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Logisnext Denmark A/S

Greve Main 19
2670 Greve
CVR No. 25019946

Annual report 01.04.2021 - 31.03.2022

The Annual General Meeting adopted the annual report on 22.06.2022

Michael Karl Goeskjær
Chairman of the General Meeting

Contents

Entity details

Entity

Logisnext Denmark A/S

Greve Main 19

2670 Greve

Business Registration No.: 25019946

Registered office: Greve

Financial year: 01.04.2021 - 31.03.2022

Board of Directors

Ulf Jonas Tornerefelt, chairman
Johannes Hubertus Seijger
Yuichiro Masuda
Stig Vilmun-Jaltved
Thomas Christensen
Tommy Schmidt

Executive Board

Stig Vilmun-Jaltved, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Logisnext Denmark A/S for the financial year 01.04.2021 - 31.03.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022.

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.

Greve, 22.06.2022

Executive Board

Stig Vilmun-Jaltved
CEO

Board of Directors

Ulf Jonas Tornerefelt chairman	**Johannes Hubertus Seijger**
Yuichiro Masuda	**Stig Vilmun-Jaltved**
Thomas Christensen	**Tommy Schmidt**

Independent auditor's report

To the shareholders of Logisnext Denmark A/S

Opinion

We have audited the financial statements of Logisnext Denmark A/S for the financial year 01.04.2021 - 31.03.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.03.2022 and of the results of its operations for the financial year 01.04.2021 - 31.03.2022 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 financial statements" section of this auditor's report. We are independent of the Entity 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.

Emphasis of matter

The Company has a deferred tax asset of DKK 28,789 thousand. The Company has estimated that DKK 4,500 thousand can be recognized. As it is uncertain if these tax assets can be utilized within a foreseeable future, their carrying amounts have not been fully recognized in the financial statements. There is an uncertainty related to the recognized tax assets due to the fact that the value of these are based upon future events.

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 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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.

Kolding, 22.06.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Trolle Pedersen
State Authorised Public Accountant
Identification No (MNE) mne34339

Management commentary

Financial highlights

	2021/22 DKK'000	2020/21 DKK'000	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000
Key figures					
Gross profit/loss	83,007	78,182	89,990	79,360	80,298
Operating profit/loss	2,806	(11,806)	4,240	3,821	4,960
Net financials	(1,189)	3,066	(1,945]	42,984	2,035
Profit/loss for the year	1,617	(11,538)	2,295	46,805	2,657
Total assets	150,578	150,066	150,713	135,750	139,335
Investments in property, plant and equipment	35,256	32,705	65,360	(2,695)	16,977
Equity	19,124	17,507	29,045	33,810	62,631
Ratios					
Return on equity (%)	29.75	(49.57)	7.30	97.06	4.13
Equity ratio (%)	12.70	11.67	19.27	24.91	44.95

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

Return on equity (%):
<u>Profit/loss for the year * 100</u>
Average equity

Equity ratio (%):
<u>Equity * 100</u>
Total assets

Primary activities

The Company is engaged in sale of new Mitsubishi Lift Trucks, Warehouse products, hand pallet trucks, stackers as well as related service and repair. Furthermore, the Company sells spare parts.

In addition, Logisnext Denmark A/S also offers the AGV (Automated Guided Vehicles) solution to the Danish market.

Sales and service activities are nationwide. Logisnext Denmark A/S is owned by the Dutch-based international materials handling company Mitsubishi Logisnext Europe B.V, which is part of the Japanese group Mitsubishi Heavy Industries Ltd.

Development in activities and finances

The result for 2021/22 was influenced by the ongoing COVID-19 pandemic causing challenged marked environment and general complications for the general supply chain situation.

Profit/loss for the year in relation to expected developments

The activities and result for 2021/22 is influenced negatively by both of the above-mentioned items, however, the result was in line with our expectations in the budget.

Uncertainty relating to recognition and measurement

The Company has a deferred tax asset of DKK 28.879 thousand. The Company has estimated that DKK 4,500 thousand can be recognized. As it is uncertain if these tax assets can be utilized within a foreseeable future, their carrying amounts have not been fully recognized in the financial statements. There is an uncertainty related to the recognized tax assets due to the fact that the value of these are based upon future events

Outlook

Budget and expectations for 2022/23 and the years ahead are at a higher level for both revenue and earnings. The risk for the outlook is seen to be within an instability in the financial markets and a worsening supply chain reliability.

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.

Income statement for 2021/22

	Notes	2021/22 DKK	2020/21 DKK
Gross profit/loss		**83,007,299**	**78,181,758**
Staff costs	3	(57,628,033)	(66,442,297)
Depreciation, amortisation and impairment losses		(22,573,201)	(23,545,187)
Operating profit/loss		**2,806,065**	**(11,805,726)**
Other financial income	4	787	11,626
Other financial expenses	5	(1,190,009)	(1,682,195)
Profit/loss before tax		**1,616,843**	**(13,476,295)**
Tax on profit/loss for the year	6	0	1,938,256
Profit/loss for the year	7	**1,616,843**	**(11,538,039)**

Balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK	2020/21 DKK
Acquired intangible assets		65,625	137,215
Intangible assets	8	**65,625**	**137,215**
Land and buildings		17,297,470	18,487,122
Other fixtures and fittings, tools and equipment		79,505,807	79,237,508
Leasehold improvements		0	79,753
Property, plant and equipment	9	**96,803,277**	**97,804,383**
Deposits		194,875	1,251,720
Financial assets	10	**194,875**	**1,251,720**
Fixed assets		**97,063,777**	**99,193,318**
Manufactured goods and goods for resale		9,511,166	14,782,285
Inventories		**9,511,166**	**14,782,285**
Trade receivables		28,461,126	24,523,998
Contract work in progress		2,632,176	1,387,530
Receivables from group enterprises		218,841	369,448
Deferred tax	11	4,500,000	4,500,000
Other receivables		2,770,463	1,604,417
Prepayments	12	1,321,808	1,163,707
Receivables		**39,904,414**	**33,549,100**
Cash		**4,098,773**	**2,541,559**
Current assets		**53,514,353**	**50,872,944**
Assets		**150,578,130**	**150,066,262**

Equity and liabilities

	Notes	2021/22 DKK	2020/21 DKK
Contributed capital		1,000,000	1,000,000
Retained earnings		18,123,523	16,506,680
Equity		**19,123,523**	**17,506,680**
Other provisions	13	503,066	2,282,675
Provisions		**503,066**	**2,282,675**
Lease liabilities		15,348,536	16,088,506
Other payables		5,733,082	5,837,319
Non-current liabilities other than provisions	14	**21,081,618**	**21,925,825**
Current portion of non-current liabilities other than provisions	14	5,939,182	7,080,599
Bank loans		0	3,942,380
Prepayments received from customers		2,033,433	454,657
Trade payables		5,703,499	6,327,785
Payables to group enterprises		82,898,111	75,027,806
Other payables		13,286,247	15,376,533
Deferred income	15	9,451	141,322
Current liabilities other than provisions		**109,869,923**	**108,351,082**
Liabilities other than provisions		**130,951,541**	**130,276,907**
Equity and liabilities		**150,578,130**	**150,066,262**
Events after the balance sheet date	1		
Uncertainty relating to recognition and measurement	2		
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Statement of changes in equity for 2021/22

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,000,000	16,506,680	17,506,680
Profit/loss for the year	0	1,616,843	1,616,843
Equity end of year	**1,000,000**	**18,123,523**	**19,123,523**

Notes

1 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.

2 Uncertainty relating to recognition and measurement

The Company has a deferred tax asset of DKK 28,789 thousand whereas the Company has estimated that DKK 4,500 thousand is soundly to capitalize. As it is uncertain if these tax assets can be utilised within a foreseeable future, their carrying amounts have not been fully recognised in the financial statements. There is a uncertainty related to this the recognized tax assets due to the fact that the value of these are based upon future events.

3 Staff costs

	2021/22 DKK	2020/21 DKK
Wages and salaries	52,068,877	60,934,034
Pension costs	4,488,373	4,530,616
Other social security costs	1,075,435	1,062,900
Other staff costs	(4,652)	(85,253)
	57,628,033	**66,442,297**

Average number of full-time employees	100	116

With reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the Management is not disclosed.

4 Other financial income

	2021/22 DKK	2020/21 DKK
Other financial income	787	11,626
	787	**11,626**

5 Other financial expenses

	2021/22 DKK	2020/21 DKK
Financial expenses from group enterprises	322,404	302,997
Other financial expenses	867,605	1,379,198
	1,190,009	**1,682,195**

6 Tax on profit/loss for the year

	2021/22 DKK	2020/21 DKK
Change in deferred tax	0	(1,938,256)
	0	**(1,938,256)**

7 Proposed distribution of profit and loss

	2021/22 DKK	2020/21 DKK
Retained earnings	1,616,843	(11,538,039)
	1,616,843	**(11,538,039)**

8 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	357,951
Cost end of year	**357,951**
Amortisation and impairment losses beginning of year	(220,736)
Amortisation for the year	(71,590)
Amortisation and impairment losses end of year	**(292,326)**
Carrying amount end of year	**65,625**

9 Property, plant and equipment

	Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	28,711,927	131,062,493	284,493
Transfers	272,304	0	0
Additions	0	35,256,035	0
Disposals	0	(36,570,829)	(284,493)
Cost end of year	**28,984,231**	**129,747,699**	**0**
Depreciation and impairment losses beginning of year	(10,224,805)	(51,824,985)	(204,740)
Transfers	(272,304)	0	0
Depreciation for the year	(1,189,652)	(21,277,611)	0
Reversal regarding disposals	0	22,860,704	204,740
Depreciation and impairment losses end of year	**(11,686,761)**	**(50,241,892)**	**0**
Carrying amount end of year	**17,297,470**	**79,505,807**	**0**
Recognised assets not owned by entity	1,573,498	19,313,096	0

10 Financial assets

	Deposits DKK
Cost beginning of year	1,251,720
Additions	7,750
Disposals	(1,064,595)
Cost end of year	**194,875**
Carrying amount end of year	**194,875**

11 Deferred tax

Changes during the year	2021/22 DKK	2020/21 DKK
Beginning of year	4,500,000	2,561,744
Recognised in the income statement	0	1,938,256
End of year	**4,500,000**	**4,500,000**

Deferred tax assets

The Company has a deferred tax asset of DKK 28,789 thousand whereas the Company has estimated that DKK 4,500 thousand is soundly to capitalize. As it is uncertain if these tax assets can be utilised within a foreseeable future, their carrying amounts have not been fully recognised in the financial statements.

12 Prepayments

Prepayments consist of activities related to subsequent financial years.

13 Other provisions

Other provisions comprise non-recourse guarantee commitmens.

14 Non-current liabilities other than provisions

	Due within 12 months 2021/22 DKK	Due within 12 months 2020/21 DKK	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Lease liabilities	5,939,182	7,080,599	15,348,536	816,738
Other payables	0	0	5,733,082	1,887,095
	5,939,182	**7,080,599**	**21,081,618**	**2,703,833**

15 Deferred income

Deferred income consists of activities related to next financial year.

16 Contingent liabilities

The Company has entered into repurchase obligations for leased trucks of a total of DKK 3,669 thousand at 31 March 2022. Repurchase values are expected to correspond to market values at the date of the purchase.

The Entity serves as an 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 from the financial year 2013 for income taxes etc for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

17 Related parties with controlling interest

The Companys related parties with controlling interest comprise the following:

- Mitsubishi Logisnext Europe B.V., Hefbrugweg 77, 1332 Almere, Netherlands.
- Mitsubishi Heavy Industries Ltd., 16-5 Konan2-Chome, Minato-ku, Tokyo 1088215, Japan.

18 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

- Mitsubishi Heavy Industries Ltd., 16-5, Konan 2-chome, Minato-ku, 108-8215 Tokyo, Japan

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

- Mitsubishi Logisnext Europe B.V., Hefbrugweg 77, 1332 AM Almere, Holland

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 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.

Business combinations

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity. The comparative figures are restated.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, other operating income, cost of raw materials and consumables and external expenses.

Revenue
Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received. Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year (percentage of completion method).

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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 relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

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

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

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

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, exchange losses on 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 Entity is jointly taxed with all 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

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

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 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

Land and buildings,other fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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:

Buildings	20-50 years
Other fixtures and fittings, tools and equipment	3-8 years
Leasehold improvements	3-5 years
Right of use assets - buildings	5 years

For leasehold improvements the depreciation period cannot exceed the contract period.

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.

Leased assets

On initial recognition, leased assets are measured at an amount equal to the sum of the calculated lease liability, payments made before the commencement of the lease term with deduction of incentive benefits from the lessor and direct costs incurred at the inception of the lease.

Leased assets are depreciated over the shorter of the lease terms and the useful lives of the underlying assets. In leases where the ownership of leased assets is transferred upon expiry or a purchase option is expected to be exercised, the leased assets are depreciated over their useful lives. Depreciation is initiated at the commencement of the lease term.

Leased assets are written down to the lower of recoverable amount and carrying amount.

Leased assets are adjusted by remeasuring lease liabilities, see below under lease liabilities.

Leased assets are recognised under fixed assets in the items under which the underlying assets of the leases would be presented had they been owned by the Company.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

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.

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

Cash
Cash comprises cash in hand and bank deposits.

Other provisions
Other provisions comprise anticipated cost of guarantee-commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities
Lease commitments 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 commitments 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.

On initial recognition, lease liabilities are measured at the present value of lease payments that have not been paid at the commencement of the lease term, discounted using the internal rate of the lease. If this rate cannot be calculated, the marginal borrowing rate of the Company is used.

Lease payments included in the measurement of lease liabilities comprise:
- Fixed lease payments with deduction of incentive benefits from lessor to lessee.
- Variable lease payments based on an indexation or a percentage rate. On initial recognition of the liability, this is measured based on the index or rate at the commencement of the lease term.
- The amount expected to be paid under residual value guarantees.
- The exercise price of purchase options if it is reasonably certain that such options will be exercised.
- The price of exercising the option for early termination of the lease if the lease term reflects that the option is expected to be exercised.

Variable lease payments that are not dependent on an indexation or a percentage rate are recognised in the income statement in the item ”Other external expenses” in the period of the occurrence of the event or the matter triggering these payments.

At the subsequent measurement, the lease liabilities are adjusted for interest accrued and instalments paid applying the effective interest method.

Lease liabilities are remeasured, and an equal adjustment of the related leased assets is made when:

- The lease term changes, e.g. due to a change in the assessment as to whether an extension option or a purchase option will be exercised. Remeasurement takes place by discounting the changed lease payments using a discount rate which is updated at the time of the change of the lease.

- Lease payments change due to changes in an index or a rate or a change in expected payment under a guaranteed residual value. Remeasurement takes place by discounting the revised lease payments using the original discount rate; however, an updated discount rate is used if the change is due to a change in the floating interest rate.

- There is a modification of the lease which is not to be treated as a separate lease for accounting purposes. Remeasurement takes place by discounting the revised lease payments using an updated discount rate.

If the remeasurement results in a reduction of a lease liability that exceeds the carrying amount of the related leased asset, the excess amount is recognised in the income statement.

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
Referring to section 86 of the Danish Financial Statements Act, Logisnext Denmark A/S has not prepared any cash flow statement.