BEIERHOLM
VI SKABER BALANCE

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Kim Johansen Holding A/S

Agenavej 11, 2670 Greve
CVR no. 25 45 43 67

Annual report for 2023

Table of contents

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Group information etc.

The company

Kim Johansen Holding A/S
Agenavej 11
2670 Greve
Tel.: 43 95 93 00
E-mail: kjit@kim-johansen.com
Registered office: Greve
CVR no.: 25 45 43 67
Financial year: 01.01 - 31.12

Executive Board

CEO Kim Leidersdorff Johansen

Board of Directors

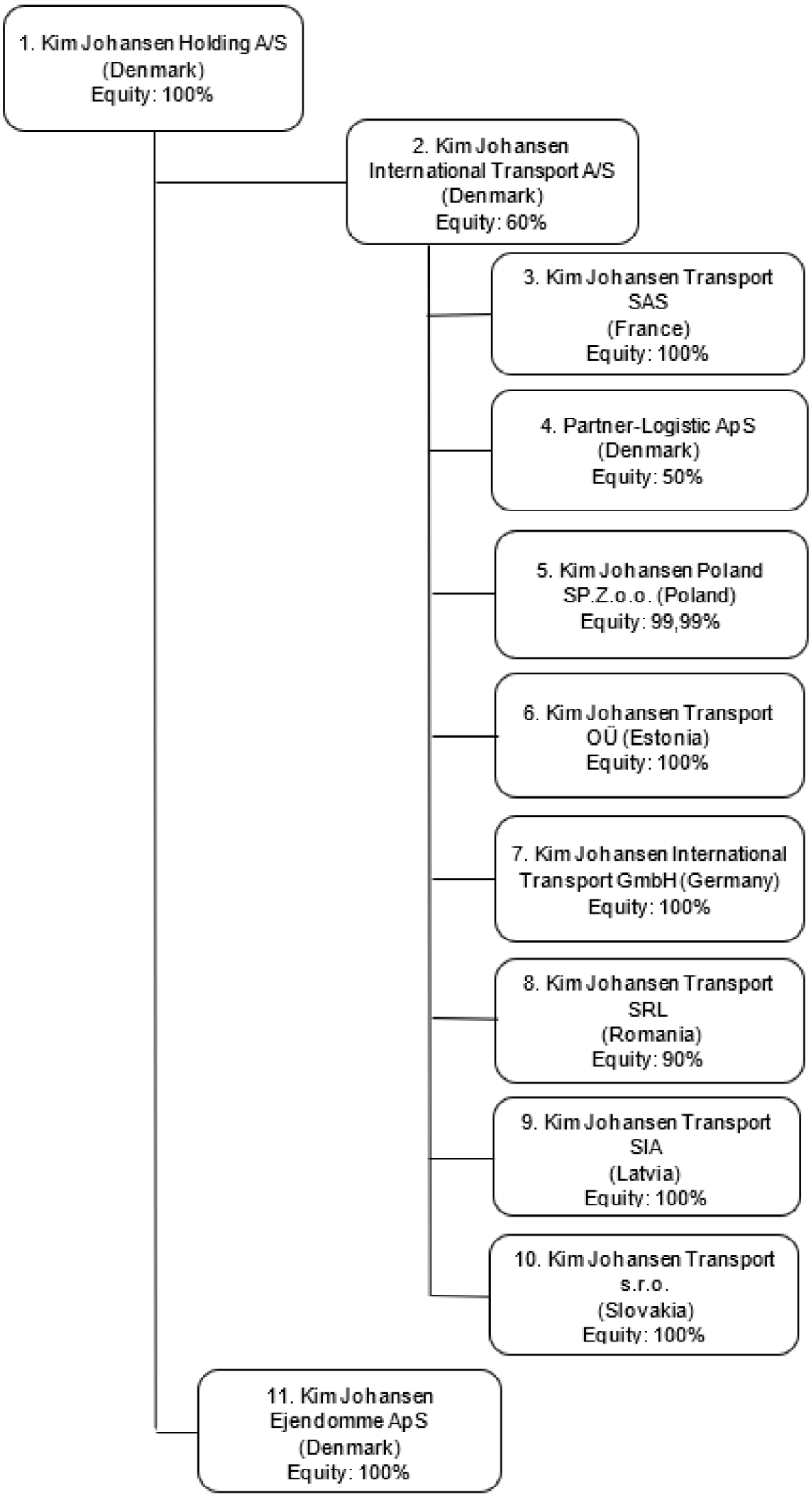
Niels Gade
CEO Kim Leidersdorff Johansen
Marylene Josette Sylvie Haigron

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Group chart



Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Kim Johansen Holding A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.23 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Greve, May 16, 2024

Executive Board

Kim Leidersdorff Johansen
CEO

Board of Directors

Niels Gade Chairman	Kim Leidersdorff Johansen CEO	Marylene Josette Sylvie Haigron

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

To the Shareholder of Kim Johansen Holding A/S

Opinion

We have audited the consolidated financial statements and financial statements of Kim Johansen Holding A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 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 consolidated financial statements and financial statements" section of our report. We are independent of the group and 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the consolidated financial statements and 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 consolidated financial statements and financial statements, it is our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Based on the work we have performed, we conclude that the management's review is in accordance with the consolidated financial statements and 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's review.

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

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and 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 consolidated financial statements and financial statements unless management either intends to liquidate the group and the company 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the consolidated financial statements and 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 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 consolidated financial statements and 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and financial statements, including the disclosures, and whether the consolidated financial statements and 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.

Slagelse, May 16, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jens Jørgen Bay Simonsen	Frederik Søndergaard Kjelkvist
State Authorized Public Accountant	State Authorized Public Accountant
MNE-no. mne11503	MNE-no. mne50563

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	2020	2019
Profit/loss					
Revenue	611.758	624.715	594.405	466.093	530.784
Gross profit	60.755	68.558	69.549	58.099	51.649
Index	118	133	135	112	100
Operating profit/loss	2.483	15.113	24.975	14.114	12.630
Index	20	120	198	112	100
Total net financials	-982	1.087	-1.068	44	-1.019
Profit for the year	1.366	12.585	19.966	10.805	7.635
Balance					
Total assets	269.108	252.382	247.183	214.965	230.709
Investments in property, plant and equipment	37.336	21.631	17.122	7.779	15.804
Equity	86.781	88.202	78.252	55.796	46.968

Ratios

	2023	2022	2021	2020	2019
Profitability					
Return on equity	1,6%	15,2%	30,7%	20,7%	18,0%
Gross margin	9,9%	11,0%	11,7%	12,5%	9,7%
Return on invested capital	2,5%	14,1%	22,3%	12,7%	9,3%
Profit margin	0,4%	2,4%	4,2%	3,0%	2,4%
Net-margin (%)	0,2%	2,0%	3,6%	2,3%	1,4%
Equity ratio					
Solvency ratio	32,2%	34,9%	31,7%	26,0%	20,4%
Others					
Number of employees (average)	812	721	828	726	747

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Gross margin:	$\frac{\text{Gross result x 100}}{\text{Revenue}}$
Return on invested capital:	$\frac{\text{EBITA x 100}}{\text{Avg. invested capital excl. goodwill}}$
EBITA:	Operating profit plus amortisation and im-pairment losses on goodwill.
Invested capital excl. goodwill:	Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital.
Profit margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Solvency ratio:	$\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$
Net-margin (%):	$\frac{\text{Profit for the year x 100}}{\text{Revenue}}$

Primary activities

We provide time sensitive and efficient international transport solutions with respect for the environment and road safety. We are striving for a market leading position within air cargo trucking in Europe while also strengthening our position within time sensitive transport solutions.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Development in activities and financial affairs

Profit before tax for the year 2023 totals DKK 1,5m and profit after tax for the year 2023 totals DKK 1,4m. The equity on December 31st, 2023 totals DKK 86,8m. The cashflows for the year 2023 total DKK -14m.

The overall financial performance of the year 2023 is considered unsatisfactory by the Management.

Impacting the financial performance from the internal aspects, the growth strategy including digital transformation, organizational adjustments and recruitment and education of driver staff led to one off costs at a higher level than expected.

This was combined with external market conditions changing during 2023 leading to even higher price pressure from customers along with nearly all main cost elements with increasing prices. A combination with double negative financial effect.

Finally, extraordinary short term investments in fleet capacity led to negative cashflows in 2023 and will be realized again in 2024 with positive impact on the cashflow.

Outlook

With a strong foundation, we will focus on continuing our growth strategy.

The external conditions described above are still the actual market conditions that we see in the European international transportation business.

Based on our knowledge now and our constantly focus to adjust to the market conditions, we expect an activity level in the range of DKK 700-720m along with financial results before tax in the range of DKK 0-5m and positive cashflows in 2024 in the range of DKK 10-15m.

Financial risks

Foreign currency risks

The Group is not considered to be exposed to special risks aside from those assessed as ordinary for this industry.

Further, the Group is not considered particularly exposed to financial risks as most of its revenue, purchases and funding are in Danish kroner or Euro. However, a part of the cost is paid in PLN and RON. Part of this has been secured by forward exchange contracts.

Interest rate risks

The Group's interest-bearing liabilities are carrying a mix of fixed and variable interests with an increased part of variable interest from new investments during the last year.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Corporate social responsibility

At Kim Johansen Transport Group, we are deeply committed to minimizing our environmental impact while advancing sustainability across all aspects of our operations and having a positive impact on our employees and the communities we serve. In line with the current trend towards standardized Environmental, Social, and Governance (ESG) reporting, we have focused on improving transparency and standardized disclosures within our organization, with an eye on future requirements. Our Corporate Social Responsibility (CSR) policies and ESG report 2022-2023 are readily available on our website at https://kim-johansen.com/environmental-impact.

The core values of Kim Johansen Transport Group Teamwork, Respect, Flexibility, and Responsibility – are reflected in our mission statement: "We provide time-sensitive and efficient transport solutions with respect for the environment and road safety."

Key Partners	Key Activities	Value Propositions	Customer Relationship	Customer Segments
Vehicle manufacturers and maintenance providers; Suppliers of tyres and other fleet equipment; Fuel Suppliers; Technology partners offering logistic management solutions, communication platforms; on-time tracing systems and high security level; Crossing partners (ferries, bridges etc.); Local Authorities (employment, fleet registration/approval etc.); Banking and financial institutions; Insurance companies; Other Transportation companies to ensure a wide network and deliverance on time despite external factors; Recruitment and education partners.	Time-sensitive and security-approved transport of goods; Road planning and optimization; Fleet management & maintenance; Developing and maintaining digital platforms for operational optimization; Collaborating with partners and suppliers to ensure a seamless transportation network; Utilizing technology for route optimization, tracking, and communication with drivers and customers; Employee Training and development; 24/7h support; Commercial Initiatives; Recruitment.	We are experts in effective security-approved and time-sensitive transport solutions and have a wide network of driver hubs across Europe. We are flexible and tailor the solution to fit the needs of our customers. We offer fair and competitive prices, and we can adapt in case of unforeseen circumstances. We are doing things according to law and regulations. We have strong company values to support behavior and company culture based on responsibility, respect, flexibility and teamwork.	Reliable and efficient transportation; Scalability and flexibility; Cost-effectiveness; Transparency and communication keeping your customers informed about the status of their shipments and addressing any concerns promptly; customized solutions; Reliable and responsive partner offering competitive prices and effective on-time solutions; educated employees for security approved cargo; Security by having Regulated Agent certification.	Our Target Customer market is high-volume shippers, air-cargo companies and freight forwarders with high shipping value of time sensitive full loads in Central, North, Western Europe. Our customers require specialized, security approved and time-sensitive transportation solutions. Companies dealing with temperature-controlled goods, hazardous materials, or oversized cargo rely on your expertise and specialized equipment. Customer feedback : Reliability and on-time delivery: On-time delivery and meeting strict deadlines.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

		We have an education and training academy to ensure proper onboarding and highly skilled employees to deliver great service to our customers and make positive results. Our employees are always ready to suggest the most convenient transportation options and timings. We offer monthly performance reports and CO2 counts of the transportation services on the invoice.		Expertise in handling security-approved cargo: Transporting time-sensitive goods. Responsiveness in customer service, clear communication, and personalized attention.
Motivations for Partnership	**Key Resources**		**Channels**	
Optimization and economy, Reduction of risk and uncertainty, Acquisition of particular resources and activities.	Trucks and Trailers; Spare parts, Oils, Tires etc. Human Resources; Operational resource and traffic planning; Data analytics; Skilled personnel; Customer service; IT and Technical professionals; Financial Resources: Capital to buy and maintain the equipment needed.		Direct communication through dedicated account managers and dispatchers, allowing for in-depth discussions and personalized service. 24/7h Service desk; Phone and E-mail communication; Online portals, Real time tracking; Website, SOME; APPs.	

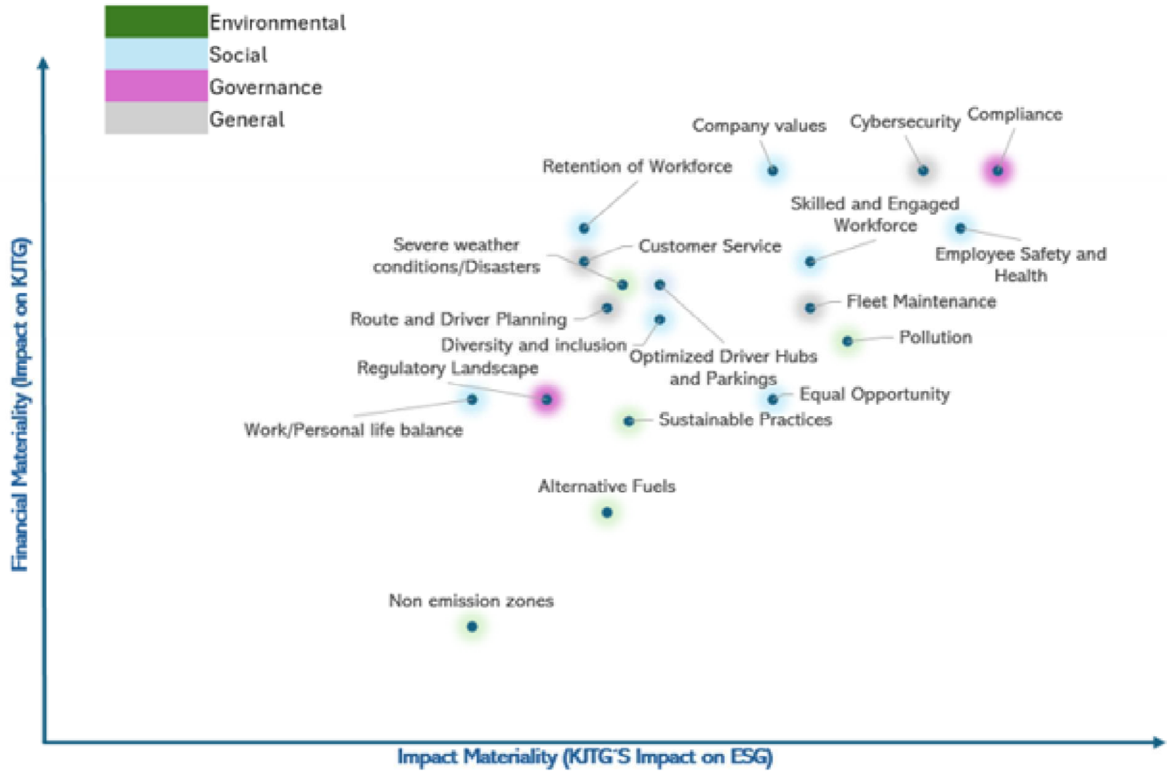
Cost Structure	Revenue Streams
Cost driven: Vehicle Acquisition and maintenance costs; Fuel and energy costs; Driver wages and benefits; Infrastructure costs; Technology and Software expenses; Insurance Premiums.	Freight Transportation Services; Fuel Surcharge; Revenue generated from tolls; crossings; parking fees; Revenue from fleet maintenance.

Double materiality

Recognizing the significance of addressing both financial and non-financial aspects in our ESG reporting, we incorporate the concept of double materiality into our framework. Our materiality assessment conducted in 2023 aimed to identify significant aspects to be included in our report. This process involved reviewing our value and supply chains, analyzing stakeholders' interests, and conducting interviews with key customers. Stakeholder assessment has resulted in 50 aspects grouped in 19 materiality categories. Each aspect has been ranked in importance from one to five to identify the most important aspects.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

"Double Materiality Matrix 2023, Kim Johansen Transport Group(KJTG)"



As part of our financial materiality assessment, we conducted a thorough evaluation of the risks and opportunities associated with the identified material aspects, taking into account both current realities and potential impacts. The results of this assessment have been integrated into our final evaluation. Among the highest risks identified were those related to Compliance, Cybersecurity, Retention of the Workforce, and Customer Service.

While we endeavor to maintain compliance with existing laws and regulations, the complexity of operating across multiple countries and navigating a constantly changing political landscape presents significant risks. We acknowledge the importance of remaining vigilant to avoid oversights in this regard.

To mitigate the risks associated with customer dissatisfaction, we prioritize ongoing employee training and attentiveness to customer needs. In the transportation sector, where operational success hinges on customer satisfaction, the loss of even a single customer can pose significant operational risks due to the sector's limited number of participants and the direct impact of the customer base on operations.

The retention of a qualified and skilled workforce is integral to efforts of giving the best customer service. We recognize that training and recruitment of drivers are costly procedures, and given the

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYI

challenges in the industry, such as driver shortages, retaining drivers requires continuous effort in all the units of our business.

Looking ahead, we aim to review and refine our double materiality assessment in 2024, considering a broader range of aspects and implementing a new system of grouping to achieve better outcomes.
Acknowledging the environmental challenges posed by the transport sector, we are committed to mitigating these impacts. In 2023, we undertook several initiatives to reduce our environmental footprint.

CO2 Emissions Reduction:

Through collaborative efforts with stakeholders, we prioritize transport solutions focused on efficiency and resource utilization. Our business emphasizes maximizing full load capacity and combining traffic to minimize empty driving. To explore the demand, efficiency, and potential benefits of using alternative types of vehicles, we continued to utilize our LNG vehicles. Unfortunately, demand for LNG vehicles has been limited due to the poor infrastructure of refueling stations, high usage costs, vehicle maintenance expenses, and limited interest in our operating markets. In 2024, we will continue to explore alternative refueling methods and analyze the feasibility of offering HVO solutions for routes where reasonable.

Over the past ten years, with a baseline set in 2012, we have monitored our CO2 emissions from diesel vehicles. We are pleased to report that despite the lower technical progress of diesel vehicles, our CO2 emissions continue to steadily decrease. By the end of 2023, the greenhouse gas (GHG) emission index showed a 23% decrease in CO2 emissions per 100 km driven compared to the 2012 baseline.

Driver Hubs:
Strategic placement of driver hubs enables efficient resource planning and better rest opportunities. However, challenges such as heavy-load vehicle restrictions and parking bans and lack of focus on safe and sanitary parking from the side of governments, imposes ongoing efforts to find new hubs and to maintain, and improve already existing hubs.

Eco-Driving Training:
We have conducted internal training programs to educate our drivers on eco-driving practices, emphasizing techniques to minimize environmental impact. These efforts have yielded positive results, including improved driving techniques, enhanced safety, reduced environmental impact, and lower traffic costs. We plan to renew our focus on rewarding drivers who adhere to these practices, with the expectation of further improvements in the coming years.

Equipment and Waste Reduction:
Over the past two years, we have renewed approximately 35% of our fleet, prioritizing the incorporation of more fuel-efficient trucks to enhance sustainability and fleet reliability. In line with our commitment to the circular economy, we have established new agreements with our tire supplier to facilitate the return of used tires. Additionally, we have prioritized efforts to reduce waste

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

production through reuse, recycling, and composting. These initiatives align with our dedication to environmental sustainability.

Continual Improvement and Monitoring:
We are committed to improving reporting practices and data gathering to identify relevant key performance indicators (KPIs) for measuring environmental impact accurately. Our goal is to ensure comparability and transparency in reporting, allowing stakeholders to assess our environmental performance over time.

Looking ahead to 2024, our environmental ambitions include:
Continued Fleet Renewal: We aim to renew 25% of our fleet, further enhancing our commitment to sustainability.
Greenhouse Gas Emissions Reduction: Efforts will be directed towards sustaining or reducing greenhouse gas emissions from our trucks and operations.
Waste Management: We will strive to further reduce waste production by implementing waste sorting initiatives and exploring opportunities for waste reduction in all our hubs.
To follow up on the progress towards emission reduction targets, policies for our Greenhouse gas emission reporting need to be established.
At Kim Johansen Transport Group, we prioritize respecting human and labor rights in every aspect of our activities, aligning with relevant legislation. With a diverse workforce hailing from nearly 20 countries, we value inclusivity and ensure fair compensation, regardless of nationality, age, sex, religion, or any other factor. Upholding human rights is a cornerstone of our corporate culture. Since the appointment of our People and Culture Director (CPO) in late 2022, we have launched various initiatives to ensure our employees receive the necessary support and integration from day one. Throughout 2023, we focused on refining our recruitment processes, equipping our team with the tools they need to thrive, and fostering a sense of belonging within the Kim Johansen Transport Group. Additionally, we concentrated on enhancing our communication and branding efforts to attract, develop, and retain top talent, solidifying our position as an employer of choice.

Safety is a priority in our operations, particularly for our drivers, who are instrumental in the timely and efficient delivery of goods, including time-sensitive cargo. To prevent accidents, we have emphasized ongoing training and monitoring, ensuring driver adherence to safety protocols and regulations. However, three occupational accidents occurred in 2023, resulting in 111 days lost due to injury. As a result, we are committed to further strengthening our safety measures.

In 2022, we initiated the "Low Speed Vehicles" project to enhance safety, fuel efficiency, and environmental sustainability. Although successful in improving fuel efficiency, it also presented challenges, causing stress for our drivers, and resulting in delays. Moving forward, we plan to continue this project on a selective basis, balancing safety with operational efficiency.

Ethical sourcing and procurement practices are fundamental to our operations. We collaborate closely with suppliers to ensure compliance with fair labor practices, environmental regulations, and ethical business conduct.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

In our commitment to inclusivity, we have listened to feedback from our employees, particularly our female drivers, and implemented improvements such as separate shower facilities and opportunities for double-team assignments with their family members. Moreover, we have introduced educational initiatives, and the development of an employee social and educational app.

Our employee app aims to provide a safe space and community for our employees to learn, communicate, and share information. It serves as a platform for company news, training programs, work satisfaction surveys, among other features. Following successful testing at the end of 2023, our focus in 2024 will be on promoting widespread adoption of the app, ensuring all employees have access to it, feel comfortable using it, and have the opportunity to benefit from its features.

Infrastructure improvements, including the plan for the construction of exercise rooms for drivers at our main hub in Greve, demonstrate our commitment to providing optimal conditions for rest and professional development. Looking ahead, we plan to explore opportunities for expansion and additional training facilities.

Maintaining a stable turnover rate has historically presented challenges within the transportation industry. However, by the conclusion of 2023, the turnover rate among our drivers decreased to just below 25%. We remain optimistic that our ongoing efforts to enhance the attractiveness and respectability of a driver's role will yield further reductions in turnover rates in the years ahead.

Social Ambitions and Actions for 2024:

In addition to our ongoing efforts, we aim to achieve the following ambitious goals in 2024:
Enhance Employer Branding and Group Alignment: We will focus on improving the value of our employer branding and ensuring alignment with our group brand.

Promote a Culture of Life Balance, Open Feedback, and Continuous Learning: Our aim is to foster a culture that emphasizes life balance, encourages open feedback, and supports continuous learning and development among our employees.

Invest in Professional Development: We are committed to investing in the professional development of our employees, providing them with opportunities to enhance their skills and grow within the organization.

Optimize Recruitment and Position Matching: Efforts will be made to streamline recruitment processes, ensuring that the right individuals are matched with the right positions and provided with the platform to excel and reach their full potential.
To achieve our ambitions for 2024, we will undertake the following actions:
Implementation of New Website and Updated Branding: We will launch a new website and update our Kim Johansen Transport Group branding to enhance our employer brand and ensure alignment with our group brand.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Rollout of Employee App MyKim: The implementation of the Employee App MyKim will serve as our new training and communication tool, facilitating seamless interaction and knowledge sharing among employees.

Alignment of Company Policies and Handbook: We will align our company policies and make the employee handbook available to all office employees to ensure consistency and clarity in our organizational guidelines.

Expansion of Online Platform MyKim: Our online platform MyKim will be expanded to include all basic training materials, from manuals to policies, providing convenient access to essential resources for all employees.

Implementation of Updated Onboarding Process: We will implement an updated onboarding process in all offices, including extended driver training, to ensure that new employees are well-equipped and integrated into their roles and Kim Johansen Transport Group.

Tracking of Key Performance Metrics: We will monitor key performance metrics such as Employee MWQ score, turnover rates, training and education participation rates, sickness rate, and conduct continuous one-to-one reviews throughout the year with the closest manager to assess progress and identify areas for improvement.

Governance:

At Kim Johansen Transport Group, we prioritize governance practices that uphold integrity, transparency, and accountability across all aspects of our operations. Our commitment to governance extends to our vehicle procurement strategy, where we select various makes of vehicles from diverse suppliers to mitigate risks, enhance efficiency, and promote reliability.

By adhering to regulatory compliance standards, we aim to foster an environment of fairness and trust with our employees and other stakeholders. This proactive approach not only helps us stay ahead of potential risks but also ensures operational reliability, allowing us to deliver consistent and dependable services to our customers. Through robust governance measures, we strive to maintain the highest standards of ethical conduct and sound decision-making, thereby reinforcing the trust and confidence placed in us by our stakeholders.

Ethical Conduct:
We maintain a zero-tolerance approach to discrimination, corruption, and bribery in all aspects of our operations. Our commitment to promoting and respecting human rights guides our decision-making processes, ensuring fairness and equality for all.

Whistleblower Channel:
Transparency and accountability are integral to our governance framework. To facilitate the reporting

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

of misconduct, we have established a whistleblower channel. This platform allows employees to report any violations of company policies or ethical standards, reinforcing our commitment to transparency and accountability. In 2023, we received zero reports through this channel. While this could indicate positive practices, we will actively promote our whistleblower channel through our social app to ensure all employees have an opportunity to voice their concerns.
In 2024, we aim to further promote our values and diversity, inclusion, and equity policies, fostering a sense of teamwork and collaboration. We encourage employees to work together across departments and levels of Kim Johansen Transport Group, communicate with respect, and take responsibility for their behavior.

Governance Actions and Ambition in 2024:
Integration of value and ethical campaigns, alongside training, into MyKim, our communication and training app. This includes psychological safety training in the MyKim academy.

Active promotion of the Whistleblower channel on MyKim, with ongoing evaluation of the provider to ensure effectiveness.

Maintenance of transparent responsibility and decision-making procedures throughout the organization, ensuring all stakeholders are aware of their roles and responsibilities.

Measurement and analysis of work-related accidents, with regular updates to safety procedures across all our sites. We will also conduct collaborative safety campaigns in partnership with relevant organizations.

Accessibility of training in health, safety, and environment (HSE), ethics, risk management, etc., through our MyKim communication and training app.

Gender composition of the management

Supreme management body

At Kim Johansen Transport Group we are committed to providing equal opportunities for all our employees and candidates, free from any form of discrimination based on gender, race, age, sexual orientation, or any other factors.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	33%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 1 woman (33%) and 2 men (67%), as shown in the table

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. Employee representatives are not included.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	31.12.19
Number of managers	14	*)	*)	*)	*)
Underrepresented sex (%)	21%	*)	*)	*)	*)
Target (%)	36%	*)	*)	*)	*)
Target figures expected to be met in year	2026	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Update on meeting targets

The company's other levels of management currently consist of 3 female managers out of a total of 14 managers (21%), which is unchanged from last year.

Description of material content of the policy

The company's policy and goal is to create a workplace with a diverse workforce at all levels of management that promotes equal opportunities irrespective of background, culture, religion, gender, etc. Management has adopted a policy to increase the proportion of the underrepresented sex at the other management levels, including the company's department managers and team leaders. The policy contains a framework for each manager's career development and mentoring options, and internal targets for the proportion of the underrepresented sex at other management levels. The policy also lays down guidelines for recruiting and retaining the sex that is underrepresented in the company.

The company has set a target for the underrepresented sex at other management levels of 36%. The company is working towards achieving the target before the end of 2026.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Significant actions taken during the financial year to achieve the target

The company has taken the following actions during the year in line with this policy to increase the proportion of female managers:

- Support for preparation of individual career plans
- Mentoring schemes
- Pursuing staff policies that promote equal career opportunities for both sexes
- Recruitment procedures that help ensure uniform recruitment opportunities for both sexes.

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

Data ethics

Since the implementation of the European Union's General Data Protection Regulation (GDPR) in May 2018, the responsible use of personal data has been an integral part of KJTG's operations. We are committed to continuously working on procedures, policies, and practices to promote awareness and achieve transparency in the handling and erasure of personal and intercompany data.

To comply with GDPR requirements, KJTG has established and implemented an internal IT-Security Policy and a Policy for the deletion and storage of personal data. These policies provide clear guidelines and procedures for handling personal data in a secure and compliant manner. They outline the steps to be followed by our employees and stakeholders to protect personal data and ensure its proper storage and deletion in accordance with GDPR regulations.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Income statement

Note		Group 2023 DKK '000	Group 2022 DKK '000	Parent 2023 DKK '000	Parent 2022 DKK '000
1	**Revenue**	**611.758**	**624.715**	**0**	**0**
	Production costs	-551.003	-556.157	0	0
	Gross profit	**60.755**	**68.558**	**0**	**0**
	Administration costs	-60.657	-56.235	-149	-156
	Other operating income	2.545	2.870	0	0
	Other operating expenses	-160	-80	0	0
	Operating profit/loss	**2.483**	**15.113**	**-149**	**-156**
4	Income from equity investments in group enterprises	0	0	888	7.864
5	Financial income	1.664	3.105	300	59
6	Financial expenses	-2.646	-2.018	-1	-9
	Profit before tax	**1.501**	**16.200**	**1.038**	**7.758**
	Tax on profit for the year	-135	-3.615	22	143
	Profit for the year	**1.366**	**12.585**	**1.060**	**7.901**

Proposed appropriation account

	Group 2023 DKK '000	Group 2022 DKK '000	Parent 2023 DKK '000	Parent 2022 DKK '000
Reserve for net revaluation according to the equity method	0	0	888	7.863
Proposed dividend for the financial year	1.000	1.400	1.000	1.400
Non-controlling interests	306	4.684	0	0
Retained earnings	60	6.501	-828	-1.362
Total	**1.366**	**12.585**	**1.060**	**7.901**

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Balance sheet

ASSETS

Note		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
	Completed development projects	3.671	311	0	0
	Goodwill	0	183	0	0
	Development projects in progress	0	1.867	0	0
8	**Total intangible assets**	**3.671**	**2.361**	**0**	**0**
	Land and buildings	42.352	42.806	0	0
	Plant and machinery	46.909	36.984	0	0
	Other fixtures and fittings, tools and equipment	5.402	4.207	0	0
9	**Total property, plant and equipment**	**94.663**	**83.997**	**0**	**0**
10	Equity investments in group enterprises	0	0	58.184	62.132
11	Receivables from group enterprises	0	0	1.213	3.082
10	Equity investments in associates	63	63	0	0
10	Other investments	4.694	4.035	0	0
11	Deposits	1.625	2.499	0	0
11	Other receivables	509	592	509	592
	Total investments	**6.891**	**7.189**	**59.906**	**65.806**
	Total non-current assets	**105.225**	**93.547**	**59.906**	**65.806**
	Raw materials and consumables	4.091	4.426	0	0
	Total inventories	**4.091**	**4.426**	**0**	**0**
	Trade receivables	100.646	85.751	0	0
	Receivables from group enterprises	0	0	7.631	0
	Income tax receivable	3.147	0	1.483	1.561
	Other receivables	24.018	26.234	0	0
12	Prepayments	11.205	7.652	0	0
	Total receivables	**139.016**	**119.637**	**9.114**	**1.561**
	Cash	**20.776**	**34.772**	**2.005**	**5.585**
	Total current assets	**163.883**	**158.835**	**11.119**	**7.146**
	Total assets	**269.108**	**252.382**	**71.025**	**72.952**

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

EQUITY AND LIABILITIES

Note		Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
13	Share capital	6.000	6.000	6.000	6.000
	Revaluation reserve	4.735	4.891	0	0
	Reserve for net revaluation according to the equity method	0	0	52.676	56.626
	Foreign currency translation reserve	274	-177	0	0
	Cash flow hedging reserve	0	276	0	0
	Retained earnings	58.946	59.410	11.279	7.774
	Proposed dividend for the financial year	1.000	1.400	1.000	1.400
	Equity attributable to owners of the parent	**70.955**	**71.800**	**70.955**	**71.800**
14	Non-controlling interests	15.826	16.402	0	0
	Total equity	**86.781**	**88.202**	**70.955**	**71.800**
15	Provisions for deferred tax	9.317	8.994	0	0
	Total provisions	**9.317**	**8.994**	**0**	**0**
16	Mortgage debt	18.378	19.122	0	0
16	Payables to other credit institutions	0	190	0	0
16	Lease commitments	15.852	8.535	0	0
16	Other payables	1.211	1.802	0	0
	Total long-term payables	**35.441**	**29.649**	**0**	**0**
16	Short-term part of long-term payables	15.622	13.228	0	0
	Payables to other credit institutions	130	203	0	0
	Trade payables	88.120	80.078	0	0
	Payables to group enterprises	0	0	0	1.100
	Payables to associates	5.507	5.692	0	0
	Income taxes	0	1.615	0	0
	Other payables	28.190	24.721	70	52
	Total short-term payables	**137.569**	**125.537**	**70**	**1.152**
	Total payables	**173.010**	**155.186**	**70**	**1.152**
	Total equity and liabilities	**269.108**	**252.382**	**71.025**	**72.952**

17 Fair value information
18 Contingent liabilities
19 Charges and security
20 Related parties

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Figures in DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:										
Statement of changes in equity for 01.01.23 - 31.12.23										
Balance as at 01.01.23	6.000	4.891	0	-177	276	59.410	1.400	71.800	16.402	88.202
Foreign currency translation adjustment of foreign enterprises	0	0	0	451	0	0	0	451	300	751
Reversal of revaluations in respect of previous years	0	-15	0	0	0	0	0	-15	0	-15
Dissolution of revaluations in respect of previous years	0	-184	0	0	0	184	0	0	0	0
Dividend paid	0	0	0	0	0	0	-1.400	-1.400	-1.667	-3.067
Other changes in equity	0	0	0	0	-276	-668	0	-944	485	-459
Tax on changes in equity	0	43	0	0	0	-40	0	3	0	3
Net profit/loss for the year	0	0	0	0	0	60	1.000	1.060	306	1.366
Balance as at 31.12.23	6.000	4.735	0	274	0	58.946	1.000	70.955	15.826	86.781

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-55YIW

Figures in DKK '000	Share capital	Revaluation reserve	Reserve for net revaluation according to the equity method	Foreign currency translation reserve	Cash flow hedging reserve	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Parent:										
Statement of changes in equity for 01.01.23 - 31.12.23										
Balance as at 01.01.23	6.000	0	56.626	0	0	7.774	1.400	71.800	0	71.800
Foreign currency translation adjustment of foreign enterprises	0	0	451	0	0	0	0	451	0	451
Reversal of revaluations in respect of previous years	0	0	-15	0	0	0	0	-15	0	-15
Distributed dividend from group enterprises	0	0	-4.333	0	0	4.333	0	0	0	0
Dividend paid	0	0	0	0	0	0	-1.400	-1.400	0	-1.400
Other changes in equity	0	0	-944	0	0	0	0	-944	0	-944
Tax on changes in equity	0	0	3	0	0	0	0	3	0	3
Net profit/loss for the year	0	0	888	0	0	-828	1.000	1.060	0	1.060
Balance as at 31.12.23	6.000	0	52.676	0	0	11.279	1.000	70.955	0	70.955

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

Consolidated cash flow statement

Note		Group 2023 DKK '000	Group 2022 DKK '000
	Profit for the year	**1.366**	**12.585**
21	Adjustments	15.791	14.324
	Change in working capital:		
	Inventories	335	184
	Receivables	-15.275	8.659
	Trade payables	8.042	4.616
	Other payables relating to operating activities	3.878	0
	Cash flows from operating activities before net financials	**14.137**	**40.368**
	Interest income and similar income received	1.663	3.064
	Interest expenses and similar expenses paid	-2.646	-2.041
	Income tax paid	-3.797	-3.261
	Cash flows from operating activities	**9.357**	**38.130**
	Purchase of intangible assets	-2.382	-1.950
	Purchase of property, plant and equipment	-21.875	-20.928
	Sale of property, plant and equipment	13.051	18.718
	Purchase of securities and equity investments	0	-1.205
	Sale of securities and equity investments	0	265
	Cash flows from investing activities	**-11.206**	**-5.100**
	Dividend paid	-3.067	-3.067
	Arrangement of mortgage debt	0	0
	Repayment of mortgage debt	-832	-1.098
	Arrangement of payables to other credit institutions	7.011	11.530
	Repayment of payables to credit institutions	0	-2.920
	Repayment of lease commitments	-14.041	-15.235
	Repayment of payables to associates	0	-293
	Repayment of other long-term payables	-1.218	0
	Cash flows from financing activities	**-12.147**	**-11.083**
	Total cash flows for the year	**-13.996**	**21.947**
	Cash, beginning of year	34.772	12.825
	Cash, end of year	**20.776**	**34.772**
	Cash, end of year, comprises:		
	Cash	20.776	34.772
	Total	**20.776**	**34.772**

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

1. Revenue

Revenue comprises the following activities:

Revenue from transport services	611.750	624.715	0	0

Revenue comprises the following geographical markets:

Revenue, other countries	611.750	624.715	0	0

2. Employee aspects

Wages and salaries	168.693	152.764	0	0
Pensions	2.205	1.893	0	0
Other social security costs	22.975	20.657	0	0
Total	193.873	175.314	0	0
Average number of employees during the year	812	721	0	0

Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	2.296	741	0	0

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	724	597	62	19
Other assurance engagements	34	43	0	0
Tax advice	0	0	0	0
Other services	238	261	0	21
Total	996	901	62	40

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

3. Fees to auditors appointed by the general meeting - continued -

Beierholm (member of HLB International) serves as the auditor appointed by the general meeting for Kim Johansen International Transport A/S.

Fee to other auditoys comprise fees to the appointed auditozs foz other group enterprises. Other auditors comprise the following audit firms:
- Deloitte
- Fideta Audit
- Avanta Audit
- Audiitorbüroo ELSS OÜ
- SIA "Sandra Dzerele un Partneris" (member of HLB International).
- Mandat Audit, s.r.o

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
4. Income from equity investments in group enterprises				
Share of profit or loss of group enterprises	0	0	888	7.864
Total	0	0	888	7.864
5. Financial income				
Interest, group enterprises	0	0	261	41
Other interest income	43	118	39	18
Other financial income	1.621	2.987	0	0
Total	1.664	3.105	300	59
6. Financial expenses				
Other interest expenses	843	0	1	9
Other financial expenses	1.803	2.018	0	0
Total	2.646	2.018	1	9

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

7. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	888	7.863
Proposed dividend for the financial year	1.000	1.400	1.000	1.400
Non-controlling interests	306	4.684	0	0
Retained earnings	60	6.501	-828	-1.362
Total	1.366	12.585	1.060	7.901

8. Intangible assets

Figures in DKK '000	Completed development projects	Goodwill	Development projects in progress
Group:			
Cost as at 01.01.23	2.452	1.335	1.867
Additions during the year	2.382	0	0
Transfers during the year to/from other items	1.867	0	-1.867
Cost as at 31.12.23	6.701	1.335	0
Amortisation and impairment losses as at 01.01.23	-2.140	-1.152	0
Amortisation during the year	-890	-183	0
Amortisation and impairment losses as at 31.12.23	-3.030	-1.335	0
Carrying amount as at 31.12.23	3.671	0	0

Completed development projects comprise the development of new internal Transport Management System, ERP-system and automation of processes.

The capitalized costs comprise external costs.

It is Management's assessment that there are no impairment indications regarding completed developments projects.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

9. Property, plant and equipment

Figures in DKK '000	Land and buildings	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:				
Cost as at 01.01.23	47.966	1.418	115.629	19.913
Additions during the year	613	0	33.208	3.515
Disposals during the year	0	0	-40.013	-810
Cost as at 31.12.23	48.579	1.418	108.824	22.618
Revaluations as at 01.01.23	6.438	0	0	0
Reversal of revaluations in respect of previous years	-15	0	0	0
Revaluations as at 31.12.23	6.423	0	0	0
Depreciation and impairment losses as at 01.01.23	-11.599	-1.418	-78.645	-15.709
Depreciation during the year	-1.051	0	-13.565	-2.033
Reversal of depreciation of and impairment losses on disposed assets	0	0	30.295	526
Depreciation and impairment losses as at 31.12.23	-12.650	-1.418	-61.915	-17.216
Carrying amount as at 31.12.23	42.352	0	46.909	5.402
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.23	36.280	0	0	0
Carrying amount of assets held under finance leases as at 31.12.23	0	0	24.531	0

Land and buildings, which comprises one property, are measured at fair value.

Fair value for the property, which is a commercial property used internally in the group, is based on a return-based model. Determination of the fair value is based on an expected normalized operating profit and a required rate of return of 6,25% (2022: 6,0%). The required rate of return is based on the property's location, age, the maintanance condition and occupancy rate including terms and conditions in the lease. The operating costs are estimated based on the expected costs to operate the property in a normal year, including costs of repairs and maintanence to maintain the property in it's current state of maintanance.

No external assessor has been used in determining fair value of the property.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

10. Investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates	Other investments
Group:			
Cost as at 01.01.23	0	63	103
Cost as at 31.12.23	0	63	103
Fair value adjustments as at 01.01.23	0	0	3.932
Fair value adjustments during the year	0	0	659
Fair value adjustments as at 31.12.23	0	0	4.591
Carrying amount as at 31.12.23	0	63	4.694
Parent:			
Cost as at 01.01.23	5.506	0	0
Cost as at 31.12.23	5.506	0	0
Revaluations as at 01.01.23	56.626	0	0
Foreign currency translation adjustment of foreign enterprises	452	0	0
Reversal of revaluations in respect of previous years	-15	0	0
Net profit/loss from equity investments	888	0	0
Dividend relating to equity investments	-4.333	0	0
Other equity adjustments relating to equity investments	-272	0	0
Other adjustments relating to equity investments	-668	0	0
Revaluations as at 31.12.23	52.678	0	0
Carrying amount as at 31.12.23	58.184	0	0

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

10. Investments - continued -

Name and registered office:	Ownership interest	Equity DKK'000	Net profit/loss for the year DKK'000	Recognised value DKK'000
Subsidiaries:				
Kim Johansen International Transport A/S, Greve	60%	57.945	764	42.120
Kim Johansen Transport SAS, France	100%	3.327	-806	3.195
Kim Johansen International Transport AS, Norway	100%	0	467	0
Kim Johansen Transport OÜ, Estonia	100%	7.068	1.071	6.041
Kim Johansen Poland Sp. Z.o.o, Poland	100%	12.850	2.488	12.500
Kim Johansen Transport SRL, Romania	90%	-1.498	-570	0
Kim Johansen International Transport GmbH, Germany	100%	-197	-26	-12
Kim Johansen Transport SIA, Latvia	100%	11.957	3.374	10.226
Kim Johansen Transport s.r.o., Slovakia	100%	4.359	-3.756	5.159
Kim Johansen Ejendomme ApS, Greve	100%	16.062	429	16.062
Associates:				
Partner-Logistic ApS, Glostrup	50%	150	5	63

Other investments comprise shares of OK A.m.b.a. The fair value of shares in OK A.m.b.a. is determined as the amount on the shareholder account calculated in accordance with OK A.m.b.a.'s articles of association.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

11. Other non-current financial assets

Figures in DKK '000	Receivables from group enterprises	Deposits	Other receivables
Group:			
Cost as at 01.01.23	0	1.908	593
Additions during the year	0	335	16
Disposals during the year	0	-618	-100
Cost as at 31.12.23	0	1.625	509
Carrying amount as at 31.12.23	0	1.625	509
Parent:			
Cost as at 01.01.23	3.082	0	593
Additions during the year	1.213	0	16
Disposals during the year	0	0	-100
Transfers during the year to/from other items	-3.082	0	0
Cost as at 31.12.23	1.213	0	509
Carrying amount as at 31.12.23	1.213	0	509

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
12. Prepayments				
Other prepayments	11.205	7.652	0	0
Total	11.205	7.652	0	0

13. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	6.000	6.000
Total		6.000

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

14. Non-controlling interests

	31.12.23	31.12.22	31.12.23	31.12.22
Non-controlling interests, beginning of year	16.402	12.975	0	0
Foreign currency translation adjustment of foreign enterprises	300	-25	0	0
Fair value adjustment of hedging instruments	0	235	0	0
Dividend paid	-1.667	-1.667	0	0
Other changes in equity	485	200	0	0
Net profit/loss for the year (distribution of net profit)	306	4.684	0	0
Total	15.826	16.402	0	0

15. Deferred tax

	31.12.23	31.12.22	31.12.23	31.12.22
Deferred tax as at 01.01.23	8.994	9.223	0	0
Deferred tax recognised in the income statement	326	-362	0	0
Deferred tax recognised in equity	-3	133	0	0
Deferred tax as at 31.12.23	9.317	8.994	0	0
Deferred tax is recognized in the balance sheet as:				
Provisions for deferred tax	9.317	8.994	0	0
Deferred tax is distributed as below:				
Intangible assets	781	445	0	0
Property, plant and equipment	10.002	8.237	0	0
Inventories	302	401	0	0
Receivables	646	883	0	0
Liabilities	-408	-76	0	0
Tax losses	-2.006	-896	0	0
Total	9.317	8.994	0	0

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

16. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Mortgage debt	813	14.912	19.191	20.017
Payables to other credit institutions	7.483	0	7.483	400
Lease commitments	7.326	3.401	23.178	20.253
Other payables	0	0	1.211	2.207
Total	15.622	18.313	51.063	42.877

17. Fair value information

Figures in DKK '000	Unlisted securities and equity investments	Land and buildings
Group:		
Fair value as at 31.12.23	4.694	42.352
Unrealised changes of fair value recognised in the income statement for the year	659	0
Unrealised changes of fair value recognised in equity for the year	0	-15

The method for fair value measurement of unlisted securities and equity investments is described in note 10.

The method for fair value measurement of land and buildings is described in note 9.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

18. Contingent liabilities

Group:

Lease commitments

The group has entered operating lease agreements on trucks, trailers and operating plant etc. for the years 2023-2028. Annual payments for operating leases (2024 amounts) are DKK 62,041k (2023 amounts: DKK 51,491k).

The group has entered other leasing and contractual agreements regarding rental of office and workshop premises as well as parking areas, etc. with terms to maturity of 3-35 months. Annual payments for these operating lease agreements (2024 amounts) are DKK 6.595k (2022: DKK 8.729k).

Parent:

Recourse guarantee commitments

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 269k at the balance sheet date.

Guarantee commitments

The company has provided a payment guarantee on operating and financial leases on plant and machinery in Kim Johansen International Transport A/S. Annual payments for operating leases (2024 amounts) are DKK 29.955k (2022: DKK 16,744k). The included lease commitment is DKK 10.862k as at 31st December 2023 (DKK 9.901k as at 31st December 2022) and the carrying amount of the included plant and machinery is DKK 11.295k as at 31st December 2023 (DKK 10.865k as at 31st December 2022).

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

19. Charges and security

Group:

Land and buildings with a carrying amount of DKK 42.352k have been provided as security for mortgage debt of DKK 19.191k

The group has issued mortgage deeds registered to the mortgagor on land and buildings of DKK 16,600 nominal (2022: DKK 16,600k). The mortgage deeds registered to the mortgagor are provided as security for debt to credit institutions.

The group has issued mortgage deeds registered to the mortgagor secured upon plant and machinery. The mortgage deeds registered to the mortgagor are provided as security for debt to credit institutions and for financial leasing liabilities.

The group has provided a company charge of DKK 30,000k (2022: DKK 30,000k) as security for debt to credit institutions. As at 31.12.23, the company charge comprises intangible property rights, property plant and equipment, inventories and trade receivables.

Parent:

The company has not provided any security over assets.

20. Related parties

Controlling influence	Basis of influence
Kim Leidersdorff Johansen, 12 Rue Saint-Etienne, F-60300 Senlis, France	Principal shareholder, owns 100% of the shares

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 2. Employee aspects.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

	Group	
	2023 DKK '000	2022 DKK '000

21. Adjustments for the cash flow statement

Depreciation, amortisation and impairments losses of intangible assets and property, plant and equipment	14.673	11.796
Financial income	-1.663	-3.105
Financial expenses	2.646	2.018
Tax on profit or loss for the year	135	3.615
Total	15.791	14.324

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

On recognition of integrated foreign entities, monetary items are translated using the exchange rates applicable at the balance sheet date. Non-monetary items are translated using the exchange rates applicable at the date of acquisition or the date of subsequent revaluation or impairment of the asset. The items in the income statement are translated at the exchange rates applicable at the transaction date, while items derived from non-monetary items are translated at the historical exchange rates for such non-monetary items.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Revenue

Income from the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Income from the rental of properties is recognised in the income statement for the relevant period. Revenue is measured at fair value and determined exclusive of VAT and discounts.

Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including operation of trucks, drivers' wages and salaries and lease of and depreciation, amortisation and impairment losses on trucks, trailers etc., are recognised under production costs.

Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

Other operating income

Other operating income comprises income of a secondary nature in relation to the Group's activities, including reinvoicing of production costs, as well as income from rental agreements with subsidiaries and other external rental agreements, as well as required compensations from COVID-19 aid schemes.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Completed development projects	3	0
Goodwill	5	0
Buildings	20-50	0
Leasehold improvements	7	0
Plant and machinery	3-10	0-15
Other plant, fixtures and fittings, tools and equipment	3-10	0-15

Goodwill is amortised over 5 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

Land is not depreciated.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other operating expenses

Other operating expenses comprise costs relating to generating other operating income.

Income from equity investments in group entreprises and associates

For equity investments in equity investments in associates and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associates only the proportionate share of intercompany gains and losses is eliminated.

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Amortisation of capital losses and borrowing costs relating to financial liabilities is recognised on an ongoing basis as financial expenses.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains or losses on the disposal of intangible assets

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost, for land and buildings with revaluation at fair value recognised under the revaluation reserve in equity, however, and less accumulated depreciation and impairment losses. The fair value for land and buildings is calculated by applying an individually determined discount rate to the capitalisation of a market-based operating income from the property. A valuer has not been used to determine the fair value.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

The total cost of an asset is decomposed into separate components that are depreciated separately if the useful lives of the individual components vary.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Equity investments in group entreprises and associates

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity investments in associates

Equity investments in associates are measured at cost less any impairment in the balance sheet of the parent. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

In the consolidated financial statements, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Equity method

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in associates exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Other investments

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be determined reliably are measured at cost.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The proposed dividend for the financial year is recognised as a separate item in equity.

Revaluation reserve comprises in the financial statements of the parent revaluation of land and buildings at fair value. The revaluation reserve is measured less deferred tax and reduced by deprecia-

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

tion and amortisation of the revalued assets. On the disposal of the assets, the remaining amount is transferred from the revaluation reserve to retained earnings.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management’s intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW

22. Accounting policies - continued -

earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.

Penneo dokumentnøgle: QUQTT-5JQQJ-81UWC-ASCKL-I8KM5-5SYIW