

# Krone ScanBalt A/S

Kilen 5, 6330 Padborg

CVR no. 20 00 32 86

## Annual report 2021/22

Approved at the Company's annual general meeting on *11.01.2023*

Chair of the meeting:



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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Krone ScanBalt A/S for the financial year 1 August 2021 - 31 July 2022.

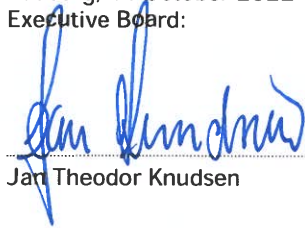
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Padborg, 11 October 2022  
Executive Board:

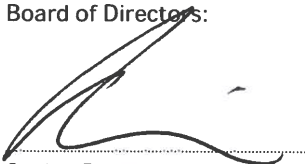


Jan Theodor Knudsen

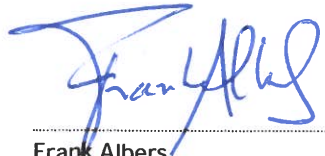


Ole Randum Nielsen

Board of Directors:



Stefan Binnewies  
Chair



Frank Albers



Johannes Hennewig

## Independent auditor's report

To the shareholders of Krone ScanBalt A/S

### Opinion

We have audited the financial statements of Krone ScanBalt A/S for the financial year 1 August 2021 - 31 July 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022 in accordance with the Danish Financial Statements Act.

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company 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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 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 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 as to 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 the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

- ▶ 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aabenraa, 11 October 2022  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

  
Jon Midtgaard  
State Authorised Public Accountant  
mre28657

## Management's review

### Company details

Name	Krone ScanBalt A/S
Address, Postal code, City	Kilen 5, 6330 Padborg
CVR no.	20 00 32 86
Established	1 April 1997
Registered office	Aabenraa
Financial year	1 August 2021 - 31 July 2022

Board of Directors	Stefan Binnewies, Chair Frank Albers Johannes Hennewig
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Executive Board	Jan Theodor Knudsen Ole Randum Nielsen
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Auditors	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark
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## Management's review

### Financial highlights

DKK'000	2021/22	2020/21	2019/20	2018/19	2017/18
<b>Key figures</b>					
Revenue	325,044	322,081	273,690	402,351	618,419
Operating profit/loss	6,814	8,037	-302	5,279	8,790
Net financials	-15,637	1,341	-18,620	-587	-6,672
Profit for the year	24,053	31,378	-12,183	21,768	25,296
<b>Non-current assets</b>					
Current assets	264,912	209,161	183,393	182,295	185,539
Total assets	190,780	252,958	236,632	237,469	276,076
Investments in property, plant and equipment	455,692	462,119	420,025	419,764	461,615
Equity	36,362	16,184	9,426	17,356	21,281
Current liabilities	177,225	140,236	108,411	125,810	104,042
	278,104	320,286	309,642	292,493	337,470
<b>Financial ratios</b>					
Operating margin	2.4%	2.8%	0.8%	1.5 %	1.5 %
Return on assets	1.5%	1.8%	-0.1%	1.2%	2.1%
Equity ratio	38.9%	30.3%	25.8%	30.0%	22.5%
Return on equity	15.2%	25.2%	-10.4%	18.9%	27.9%
<b>Average number of full-time employees</b>					
	32	30	29	30	26

## Management's review

### Business review

As in previous years, the company has engaged in the acquisition, sale and lease of transport equipment and related activities, mainly new trailers, used trailers and spare parts etc.

### Recognition and measurement uncertainties

The measurement and recognition of certain assets and liabilities is subject to assessments, estimates and assumptions of future events. The most significant uncertainties as to the financial reporting are stated in note 2, to which we refer.

### Financial review

The 2021/22 financial statements shows a profit of DKK 24,053 thousand. The profit is in line with expectations and considered satisfactory.

The equity totalled DKK 177,225 thousand at 31 July 2022, corresponding to a solvency ratio of 38.9%.

During the year the company reduced its exposure against Russian ruble, whereby a loss of DKK 15.1 million was recognized under financial expenses due to a decrease in Rubles at that time. Later, the Russian Ruble increased again to an even higher level than at beginning of the year, which resulted in an exchange gain recognized under equity arising on translation of the Russian subsidiary to closing exchange rates.

The company is primarily financed by its parent company, and the company's cash at bank and in hand totalled DKK 21,494 thousand at 31 July 2022.

Capital resources are assessed to be adequate for activities budgeted for 2022/23.

### Financial risks and use of financial instruments

#### Currency risks:

The company is exposed to currency risks due to its international activities and due to the company's investments and balances with subsidiaries abroad. The company does not make use of any hedging instruments to hedge such risks but follows the development on the foreign exchange market on a regular basis.

#### Price risks:

The company is exposed to price risks as to the inventory of trailers and other equipment. Price risks on used trailers on stock have affected results in the financial year 2021/22 due to write down of trailers not sold.

#### Debtor risks:

It is common company policy to hand out trailers to customers abroad once payment has taken place. Thereby, bad debt losses are reduced to an acceptable level.

#### Interest risk:

A considerable part of the company's financing carry variable interest. The company has not made use of any hedging instruments to hedge such interest risks. Changes in interest may therefore have an impact on the company's earnings, however the impact is not considered material.

### Impact on the external environment

The company's primary activities only have a limited impact on the environment. The sale of used transportation equipment, and thereby recycling, is in many ways environmentally sound.

### Research and development activities

The employees are considered to possess solid market knowledge and professional qualifications within the individual fields of activity. The company does not carry out research and development activities.



## Management's review

### Statutory CSR report

#### Business model:

Krone ScanBalt Group are innovative entities, which through professional and dedicated employees want to be one of the leading providers of market-adapted transport equipment focusing on quality and competent, individual trailer solutions and services. The prerequisites for obtaining and maintaining success is tied to its ability to be an attractive and professional work place, characterized by high quality service, knowledge, engagement and volition. Thereby, a high professional level is ensured in everything we engage in.

#### Customers:

Our mission is to develop and ensure efficient and secure transport equipment for our customers, including logistic companies, truck operators and chauffeurs. Thereby, we support our customers' business and form the basis for value optimisation and increase in value for our customers and ourselves.

#### Value-adding cooperation:

We value close and targeted cooperation as well as dialogue and sparring with our customers, suppliers and other cooperative partners.

#### Products:

Our Krone standard programme implies that we offer turnkey trailer solutions, curtainsider, refrigerated semitrailers, dry freight box body, container chassis, box and load carriers and spare parts. Krone ScanBalt Group offers both new and second handed transport equipment as either sale or lease.

#### Customised solutions:

By means of professionalism, quality and targeted efforts, we aim at creating the best possible individual solutions for our customers. We strive at giving our customers a sublime purchase experience i.a. by offering an efficient and reliable supply chain with a broad selection of services and opportunities.

#### Continuous optimisation of our products:

Krone makes great efforts to continuously improve, optimise and future-proof our transport equipment both in respect of the customers' current and future needs as well as digital requirements and environmental considerations. The development of our products thus always considers environmental aspects. We have a certified environmental management system for the areas development, manufacturing and distribution of commercial vehicles. We consistently focus on reducing emissions, noises and smells and minimising waste and waste water. In everything we do, we generally seek to comply with and contribute to UN's 17 Sustainable Development Goals.

## Management's review

### Employees:

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
<p>It is increasingly harder to attract qualified labour to our region. Furthermore, there is increasingly stricter demands and expectations that talented employees continue to improve their competencies. As a result, we also experience increasing demands and expectations from our employees for opportunities to educate and improve themselves.</p>	To make Padborg an attractive place to work	Employees' participation in local networks, i.a. under Padborg Transportcenter (Board of Directors and HR network)	HR network (involving Elevforum, Padborg) starts up "PR project"	<p>Krone ScanBalt A/S will continue to ensure good working conditions, including development and educational opportunities for the employees.</p>
	Draw attention to the transportation business	We will introduce various work areas/professions at Krone	2 trainees (inventory and kitchen)	
	Open possibilities for education	New apprenticeship	Inventory operator-apprentice from March 2021	
	Professional development	Career and job development opportunities	2 employees are appointed head of department	
		Courses and in-service training	On-line courses, i.a. Microsoft 365, internal Krone courses	
			On-line webinar, i.a. job satisfaction, hygiene, management role and development of employees	
			Courses, i.a. management role, sale	
			Education, i.a. management diploma	
			Internal courses re. knowledge of trailers, i.a. by Uffe Steffensen	
			Internal knowledge-sharing i.a. through coffee meetings for mid-level managers	
	Personal development	Annual employee-interviews with the immediate Manager and HR	Regular joint meetings (upon request from the employees' interviews)	
		Annual salary interview with Manager		

## Management's review

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
To find the right employee and subsequently retain the employee must also be a focal point for the company. An employee with precisely the right profile and the right qualifications is difficult to find through the common channels. Furthermore, the employees are less loyal to their workplace, and in particular the young generations quickly feel bored in their job and therefore look for new and exciting challenges.	Recruitment	Personal profile  Cooperation with JKS A/S	HR certified to perform Extended DISC profiles 7 employees analysed based on the DISC method  Employment of spare parts clerk	
	Maintenance	Onboarding program together with JKS A/S	Update of Krone's internal introductory course	

## Physical and social matters:

Significant risks	Policy	Actions in 2021- 2022	Profit for 2021/2022	Outlook
The economic prosperity and the resulting faster pace in the job market demand still more and more from the individual employee. Still high requirements/expectations of huge efforts, good performance quality and continuous development may put pressure on the employee and thus there is a risk of dissatisfaction, burnout and stress. Furthermore, there is a risk of physical injuries because of either sedentary or physically arduous work.	Krone's considerable efforts to increase personal well-being and job satisfaction must bear fruit – we aspire to be the industry's best workplace that attracts and retains the best employees!	Work with the house's social capital  Joint one-day course on social capital  Meal scheme  Massage scheme  Krone offers its employees and their families participation in a fitness scheme	Improved information flow between management-middle management-employees  Streamlining of working procedures  Development of employees/mid-managers  Except for two, all employees have signed up for the meal system  An average of 25% of the employees/8 employees make use of the massage opportunity  Currently 9 fitness subscriptions	In 2022, Krone ScanBalt A/S and will continue to give high priority to the employees' general well-being and personal and professional development.

## Management's review

Significant risks	Policy	Actions in 2021- 2022	Profit for 2021/2022	Outlook
	<p>Focus on mental sustainability</p> <p>A good social working environment, security (i.a. in relation to rules and decisions) and a feeling of being well-informed are important to the modern employee.</p>	<p>Employees under stress - action plan prepared</p> <p>Employees working under the flex scheme and/or senior job scheme</p> <p>Home workstation opportunity</p> <p>Regular update of the employee manual</p> <p>Continuous communication of latest news to the employees</p> <p>Krone ScanBalt's strategy planning</p>	<p>Employee: Work-life balance, stress coach, interviews</p> <p>One employee is working under the flex scheme, one employee under the senior job scheme</p> <p>Possibility of purchasing equipment for home office, also after the corona pandemic</p> <p>Eight employees have fixed day(s) working from home</p> <p>Microsoft Teams installed for all employees not least to ensure and stay in contact with colleagues who work from home</p> <p>The employees have access to an always updated work of reference</p> <p>Info board in the canteen</p> <p>Information from Management through HR and/or joint meetings</p> <p>Mid-managers and departmental meetings</p> <p>Regular updates on the latest news from our safety committee</p> <p>The employees/departments are involved in the preparation of a strategy plan not least to ensure and let the employees take ownership of the tasks and the Company's goals and plans.</p>	

Management's review

**Physical working conditions:**

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021-2022	Outlook
Sedentary work is increasing, which poses an increased risk to our physical well-being.	<p>To allow our employees to give their best at work, it is essential that they feel secure in a well-functioning physical environment.</p> <p>Furthermore, the Krone-House encourages our employees to keep up their physique.</p>	<p>Ergonomics</p> <p>Advice on and encouraging every employee with a home office to be aware of ergonomics</p> <p>Massage scheme for everyone</p> <p>Fitness opportunity</p> <p>Physical well-being</p> <p>Avoid static electricity</p>	<p>Everyone has an adjustable office desk and possibility of personally adjusted chair</p> <p>Everyone has access to various ergonomic aids</p> <p>The inventory department and our kitchen have purchased various aids</p> <p>Setting up sound barrier walls (mobile and fixed) in offices and purchase of large plants</p> <p>Everyone is offered ergonomically correct equipment for the home workstation</p> <p>8 employees see a masseur regularly</p> <p>There are 9 fitness subscriptions</p> <p>Ventilation systems are regularly controlled and adjusted at the offices</p> <p>Ventilation and venting systems are regularly adjusted in the kitchen</p> <p>Upgrading of lighting conditions in old building</p> <p>Kitchen staff: magnetic soles and cotton clothing</p>	<p>Krone ScanBalt A/S continue to care for their employees' physical well-being and encourage the employees to keep up their physique both at work and in their spare time.</p>

## Management's review

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021-2022	Outlook
		<p>Security</p> <p>Cleaning and hygiene</p>	<p>First aid courses are offered to everyone - winter 2021</p> <p>Security committee</p> <p>Regular control and securing of inventory conditions</p> <p>Regular control of truck certificates and drivers licenses</p> <p>Continued update of exterior and interior fire safety</p> <p>Regular control by cleaning company</p> <p>Kitchen, physical conditions, focus on cleaning and cleaning with alcohol gel</p> <p>Staying in the canteen considering corona restrictions</p>	

## Local community:

Significant risks	Policy	Actions in 2021- 2022	Profit for 2021/2022	Outlook
<p>The borders become more and more vague in modern society, and therefore, it is important to cherish local activities. Furthermore, it is essential to present interesting job opportunities both to newcomers and future workforce.</p>	<p>To support interests of local society and to take social responsibility are given a high priority by the Krone-House. Therefore, we participate in many local activities.</p>	<p>Padborg Transportcenter Aabenraa Havn</p> <p>Various networks</p> <p>Visits from public school classes</p> <p>City of Padborg</p>	<p>Board of Directors, HR network, marketing network</p> <p>Participation in network, both on-line and physical participation</p> <p>Support to sport clubs and athletics clubs</p> <p>Participation in Transportens Dage 2021</p> <p>To the extent possible, gifts, office supplies, foodstuffs, etc. are purchased locally</p> <p>Participation in Ren By Padborg 2022 (salvage campaign)</p>	<p>Krone ScanBalt A/S continue their support of local society in the form of continued involvement and participation in local activities.</p>

## Management's review

### Human rights:

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
<p>The transport and trade industry is generally a man's world which focus on materialistic values, "the good sale" and a positive bottom line. Generally speaking, the industry is still bound by tradition, e.g. vacancies are often filled by men, "the good sale" is measured in money terms and a company's health is measured by its bottom line. Thereby there is a risk that non-material values and social capital are set aside or detracted from, e.g. in relation to differential treatment and discrimination on grounds of gender, age, ethnicity, etc.</p>	<p>Respect for customers' and employees' private life</p>	<p>The Krone House's vision, mission and values</p>	<p>Prepared by Management in 2018 - regularly updated</p>	<p>Krone ScanBalt A/S continue to work on minimising the possibility of discrimination and differential treatment in 2022.</p>
	<p>Emphasize the importance of social capital</p>	<p>Possibility of working from home gives the employees more flexibility</p>	<p>75% of the labour force is working from home from time to time</p>	
	<p>No differential treatment</p>	<p>Continued focus on the individual employee's needs and requests, e.g. opportunity of senior job scheme</p>	<p>One senior employee has had a scheme according to which the employee gradually has more and more days off</p>	
	<p>Equal opportunities for everyone</p>	<p>Bullying policy (implemented in our employment policy in 2018)</p>	<p>One employee's working hours are arranged according to commitments on the home front</p>	
	<p>Counteract "tradition-bound behaviour" and discrimination</p>	<p>Internal job advertisements</p>	<p>Constant focus on conflicts and bullying, if any, also in connection with the work on the social capital of the house.</p>	
		<p>Encouraging every employee to participate in projects, committees, etc.</p>	<p>All vacancies are advertised internally in the house before advertised externally.</p>	
		<p>Encouraging employees to "pursue/indicate career dreams"</p>	<p>Active feast committee and security committee</p>	
		<p>In connection with new hires, we endeavour to have diversity regarding gender, age, ethnicity, etc.</p>	<p>Two employees have been appointed mid-level manager</p>	
			<p>Through restructuring of our staff, we now have a team which comprises of two women and four men - with different qualifications and roles. The team includes one young woman with a higher commercial examination who serves an apprenticeship as inventory clerk.</p>	

## Management's review

### Climate and environment:

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
<p>There is a risk of negatively affecting the climate and environment in connection with the company's business activities, e.g. in relation to the carbon emission, handling of waste and packaging, etc.</p> <p>All companies are under an obligation to take care of our environment as the use of administrative and production facilities poses a significant risk of negatively affecting the environment.</p> <p>The individual company thus needs to draw attention to sustainability.</p>	<p>We need to be resource-conscious and give consideration to sorting packaging and waste to minimise our environmental impact.</p> <p>We endeavour to implement and fulfil UN's 17 Sustainable Development Goals both in terms of climate and other areas and in relation to sustainability.</p> <p>We will promote and aim at obtaining a more sustainable transport profile.</p>	<p>Our IT department participates in the development of Telematic system which i.a. allows us to minimise space wasted in the trailer</p> <p>We offer our customers more environment-improving solutions, e.g. fuel-saving tires, electricity-solutions for refrigerated trailers, refrigerated trailers with CO2 as fuel and mounting of solar cells on all refrigerated trailers.</p> <p>Focus on sorting and minimising waste</p> <p>Changes made to office buildings and any extensions and rebuilds are performed taking climate and environmental matters into consideration.</p> <p>Continuous environment-friendly renewal of our company cars. The employees are allowed to have loading facilities at the company and at home</p>	<p>In cooperation with customers and suppliers, carbon neutral transport solutions are prepared</p> <p>The new sales department has sold 36 refrigerated trailers with CO2 as fuel.</p> <p>Continued minimisation of printout i.a. through the implementation of new monitoring programmes. The security committee initiates thorough waste sorting inside and outside the house through waste sorting stations and containers.</p> <p>The kitchen initiates measures to minimise food waste</p> <p>Plan to expand the warehouse</p> <p>Six charging points are available at the location.</p> <p>Approx. 1/3 of our company cars are electrically powered, more are on their way</p>	<p>This resource-conscious approach will continue in 2022 to minimise the risk of negatively impacting the climate and environment.</p>



## Management's review

### Anti-corruption/crime:

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
Companies with global business activities have an increased risk of being offered gifts, entertainment, etc. from customers, suppliers and cooperative partners and ignorantly participate in or contribute to crime, theft or economic exploitation.	We counteract any kind of corruption, economic exploitation and crime.	<p>Minimise the use of cash</p> <p>Control and identification of drivers who pick up equipment</p> <p>Attention to fraud, e.g. CEO fraud</p> <p>CCTV of the space</p> <p>Authority to pay through joint approval by two persons</p> <p>Control of companies and drivers in OFAC, including VAT and money laundering</p> <p>Registration of new customers in C4C. The programme automatically performs regular controls</p> <p>Debtors and creditors are checked in Krone's compliance-management-system</p> <p>Telematic boxes are installed in trailers which i.a. is to safeguard against crime</p>	<p>We have not identified any corruption or crime against us or with us or our subsidiaries.</p> <p>The IT department participates in a project regarding the development of Telematic.</p>	Krone ScanBalt A/S expect not to identify any crime or breach of our anti-corruption policy in 2022.

## Management's review

### COVID-19:

Significant risks	Policy	Actions in 2021- 2022	Performance in 2021/2022	Outlook
<p>The COVID-19 pandemic implied an enormous pressure on the physical as well as the mental working environment in recent years as the pandemic caused a considerable health risk to the individual employees, a change in working conditions and risk of lay-off.</p>	<p>We have emphasised the protection of our employees during this period by introducing guidelines, providing protective equipment and offering the opportunity of working from home. We have taken this approach to ensure the employees' health and job situation both during and after the pandemic, but also to ensure and maintain the employees' security.</p>	<p>Guidelines for our employees' behaviour in the canteen and at the lunch buffet.</p> <p>We have observed and adapted to the Danish government's and the Danish Ministry of Health's guidelines on a continuous basis.</p> <p>Ensuring the individual employee's security.</p>	<p>For at period, the canteen is closed for externals. Face mask, gloves at the buffet, cleaning with alcohol gel, etc. are required</p> <p>Management has held meetings regularly to assess the current situation and to make decisions in relation thereto. Employees have been informed thereof as soon as possible. Employees are of the opinion that they have been well-informed and have felt safe at work.</p> <p>Action plans (prepared based on the Danish Ministry of Health's guidelines) if one employee or one of the employee's close relatives are infected with COVID-19.</p> <p>If an employee has felt insecure e.g. In connection with visits by customers and external drivers, the employee has immediately been taken care of.</p> <p>Possibility of working from home if an employee has felt insecure and if a member from his/her household has been infected with COVID-19 (also although quarantine requirements have lapsed).</p>	<p>Krone ScanBalt A/S will continue to monitor the development of the corona pandemic to be able to protect and support their employees against the virus.</p>

## Management's review

Account of the gender composition of Management, cf. §99b

Board of Directors:

Status: No female members of the Board of Directors

Targets with a time horizon: Year 2023: 33% of the members of the Board of Directors must be female.

The general goal for Krone ScanBalt is for the Board of Directors to work as efficiently as possible regarding the development of strategies, management and the business in general. Therefore, candidates with a suitable profile and experience are our highest priority and to begin with gender is not a criterion. This year, we have had no replacements on the Board of Directors, which have allowed us to fulfil our target figures.

In connection with the next replacement on the Board of Directors, Krone ScanBalt will see if there are any female candidates internally with a suitable profile and experience so that we can meet our target figure for gender parity.

Other management:

As the company has less than 50 employees, no policy has been drawn up to increase the underrepresented gender in other management positions.

Data ethics

Krone Scanbalt A/S does not find it relevant to prepare a data ethics policy at this stage. Management has emphasized that the company only to a limited extent collects and processes data and does not use technologies as a main part of the company's principal activities. Moreover, specific data analyses, evaluations or segmentations are neither performed by the company nor by external suppliers.

Events after the balance sheet date

No events materially affecting the company's financial position have occurred subsequent to the financial year-end.

Outlook

Management is of the opinion that activities for the 2022/23 financial year will increase 0 - 10 % compared to financial year 2021/22. Profit before tax is expected between DKK 20 - 25 million.

## Financial statements 1 August 2021 - 31 July 2022

### Income statement

Note	DKK'000	2021/22	2020/21
4	Revenue	325,044	322,081
	Cost of sales	-283,021	-285,039
	Other operating income	1,032	1,045
	Other external expenses	-6,526	-6,284
	Gross profit	36,529	31,803
5	Staff costs	-18,467	-17,120
	Depreciation, amortisation and impairment losses	-10,216	-5,600
	Other operating expenses	0	-72
	Profit before net financials	7,846	9,011
	Share of profit/loss in subsidiaries after tax	30,143	23,026
6	Financial income	4,003	6,529
7	Financial expenses	-19,640	-5,188
	Profit before tax	22,352	33,378
8	Tax for the year	1,701	-2,000
	Profit for the year	24,053	31,378

## Financial statements 1 August 2021 - 31 July 2022

### Balance sheet

Note	DKK'000	<u>2021/22</u>	<u>2020/21</u>
	<b>ASSETS</b>		
	Non-current assets		
9	Property, plant and equipment		
	Land and buildings	38,913	39,057
	Fixtures and fittings, tools and equipment	26,013	13,197
		<u>64,926</u>	<u>52,254</u>
10	Financial assets		
	Equity investments in subsidiaries	199,986	156,907
		<u>199,986</u>	<u>156,907</u>
	Total non-current assets	<u>264,912</u>	<u>209,161</u>
	Current assets		
	Inventories		
	Goods for resale	42,717	31,374
		<u>42,717</u>	<u>31,374</u>
11	Receivables		
	Trade receivables	21,603	16,537
	Receivables from group entities	99,929	96,813
	Corporation tax asset	4,461	4,109
	Other receivables	19	17
	Prepayments	557	232
		<u>126,569</u>	<u>117,708</u>
	Cash	21,494	103,876
	Total current assets	<u>190,780</u>	<u>252,958</u>
	<b>TOTAL ASSETS</b>	<u><u>455,692</u></u>	<u><u>462,119</u></u>

## Financial statements 1 August 2021 - 31 July 2022

### Balance sheet

Note	DKK'000	2021/22	2020/21
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
12	Share capital	71,000	71,000
	Reserve for net revaluation according to the equity method	84,502	41,423
	Retained earnings	21,723	27,813
	<b>Total equity</b>	<b>177,225</b>	<b>140,236</b>
	Liabilities		
	Non-current liabilities		
13	Deferred tax	363	1,597
	<b>Total non-current liabilities</b>	<b>363</b>	<b>1,597</b>
	Current liabilities		
	Prepayments received from customers	13,967	3,300
	Trade payables	3,815	5,403
	Amounts owed to affiliates	233,862	296,630
	Corporation tax	7,325	2,633
	Other payables	17,532	10,979
	Deferred income	1,603	1,341
	<b>Total current liabilities</b>	<b>278,104</b>	<b>320,286</b>
	<b>Total liabilities</b>	<b>278,467</b>	<b>321,883</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>455,692</b>	<b>462,119</b>

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Special items
- 14 Derivative financial instruments
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Related parties
- 18 Fee to the auditors appointed by the Company in general meeting
- 19 Appropriation of profit

Financial statements 1 August 2021 - 31 July 2022

Statement of changes in equity

Note	DKK'000	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total
		71,000	17,951	19,461	108,412
19	Equity at 1 August 2020	0	23,472	7,906	31,378
	Transfer, see "Appropriation of profit"	0	0	446	446
	Exchange adjustment, foreign subsidiaries				
	Equity at 1 August 2021	71,000	41,423	27,813	140,236
19	Transfer, see "Appropriation of profit"	0	43,079	-19,026	24,053
	Exchange adjustment, foreign subsidiaries	0	0	12,936	12,936
	Equity at 31 July 2022	71,000	84,502	21,723	177,225

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Krone ScanBalt A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company, Bernard Krone Holding SE & Co. KG.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### *Foreign group entities*

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.



## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

On the conclusion of sales contracts that consist of several separate sales transactions, the contract price is split up into the individual sales transactions based on the relative fair value approach. The separate sales transactions are recognised as revenue when the criteria for sale of goods are met.

A contract is split up into individual transactions when the fair value of each individual sales transaction can be estimated reliably and when each individual sales transaction represents a stand-alone value for the buyer. Sales transactions are deemed to have a stand-alone value for the buyer when the transaction is individually identifiable and usually sold separately.

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Income from the sale of goods, which comprise sale of new and used trailers, spare parts, operating lease payments and interest element of lease payment receivables (finance lease), is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place and that the income can be reliably measured and is expected to be received.

###### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of non-current assets.

###### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

###### Other external expenses

Other external costs comprise distribution costs, sales costs, marketing costs, administrative costs, loss on receivables, operational leasing etc.

###### Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for employees. Refunds received from public authorities are deducted from staff costs.

###### Depreciation and impairment

The item comprises depreciation and impairment of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Land and buildings	10 - 50 years
Fixtures and fittings, tools and equipment	3 - 10 years

###### Profit/loss from investments in subsidiaries

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/ losses.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme etc.

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the financial statements and up to the date when they are no longer included.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in on a straight-line basis over the estimated useful life which is 10 years. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

##### Impairment of non-current assets

The carrying amount of property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The objective evidence applied to portfolios is determined based on historical loss experience.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

#### Prepayments

Prepayments comprise costs incurred in relation to subsequent financial years.

#### Equity

##### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

##### *Translation reserve*

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

##### Segment information

Revenue is disclosed by activity and geographical market. Segment information follows the company's accounting policies, risks and internal financial management.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 2 Recognition and measurement uncertainties

The company has considerable inventories and is therefore subject to price risks regarding inventories of trailers and other equipment. Management is of the opinion that inventories are measured in accordance with the accounting policies of the Group.

Receivables are subject to uncertainty attributable to the contracting parties' ability to pay. A write-down for bad debts has been made based on a assessment of the contracting parties' ability to pay.

The company has subsidiaries in and transactions and balances with group enterprises in Russia and Ukraine and, consequently, the Group has currency exposure and is affected by the business environment in these countries. Conducting business in especially Russia and Ukraine is subject to increased risk considering the political climate. Trading and measurement of balances with these companies may thus entail an increased risk.

Total exposure against Russian subsidiaries amounts to DKK 54.0 million, which include DKK 49.2 million equity and DKK 4.8 million receivables. These amounts in Rubles have been recognized based on closing exchange rates, however subject to increased uncertainty due to very fluctuating exchange rates and increased risk due to current sanctions and restrictions. It is difficult to assess the consequences of the imposed and possible additional sanctions in the long term, however, sanctions can have a negative impact on the Russian economy, the subsidiaries in Russia and the parent company's access to control the exposure.

Total exposure against Ukraine amounts to DKK 9.1 million, which include DKK 5.4 million equity and DKK 3.7 million receivables. As the war is ongoing, the precise measures of the damage to the Ukrainian economy cannot be reliable estimated.

The financial statements reflects managements assessments of the impact of the business environments in Russia and Ukraine on the operations and financial position of the Group. The future business environment may differ from this assessment.

#### 3 Special items

During the year the company reduced its exposure against Russian ruble, whereby a loss of DKK 15.1 million was recognized under financial expenses due to a decrease in Rubles at that time. Later, the Russian Ruble increased again to an even higher level than at beginning of the year, which resulted in an exchange gain recognized under equity arising on translation of the Russian subsidiary to closing exchange rates.

DKK'000	2021/22	2020/21
<b>4 Segment information</b>		
Breakdown of revenue by business segment:		
New	190,655	162,772
Used	99,465	132,077
Rent	9,170	4,767
Spareparts	25,754	22,465
	<u>325,044</u>	<u>322,081</u>
Breakdown of revenue by geographical segment:		
Denmark	210,733	183,070
EU	91,225	106,620
Rest of the world	23,086	32,391
	<u>325,044</u>	<u>322,081</u>

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

DKK'000	2021/22	2020/21
5 Staff costs and incentive programmes		
Wages/salaries	15,366	14,542
Pensions	2,124	1,853
Other social security costs	238	220
Other staff costs	739	505
	<u>18,467</u>	<u>17,120</u>
Average number of full-time employees	<u>32</u>	<u>30</u>
Remuneration to members of Management:		
Executive Board	<u>3,000</u>	<u>2,796</u>
	<u>3,000</u>	<u>2,796</u>
Incentive programmes		
Members of the Executive Board and other executive officers in the Group have bonus plans depending on the economic performance in the financial year.		
DKK'000	2021/22	2020/21
6 Financial income		
Interest income from subsidiaries	1,733	1,330
Other financial income	2,270	5,199
	<u>4,003</u>	<u>6,529</u>
7 Financial expenses		
Interest expense to affiliates	4,324	4,837
Other financial expenses	15,316	351
	<u>19,640</u>	<u>5,188</u>
8 Tax for the year		
Estimated tax charge for the year	-467	2,675
Deferred tax adjustments in the year	-1,234	-375
Tax adjustments, prior years	0	-300
	<u>-1,701</u>	<u>2,000</u>

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 9 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 August 2021	43,917	22,841	66,758
Additions in the year	692	35,670	36,362
Disposals in the year	0	-20,774	-20,774
Cost at 31 July 2022	44,609	37,737	82,346
Impairment losses and depreciation at 1 August 2021	4,860	9,644	14,504
Impairment losses in the year	0	-1,569	-1,569
Amortisation/depreciation in the year	836	9,379	10,215
Reversal of amortisation/depreciation and impairment of disposals	0	-5,730	-5,730
Impairment losses and depreciation at 31 July 2022	5,696	11,724	17,420
Carrying amount at 31 July 2022	38,913	26,013	64,926
Depreciated over	50 years	3 - 10 years	

#### 10 Financial assets

DKK'000	Equity investments in subsidiaries
Cost at 1 August 2021	115,484
Cost at 31 July 2022	115,484
Value adjustments at 1 August 2021	41,423
Exchange adjustment	12,936
Share of the profit/loss for the year	30,143
Value adjustments at 31 July 2022	84,502
Carrying amount at 31 July 2022	199,986

Name	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>				
UAB Krone ScanBalt	Lithuania	100.00%	96,832	15,936
OÜ Krone ScanBalt	Estonia	100.00%	19,050	3,777
SIA Krone ScanBalt	Latvia	100.00%	29,540	3,414
OOO Krone ScanBalt	Kaliningrad	99.00%	43,978	6,282
OOO Krone ScanBalt	Moscow	99.00%	5,204	-70
LLC Krone ScanBalt	Ukraine	99.00%	5,423	745
Scanbalt International	Padborg	100.00%	573	63



## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 10 Investments (continued)

Subsidiaries to 000 Krone ScanBalt, Kaliningrad (included in figures above):

ScanBalt Trailer, Belarus, ownership 100%.

Goodwill at 31 July 2022 amounts to DKK 124 thousand. Amortisation of goodwill during 2021/22 amounts to DKK 124 thousand.

Intra group profits at 31 July 2022 amounts to DKK 193 thousands ( DKK 329 thousand in 2020/21).

#### 11 Receivables

Out of the company's total receivables, receivables from group entities totalling DKK 28,868 thousand (DKK 59,401 thousand in 2020/21) fall due for payment after more than one year after the balance sheet date.

DKK'000	2021/22	2020/21
12 Share capital		
Analysis of the share capital:		
1,000 A- shares of DKK 1,000.00 nominal value each	1,000	1,000
70,000 B- shares of DKK 1,000.00 nominal value each	70,000	70,000
	<u>71,000</u>	<u>71,000</u>

No shares carry special rights.

The Company's share capital has remained DKK 71,000 thousand over the past 5 years.

DKK'000	2021/22	2020/21
13 Deferred tax		
Deferred tax at 1 August	1,597	1,972
Adjustment of the deferred tax charge for the year	-1,235	-375
Deferred tax at 31 July	<u>362</u>	<u>1,597</u>
Deferred tax relates to:		
Property, plant and equipment	6,824	3,862
Inventories	-6,462	-2,265
	<u>362</u>	<u>1,597</u>

#### 14 Derivative financial instruments

The company does not use forward exchange contracts to hedge expected currency risk. However, the company monitors currency exposure and currency development, and transfers to main currency (DKK/EUR) on a regular basis in order to reduce currency risk. The main currency risks are related to subsidiaries operations in Russia and Ukraine.

The company's financial liabilities carry floating interest payments. The company does not use interest rate swaps.

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

#### 15 Contractual obligations and contingencies

As management company, the company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income as well as withholding taxes on interest, royalties and dividends.

#### Other financial obligations

#### Other lease liabilities:

DKK'000	2021/22	2020/21
Lease liabilities	<u>2,693</u>	<u>2,661</u>

#### 16 Collateral

The company has not provided any security or other collateral in assets at 31 July 2022.

#### 17 Related parties

Krone ScanBalt A/S' related parties comprise the following:

#### Parties exercising control

Related party	Domicile	Basis for control
Fahrzeugwerk Krone Beteiligungs- GmbH	Spelle, Germany	Majority of the share capital
Bernard Krone Holding SE & Co. KG	Spelle, Germany	Ultimate parent company

#### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Bernard Krone Holding SE & Co. KG	Spelle, Germany	Heinrich-Krone-Strasse 10, D-48480 Spelle

#### Related party transactions

Krone ScanBalt A/S was engaged in the below related party transactions:

DKK'000	2021/22	2020/21
Sale of goods to subsidiaries	44,059	54,389
Purchase of goods from affiliates	180,872	75,369
Interest income from subsidiaries	1,733	1,330
Interest expenses to affiliates	4,324	4,837
Receivables from subsidiaries	99,914	96,813
Payables to affiliates	233,862	296,630

Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 5.

DKK'000	2021/22	2020/21
18 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	293	275
Tax assistance	32	46
Other assistance	271	242
	<u>596</u>	<u>563</u>

## Financial statements 1 August 2021 - 31 July 2022

### Notes to the financial statements

DKK'000	<u>2021/22</u>	<u>2020/21</u>
19 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	43,079	23,472
Retained earnings/accumulated loss	<u>-19,026</u>	<u>7,906</u>
	<u>24,053</u>	<u>31,378</u>