



Samskip A/S

Vandvejen 7
8000 Aarhus C
CVR No. 20363231

Annual report 2022

The Annual General Meeting adopted the
annual report on 30.04.2023

Steen Osorio

Chairman of the General Meeting

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Entity details

Entity

Samskip A/S

Vandvejen 7

8000 Aarhus C

Business Registration No.: 20363231

Registered office: Aarhus

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Kari-Pekka Laaksonen, Chairman

Anders Christian Andersen

Steen Osorio

Executive Board

Steen Osorio, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Samskip A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 30.04.2023

Executive Board

Steen Osorio

CEO

Board of Directors

Kari-Pekka Laaksonen

Chairman

Anders Christian Andersen

Steen Osorio

Independent auditor's report

To the shareholders of Samskip A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Samskip A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 30.04.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne34506

Sune Pagh Sølvsteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
Key figures					
Gross profit/loss	24,773	23,650	28,081	26,790	27,263
Operating profit/loss	1,826	2,550	3,267	(2,597)	2,295
Net financials	(413)	(421)	(20)	(295)	(295)
Profit/loss for the year	1,086	1,651	2,535	(2,282)	1,474
Balance sheet total	25,855	30,472	34,291	25,336	34,226
Equity	8,284	7,198	5,547	3,012	5,294
Ratios					
Return on equity (%)	14.03	25.91	59.24	(54.95)	32.35
Equity ratio (%)	32.04	23.62	16.18	11.89	15.47

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The company's main activity is shipping and transport business as well as related business.

Development in activities and finances

The Group's result shows a profit of DKK 1,086 thousand, against a profit of DKK 1,651 thousand, last year.

Profit/loss for the year in relation to expected developments

The management considers the result for the year to be satisfactory.

Outlook

The group expects activity corresponding to 2022 and a profit result like 2021.

Knowledge resources

The Group's primary knowledge resources are employees and the historical know-how within shipping and the transport industry. The Group's future earnings are therefore conditional on knowledge resources within knowledge to this market.

Environmental performance

The Group's most significant impact on the environment can be attributed to fuel consumption. This is the group's interest to conduct environmentally sound operations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		24,773,171	23,649,655
Staff costs	1	(21,457,645)	(20,292,945)
Depreciation, amortisation and impairment losses	2	(1,489,676)	(806,852)
Operating profit/loss		1,825,850	2,549,858
Other financial income		35,996	0
Financial expenses from group enterprises		(70,907)	(138,224)
Other financial expenses		(378,435)	(283,274)
Profit/loss before tax		1,412,504	2,128,360
Tax on profit/loss for the year	3	(326,135)	(477,069)
Profit/loss for the year	4	1,086,369	1,651,291

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		14,375	56,158
Goodwill		437,500	618,748
Intangible assets	5	451,875	674,906
Other fixtures and fittings, tools and equipment		5,111,649	1,205,402
Property, plant and equipment	6	5,111,649	1,205,402
Deposits		0	600,000
Financial assets	7	0	600,000
Fixed assets		5,563,524	2,480,308
Trade receivables		11,086,396	14,585,269
Receivables from group enterprises		2,698,677	2,184,861
Deferred tax	8	105,000	115,000
Other receivables		1,611,521	719,145
Prepayments	9	354,665	235,236
Receivables		15,856,259	17,839,511
Cash		4,434,891	10,152,595
Current assets		20,291,150	27,992,106
Assets		25,854,674	30,472,414

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		644,329	644,329
Retained earnings		7,640,107	6,553,739
Equity		8,284,436	7,198,068
Lease liabilities		3,532,159	892,170
Deposits		653,280	562,346
Other payables	10	1,396,188	1,419,601
Non-current liabilities other than provisions	11	5,581,627	2,874,117
Current portion of non-current liabilities other than provisions	11	1,568,796	257,561
Bank loans		186,540	2,421,691
Trade payables		7,517,958	12,780,424
Payables to group enterprises		1,727,804	3,393,203
Tax payable		194,642	306,069
Other payables	12	792,871	1,241,281
Current liabilities other than provisions		11,988,611	20,400,229
Liabilities other than provisions		17,570,238	23,274,346
Equity and liabilities		25,854,674	30,472,414
Unrecognised rental and lease commitments	14		
Transactions with related parties	15		
Group relations	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	644,329	6,553,738	7,198,067
Profit/loss for the year	0	1,086,369	1,086,369
Equity end of year	644,329	7,640,107	8,284,436

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		1,825,850	2,549,858
Amortisation, depreciation and impairment losses		1,489,676	806,852
Working capital changes	13	(5,048,397)	(2,925,100)
Cash flow from ordinary operating activities		(1,732,871)	431,610
Financial income received		35,996	0
Financial expenses paid		(449,342)	(421,498)
Taxes refunded/(paid)		(120,920)	471,300
Cash flows from operating activities		(2,267,137)	481,412
Acquisition etc. of property, plant and equipment		(5,198,640)	0
Sale of property, plant and equipment		32,000	0
Cash flows from investing activities		(5,166,640)	0
Free cash flows generated from operations and investments before financing		(7,433,777)	481,412
Loans raised		3,951,224	1,118,240
Repayments of loans etc.		(2,235,151)	(269,222)
Cash flows from financing activities		1,716,073	849,018
Increase/decrease in cash and cash equivalents		(5,717,704)	1,330,430
Cash and cash equivalents beginning of year		10,152,595	8,822,165
Cash and cash equivalents end of year		4,434,891	10,152,595
Cash and cash equivalents at year-end are composed of:			
Cash		4,434,891	10,152,595
Cash and cash equivalents end of year		4,434,891	10,152,595

Notes to consolidated financial statements

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	19,172,124	17,918,512
Pension costs	1,642,679	1,596,590
Other social security costs	339,716	305,711
Other staff costs	303,126	472,132
	21,457,645	20,292,945
Average number of full-time employees	46	48

Information on the total remuneration to management is not provided with reference to the Danish Financial Statements Act §98b, section. 3, No. 2.

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	229,283	416,107
Depreciation on property, plant and equipment	1,270,171	390,745
Profit/loss from sale of intangible assets and property, plant and equipment	(9,778)	0
	1,489,676	806,852

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	306,642	522,069
Change in deferred tax	10,000	(45,000)
Adjustment concerning previous years	9,493	0
	326,135	477,069

4 Proposed distribution of profit/loss

	2022 DKK	2021 DKK
Retained earnings	1,086,369	1,651,291
	1,086,369	1,651,291

5 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	1,138,874	1,701,659
Cost end of year	1,138,874	1,701,659
Amortisation and impairment losses beginning of year	(1,082,716)	(1,076,659)
Amortisation for the year	(41,783)	(187,500)
Amortisation and impairment losses end of year	(1,124,499)	(1,264,159)
Carrying amount end of year	14,375	437,500

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2,874,293
Additions	5,198,640
Disposals	(40,000)
Cost end of year	8,032,933
Depreciation and impairment losses beginning of year	(1,668,891)
Depreciation for the year	(1,270,171)
Reversal regarding disposals	17,778
Depreciation and impairment losses end of year	(2,921,284)
Carrying amount end of year	5,111,649
Recognised assets not owned by Entity	5,100,955

7 Financial assets

	Deposits DKK
Cost beginning of year	600,000
Disposals	(600,000)
Cost end of year	0
Carrying amount end of year	0

8 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(17,000)	(26,000)
Property, plant and equipment	62,000	80,000
Receivables	60,000	61,000
Deferred tax	105,000	115,000

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	115,000	70,000
Recognised in the income statement	(10,000)	45,000
End of year	105,000	115,000

Deferred tax assets

Deferred tax consists of temporary differences between accounting and tax assets. The group has in year used its tax loss carryforwards.

9 Prepayments

The prepayments consist of prepaid expenses, including for rent and consumption of the Group's lease.

10 Other payables

	2022 DKK	2021 DKK
Holiday pay obligation	1,396,188	1,419,601
	1,396,188	1,419,601

11 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Lease liabilities	1,568,796	257,561	3,532,159	0
Deposits	0	0	653,280	0
Other payables	0	0	1,396,188	1,396,188
	1,568,796	257,561	5,581,627	1,396,188

Other payables consists of holiday pay obligation. The obligation is presented as a non-current liability as a result of the new Holiday Act.

12 Other payables

	2022	2021
	DKK	DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	62,592	642,259
Holiday pay obligation	696,488	595,986
Other costs payable	33,791	3,036
	792,871	1,241,281

13 Changes in working capital

	2022	2021
	DKK	DKK
Increase/decrease in receivables	2,266,609	3,699,558
Increase/decrease in trade payables etc.	(7,315,006)	(6,624,658)
	(5,048,397)	(2,925,100)

14 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	5,600,251	15,265,205

15 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

16 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: Samskip Logistics Services B.V., 3087 BM Rotterdam.

The consolidated financial statements of Samskip Logistics Services B.V. may be ordered at this address: Waalhaven OZ 81, 3087 BM Rotterdam, Holland.

17 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK	Profit/loss DKK
Aarhus Container Trucking ApS	Aarhus	ApS	100	1,567,840	(23,327)

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		22,030,784	22,170,953
Staff costs	1	(20,021,041)	(19,122,015)
Depreciation, amortisation and impairment losses	2	(225,010)	(520,380)
Operating profit/loss		1,784,733	2,528,558
Income from investments in group enterprises		(23,327)	(25,204)
Other financial income		31,417	0
Financial expenses from group enterprises		(70,907)	(138,224)
Other financial expenses		(303,628)	(231,299)
Profit/loss before tax		1,418,288	2,133,831
Tax on profit/loss for the year	3	(331,919)	(482,540)
Profit/loss for the year	4	1,086,369	1,651,291

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		0	24,533
Goodwill		437,500	618,748
Intangible assets	5	437,500	643,281
Other fixtures and fittings, tools and equipment		10,694	55,672
Property, plant and equipment	6	10,694	55,672
Investments in group enterprises		1,567,840	1,591,167
Deposits		0	600,000
Financial assets	7	1,567,840	2,191,167
Fixed assets		2,016,034	2,890,120
Trade receivables		8,561,689	11,858,857
Receivables from group enterprises		3,189,094	1,949,087
Deferred tax	8	80,000	113,000
Other receivables		809,734	604,681
Joint taxation contribution receivable		17,216	0
Prepayments	9	58,790	85,498
Receivables		12,716,523	14,611,123
Cash		3,742,557	8,883,512
Current assets		16,459,080	23,494,635
Assets		18,475,114	26,384,755

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		644,329	644,329
Reserve for net revaluation according to equity method		1,047,428	1,070,755
Retained earnings		6,592,679	5,482,983
Equity		8,284,436	7,198,067
Deposits		653,280	562,346
Other payables		1,379,785	1,419,601
Non-current liabilities other than provisions	10	2,033,065	1,981,947
Bank loans		186,540	2,421,691
Trade payables		5,357,995	10,071,515
Payables to group enterprises		1,654,212	3,277,076
Tax payable		194,642	306,069
Joint taxation contribution payable		17,038	4,471
Other payables	11	747,186	1,123,919
Current liabilities other than provisions		8,157,613	17,204,741
Liabilities other than provisions		10,190,678	19,186,688
Equity and liabilities		18,475,114	26,384,755
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		
Related parties with controlling interest	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	644,329	1,070,755	5,482,983	7,198,067
Profit/loss for the year	0	(23,327)	1,109,696	1,086,369
Equity end of year	644,329	1,047,428	6,592,679	8,284,436

Notes to parent financial statements

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	17,735,520	16,747,582
Pension costs	1,642,679	1,596,590
Other social security costs	339,716	305,711
Other staff costs	303,126	472,132
	20,021,041	19,122,015
Average number of full-time employees	43	45

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	212,033	398,857
Depreciation on property, plant and equipment	22,755	121,523
Profit/loss from sale of intangible assets and property, plant and equipment	(9,778)	0
	225,010	520,380

3 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Current tax	289,426	526,540
Change in deferred tax	33,000	(44,000)
Adjustment concerning previous years	9,493	0
	331,919	482,540

4 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Retained earnings	1,086,369	1,651,291
	1,086,369	1,651,291

5 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	1,087,124	1,312,500
Cost end of year	1,087,124	1,312,500
Amortisation and impairment losses beginning of year	(1,062,591)	(687,500)
Amortisation for the year	(24,533)	(187,500)
Amortisation and impairment losses end of year	(1,087,124)	(875,000)
Carrying amount end of year	0	437,500

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	726,633
Disposals	(40,000)
Cost end of year	686,633
Depreciation and impairment losses beginning of year	(670,962)
Depreciation for the year	(22,755)
Reversal regarding disposals	17,778
Depreciation and impairment losses end of year	(675,939)
Carrying amount end of year	10,694

7 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	520,415	600,000
Disposals	0	(600,000)
Cost end of year	520,415	0
Revaluations beginning of year	1,070,752	0
Share of profit/loss for the year	(23,327)	0
Revaluations end of year	1,047,425	0
Carrying amount end of year	1,567,840	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

8 Deferred tax

	2022 DKK	2021 DKK
Intangible assets	(14,000)	(19,000)
Property, plant and equipment	55,000	71,000
Receivables	39,000	61,000
Deferred tax	80,000	113,000

	2022 DKK	2021 DKK
Changes during the year		
Beginning of year	113,000	69,000
Recognised in the income statement	(33,000)	44,000
End of year	80,000	113,000

Deferred tax assets

Deferred tax consists of temporary differences between accounting and tax assets. The group has in year used its tax loss carryforwards.

9 Prepayments

The prepayments consist of prepaid expenses, including for rent and consumption of the Companys lease.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2022 DKK
Deposits	653,280
Other payables	1,379,785
	2,033,065

Other payables consists of holiday pay obligation. The obligation is presented as a non-current liability as a result of the new Holiday Act.

11 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	62,592	642,259
Holiday pay obligation	650,803	478,624
Other costs payable	33,791	3,036
	747,186	1,123,919

12 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Total liabilities under rental or lease agreements until maturity	5,564,401	15,014,255

13 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

14 Related parties with controlling interest

Samskip Logistics Service B.V., Waalhaven OZ 81, 3087 BM Rotterdam, owns all shares in the Entity, thus exercising control.

15 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, costs of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities. Including compensations received as part of the governments Covid-19 programs.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise intangible assets in this case software.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits and cash in hand.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash and cash equivalents comprise cash with short-termed bank loans deducted.