands are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment.

Customer relationships

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

Property, Plant and equipment

Property, plant and equipment is measured at historical costs less accumulated depreciations and any impairment loss. Any

subsequent costs are included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

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

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

Land is not depreciated. Depreciations commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The assets' residual value and useful lives are review and adjusted, if appropriate, at the end of each reporting period. If the assets' carrying amount is higher than its estimated recoverable amount, it is written down to the recoverable amount.

Leases

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between repayment of the 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

28. ACCOUNTING POLICIES (CONTINUED)

- 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.

Financial instruments

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

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

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group

commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

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

Debt instruments

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

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

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

Equity instruments

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

Derivatives and hedging activities

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

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

28. ACCOUNTING POLICIES (CONTINUED)

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

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

Trade receivables

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

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

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, processing and other costs incurred in bringing the inventories to their present condition. Costs are calculated using the 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 includes cash on hand, deposits

held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known 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 includes the cash flow hedge reserve and is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges. Amounts are subsequently either transferred to the initial cost of the hedged non-financial item or reclassified to profit or loss as appropriate.

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

Financial liabilities

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

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

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

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

28. ACCOUNTING POLICIES (CONTINUED)

the put option, and the non-controlling interest continues to be recognised.

Other payables

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

Deferred revenue

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

Provisions

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

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

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



28. ACCOUNTING POLICIES (CONTINUED)

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

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2022 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

29. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Critical accounting estimates

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

The group tests whether development projects has suffered any impairment on an annual basis. For the 2021/2022 and 2020/2021 reporting periods, the recoverable amount of the cash-generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates.

Business combinations

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

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

Leases

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

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



PARENT COMPANY FINANCIAL STATEMENTS

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

DKK '000	Notes	2021/22	2020/21
Other operating income		4,900	17,095
Other external expenses		(5,040)	(20,826)
Staff costs	1	(21,933)	(19,180)
Operating profit before amortisation and depreciation (EBITDA) before special items		22,073	(22,911)
Depreciation and amortisation of intangible assets, property, plant and equipment		0	(249)
Operating profit (EBIT), before special items		(22,073)	(23,160)
Profit from investments in group entities and associates	2	108,707	37,365
Profit from investment in associates		8,775	0
Financial income	3	636	2,061
Financial expenses	4	(1,387)	(1,470)
Profit before tax		94,658	14,796
Tax on profit for the year	5	5,020	3,144
Profit for the year		99,678	17,940

BALANCE SHEET

ASSETS

DKK '000	Notes	30 April 2022	30 April 2021
Investments in Group entities	7	590,126	491,473
Investments in associates	8	688	0
Receivables from group enterprises	9	237,800	137,541
Fixed asset investments		828,614	629,014
Total non-current assets		828,614	629,014
Receivables from group enterprises		3,104	5,235
Other receivables		309	1,501
Deferred tax	10	604	457
Prepayments		0	265
Corporation tax		4,238	2,904
Total current assets		8,255	10,362
Total assets		836,869	639,376

BALANCE SHEET**EQUITY AND LIABILITIES**

DKK '000	Notes	30 April 2022	30 April 2021
Share capital		6,500	6,500
Retained earnings		667,960	471,696
Total equity		674,460	478,196
Other payables	11	139	686
Total non-current liabilities		139	686
Credit institutions		22,242	31,374
Trade payables		861	1,377
Payables to associate		215	511
Payables to group enterprises		115,932	112,801
Other payables		23,020	14,431
Total current liabilities		162,270	160,494
Total liabilities		162,409	161,180
Total equity and liabilities		836,869	639,376
Distribution of profit	6		
Security, contingent liabilities and lease and contractual obligations	12		
Related parties	13		
Subsequent events	14		
Accounting policies	15		

CHANGES IN EQUITY

2021/22

DKK '000	Share capital	Retained earnings	Total equity
Equity at 1 May 2021	6,500	471,696	478,196
Net profit for the year	0	99,678	99,678
Grants from owners	0	100,259	100,259
Exchange adjustment	0	(1,744)	(1,744)
Capital adjustments	0	689	689
Other adjustments	0	(2,618)	(2,618)
Equity at 30 April 2022	6,500	667,960	674,460

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

2020/21

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





NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

89	NOTE 1 · STAFF COSTS	93	NOTE 9 · RECEIVABLES FROM GROUP ENTERPRISES
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93	NOTE 8 · INVESTMENTS IN ASSOCIATES		

1. STAFF COSTS

DKK '000	2021/22	2020/21
Wages and salaries	21,346	18,220
Pensions	523	856
Other social security expenses	64	104
	21,933	19,180
Average number of employees	15	17
Salaries and remuneration to the Board of Directors and the Executive Board amount to:	17,083	5,373

2. PROFIT FROM INVESTMENTS IN GROUP ENTITIES AND ASSOCIATES

DKK '000	2021/22	2020/21
Shares of profit for the year	148,330	164,026
Amortisation of goodwill	(39,623)	(18,398)
Elimination of sales capital shares in parent	0	(108,263)
Profit from investments in group enterprises	108,707	37,365

3. FINANCIAL INCOME

DKK '000	2021/22	2020/21
Intercompany Interest	552	693

4. FINANCIAL EXPENCES

DKK '000	2021/22	2020/21
Intercompany Interest	333	1,238

5. TAX ON PROFIT FOR THE YEAR

DKK '000	2021/22	2020/21
Current tax on profits for the year	(4,874)	(2,904)
Adjustment of provision for deferred tax	(146)	(240)
Total tax for the year	(5,020)	(3,144)
Allocated as follows:		
Tax in profit and loss	(5,020)	(3,144)
Adjustment of provision for deferred tax	0	0
Total tax for the year	(5,020)	(3,144)

6. DISTRIBUTION OF PROFIT

DKK '000	2021/22	2020/21
Retained earnings	99,678	17,940

7. INVESTMENTS IN GROUP ENTITIES

DKK '000	30 April 2022
Cost	
At 1 May 2021	678,458
Additions for the year	0
Disposals for the year	(25,414)
Transfers for the year	41,065
At 30 April 2022	694,109
Value adjustments	
At 1 May 2021	(186,985)
Disposals for the year	(283)
Exchange adjustment	(1,744)
Shares of profit for the year	148,331
Dividend	(22,034)
Amortisation goodwill	(39,624)
Elimination of internal profit	285
Other adjustments	(1,929)
At 30 April 2022	(103,983)
Carrying amount at 30 April 2022	590,126
Remaining positive differences included in the above carrying amount at 30 April 2022	56,330

The Parent company's investments in subsidiaries comprise:

	Type	Place of incorporation	Ownership interest
SDK Shipping A/S	Subsidiary	Denmark	100.00%
Esbjerg Marine Service ApS	Associated	Denmark	34.00%
Esbjerg Marine Service K/S	Associated	Denmark	32.00%
SDK Stevedore A/S	Associated	Denmark	50.00%
SDK Shipping AB	Subsidiary	Sweden	100.00%
SDK Shipping AS	Subsidiary	Norway	100.00%
SDK Chartering A/S	Subsidiary	Denmark	100.00%
SDK Cruise A/S	Subsidiary	Denmark	100.00%
SDK Solutions Holding ApS	Subsidiary	Denmark	63.80%
Shipping Consultancy A/S	Subsidiary	Denmark	100.00%
Shipping Consultancy Sweden AB	Subsidiary	Denmark	100.00%
Waterway, Iberia	Associated	Spain	40.00%
FREJA Group ApS	Subsidiary	Denmark	72.60%
FREJA Transport & Logistics Holding A/S	Subsidiary	Denmark	72.60%
FREJA Transport & Logistics A/S	Subsidiary	Denmark	72.60%
SDK Logistics Service Taulov A/S	Subsidiary	Denmark	72.60%
FREJA Transport Holding AB	Subsidiary	Sweden	72.60%
SDK Logistics B.V	Subsidiary	Holland	43.60%
FREJA Transport & Logistics AB	Subsidiary	Sweden	72.60%
I.R.T. Logistics AB	Subsidiary	Sweden	72.60%
FREJA Transport Holding AS	Subsidiary	Norway	72.60%
FREJA Transport & Logistics AS	Subsidiary	Norway	72.60%
Thoresen Transport AS	Subsidiary	Norway	58,10%
Thoresen Lastebil AS	Subsidiary	Norway	58,10%
FREJA Transport & Logistics OY	Subsidiary	Finland	72.60%
FREJA Transport & Logistics Sp. z o.o.	Subsidiary	Poland	72.60%
Transcargo Trucking Sp. z o.o.	Subsidiary	Poland	72.60%
FREJA Transport & Logistics A/S (Hong Kong) Limited	Subsidiary	Hong Kong	54.75%
FREJA Transport & Logistics (Shanghai) CO. LTD	Subsidiary	China	54.75%
DSH APS	Subsidiary	Denmark	49.90%
Nordic Waste A/S	Associated	Denmark	37.24%
DSH Recycling A/S	Subsidiary	Denmark	49.00%



8. INVESTMENTS IN ASSOCIATES

DKK '000	30 April 2022
Cost	
At 1 May 2021	0
Additions for the year	35,918
Transfers for the year	(35,230)
At 30 April 2022	688
Value adjustments	
At 1 May 2021	0
Shares of profit for the year	8,775
Dividend	(2,940)
Transfers for the year	(5,835)
At 30 April 2022	0
Carrying amount at 30 April 2022	688

9. RECEIVABLES FROM GROUP ENTERPRISES

DKK '000	30 April 2022	30 April 2021
Cost		
At 1 May	137,541	0
Additions for the year	100,259	137,541
At 30 April	237,800	137,541
Carrying amount at 30 April	237,800	137,541

10. DEFERRED TAX

DKK '000	30 April 2022	30 April 2021
At 1 May	(457)	(217)
Change for the year (Profit & Loss)	(146)	(240)
Change for the year (Equity)	(1)	0
At 30 April	(604)	(457)

Deferred tax relates to property, plant and equipment

11. OTHER PAYABLES

Other payables falls due within 5 years

12. SECURITY CONTINGENT LIABILITIES AND LEASE, AND CONTRACTUAL OBLIGATIONS

DKK '000	30 April 2022	30 April 2021
Lease and rent obligations	191	513

Contingent liabilities

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

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

13. RELATED PARTIES

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

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

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

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

14. SUBSEQUENT EVENTS

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

15. ACCOUNTING POLICIES

Basis of Preparation

The Annual Report of SDK FREJA A/S for 2021/22 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 2021/22 is presented in DKK thousands.

Recognition and measurement

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

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

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

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

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

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

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

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

Leasing

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments

computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under the finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

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

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

Translation policies

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

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

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

INCOME STATEMENT

Other external expenses

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

Staff expenses

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

Other operating income and expenses

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

Income from investments in subsidiaries and associates

The item "Income from investments in subsidiaries and



15. ACCOUNTING POLICIES (CONTINUED)

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.

Inventories

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

Receivables

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

Prepayments

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

Dividend

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

Deferred tax assets and liabilities

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

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

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

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

Current tax receivables and liabilities

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



MANAGEMENT'S STATEMENT

The board of Directors and the executive Board have today presented and adopted the Annual Report of SDK FREJA A/S for the financial year 1 May 2021 - 30 April 2022.

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

In our opinion, the Financial Statements give a true and fair view of the financial position at 30 April 2022 of the Group and Parent and of the results of the Group and Parent's operations and cash flows for the financial year 1 May 2021 - 30 April 2022.

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

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

Fredericia, 24 June 2022.

EXECUTIVE BOARD



Søren Gran Hansen

BOARD OF DIRECTORS



Torben Østergaard-Nielsen
Chairman




Nina Østergaard Borris



Peter Hald Appel



Lars Krejberg Petersen



Flemming Dalgaard



Jørgen J. Hansen

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 2022 and of the results of the Group's operations and cash flows for the financial year 1 May 2021 to 30 April 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 30 April 2022 and of the results of the Parent Company's operations for the financial year 1 May 2021 to 30 April 2022 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 2021 – 30 April 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("financial statements").

BASIS FOR OPINION

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

STATEMENT ON MANAGEMENT'S REVIEW

Management is responsible for Management's Review.

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

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

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

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

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a

high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Trekantområdet, 24 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



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