BEIERHOLM
VI SKABER BALANCE

Kim Johansen Holding A/S

Agenavej 11, 2670 Greve

CVR no. 25 45 43 67

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 02.05.22

Niels Gade
Dirigent

Table of contents

Group information etc.	3
Group chart	4
Statement by the Executive Board and Board of Directors on the annual report	5
Independent auditor's report	6 - 9
Management's review	10 - 16
Income statement	17
Balance sheet	18 - 19
Statement of changes in equity	20 - 21
Consolidated cash flow statement	22
Notes	23 - 48

Group information etc.

The company

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

Executive Board

CEO Kim Leidersdorff Johansen

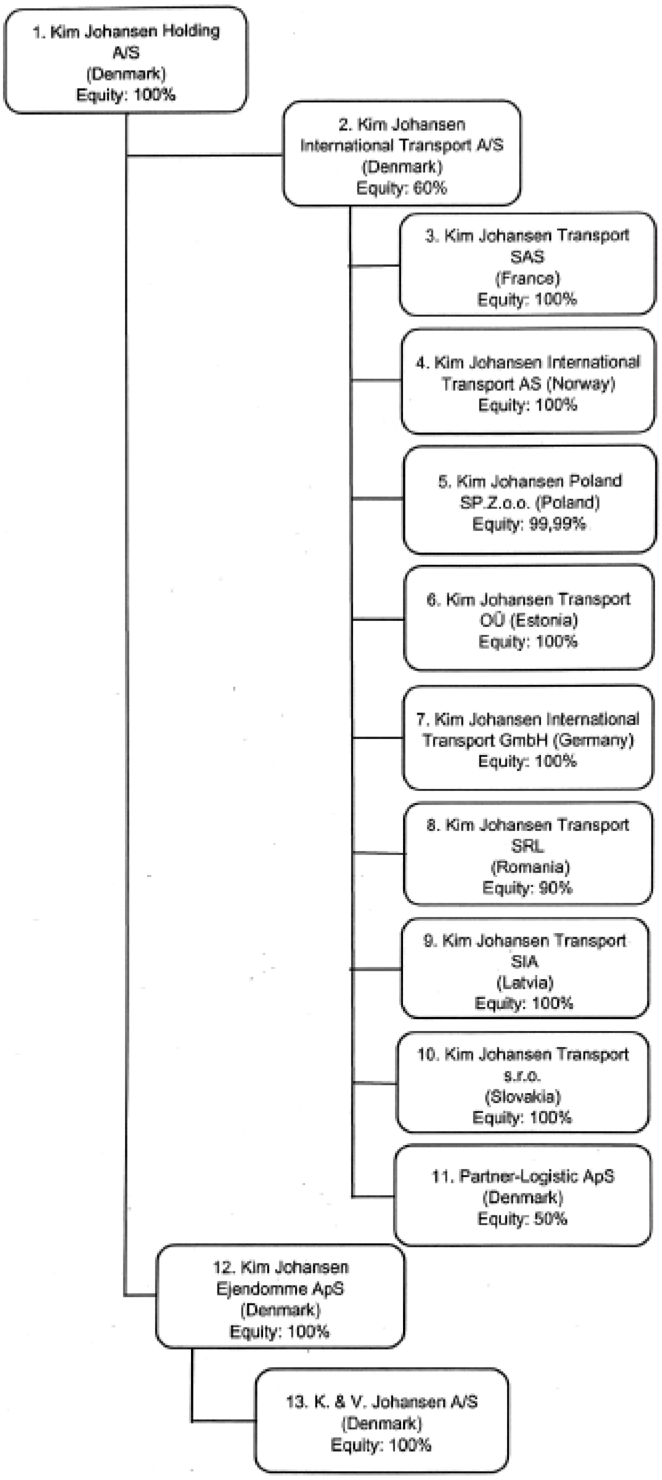
Board of Directors

Niels Gade, chairman
CEO Kim Leidersdorff Johansen
Marylene Josette Sylvie Haigron

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Group chart


1. Kim Johansen Holding A/S (Denmark) Equity: 100%
2. Kim Johansen International Transport A/S (Denmark) Equity: 60%
3. Kim Johansen Transport SAS (France) Equity: 100%
4. Kim Johansen International Transport AS (Norway) Equity: 100%
5. Kim Johansen Poland SP.Z.o.o. (Poland) Equity: 99,99%
6. Kim Johansen Transport OÜ (Estonia) Equity: 100%
7. Kim Johansen International Transport GmbH (Germany) Equity: 100%
8. Kim Johansen Transport SRL (Romania) Equity: 90%
9. Kim Johansen Transport SIA (Latvia) Equity: 100%
10. Kim Johansen Transport s.r.o. (Slovakia) Equity: 100%
11. Partner-Logistic ApS (Denmark) Equity: 50%
12. Kim Johansen Ejendomme ApS (Denmark) Equity: 100%
13. K. & V. Johansen A/S (Denmark) Equity: 100%

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 01.01.21 - 31.12.21 for Kim Johansen Holding A/S.

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

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 31.12.21 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.21 - 31.12.21.

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 2, 2022

Executive Board

Kim Leidersdorff Johansen
CEO

Board of Directors

Niels Gade Chairman	Kim Leidersdorff Johansen CEO	Marylene Josette Sylvie Haigron

Independent auditor's report

To the Shareholder of Kim Johansen Holding A/S

Opinion

We have audited the consolidated financial statements and parent company financial statements of Kim Johansen Holding A/S for the financial year 01.01.21 - 31.12.21, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of 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 parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.21 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.21 - 31.12.21 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 parent company 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 regarding the management's review

Management is responsible for management's review.

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

In connection with our audit of the consolidated financial statements and parent company financial statements, 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.

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

Management's responsibility for the consolidated financial statements and parent company financial statements

The Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company 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 parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

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

- Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and parent company 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 parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 per-formance 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 2, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jens Jørgen Bay Simonsen

State Authorized Public Accountant
MNE-no. mne11503

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2021	2020	2019	2018	2017
Profit/loss					
Revenue	594.405	466.093	530.784	495.916	471.185
Gross profit	69.549	58.099	51.649	43.696	46.519
Index	150	125	111	94	100
Operating profit/loss	24.974	14.114	12.630	3.958	10.933
Index	228	129	116	36	100
Total net financials	-1.068	44	-1.019	-2.230	-4.681
Profit for the year	19.965	10.805	7.635	653	4.435
Balance					
Total assets	247.182	214.965	230.709	249.999	250.797
Investments in property, plant and equipment	17.122	7.779	15.804	21.242	41.893
Equity	78.252	55.796	46.968	37.816	36.955

Ratios

	2021	2020	2019	2018	2017
Profitability					
Return on equity	30,7%	20,7%	18,0%	1,7%	13,2%
Gross margin	11,7%	12,5%	9,7%	8,8%	9,9%
Return on invested capital	22,3%	12,7%	9,3%	6,2%	6,0%
Profit margin	4,2%	3,0%	2,4%	0,8%	0,5%
Net-margin (%)	3,6%	2,3%	1,4%	0,1%	0,9%
Equity ratio					
Solvency ratio	31,7%	26,0%	20,4%	15,1%	14,7%
Others					
Number of employees (average)	828	726	747	708	651

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.

Development in activities and financial affairs

Profit before tax for the year 2021 totals DKK 23,9m and profit after tax for the year 2021 totals DKK 20,0m. The equity on December 31st, 2021 totals DKK 78,3m. The cashflows for the year 2021 total DKK -1,3m.

The overall financial performance of the year 2021 is in line with the growth strategy and the ambitious expectations from the Management.

Cashflows are negatively affected by an extraordinary decision of repaying financial leased contracts. This will be returned in 2022, where this part of the fleet is exchanged.

The market conditions have been positive due to the high demand of international transport solutions. Covid-19 also impacted the business slightly through 2021 with restrictions and measures that led to extra planning and costs.

Furthermore, the result before tax on a Group level is positively affected by Covid-19 subsidies in total of DKK 4,4m and the cashflows are positively affected by extended credit facilities from Covid-19 subsidies in total of DKK 3,7m.

Finally, equity on a Group level is positively affected by revaluation of land and buildings, which has increased equity on a Group level by DKK 4,6m. The basis for revaluation of land and buildings is described in note 11.

Outlook

With a strong foundation from 2021, we will be focusing on maintaining a new and higher activity level and at the same time invest in further development of our digital platform as well as in strengthening our organization.

The war in Ukraine and all following consequences like high fuel costs, shortage of resources and a general uncertainty about the future will potentially have temporary negative impact on the international transportation business.

Based on this and our constantly focus to adjust to the market conditions, we expect an activity level in the range of DKK 600-630m along with financial results in the range of DKK 10-15m and improved cashflows in 2022 in the range of DKK 5-10m.

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. The main part of this has been secured by forward exchange contracts.

The Group's interest-bearing liabilities are carrying a mix of fixed and variable interests.

Subsequent events

After the balance sheet date, the company has received tender offers relating to a potential sale of land and buildings either in the form of sale of assets or sale of shares. As land and buildings have not been put up for sale, these are recognised as tangible assets in the annual report. Per the signing date of the annual report, no written sales contract has been signed, thus Management is not able to quantify the potential effect on the income statement and equity relating to a potential sale.

Corporate social responsibility

CSR Policies

KJTG has formalized our CSR policies and reports in following categories: Environment and Climate, Staff Conditions, Labor and Human Rights, Anti-corruption practices, Business Ethics and Diversity.

Our policies are summarized and published on our website: https://kim-johansen.com/Did-you-know/CSR-policies.

To provide more detailed and transparent view to our CSR practices and to review our goals for the coming years, we have published a CSR Report. The previous CSR report was published in October 2020. A joint report for 2020 and 2021 is scheduled to be published in June 2022.

The main values of KJTG are Teamwork, Respect, Flexibility and Responsibility and the mission statement is: "We provide time sensitive and efficient transport solutions with respect for the environment and road safety."

Environment and Climate

The aim of our environment policy is to meet the relevant environment standards and to raise awareness of our internal and external stakeholders. Our external environment policies are based on selection of reliable partners and suppliers, to safeguard the quality, environmental performance and reliability of our equipment.

Besides the trucks, we also depend on use of fuel, oils, equipment, and technologies. By choosing reliable and well-known partners and suppliers, we ensure that KJTG fleet is equipped with the most recent technologies and the quality of the products is not compromised.

To use our resources consciously, we aim to have our trucks on the road as close to 24/7 as possible and our planners do their best effort to avoid empty driving of our trucks.

By the end of 2021, the average age of our trucks was 2,5 years. This is a result of exchanging 125 trucks during second half of 2021. 100% of our fleet is EURO6 compliable.

In the beginning of 2021 KJTG has acquired a transport company in Slovakia. The performance analysis of our newly acquired fleet of some 100 trucks have shown a higher fuel consumption in comparison to our "own" fleet. The addition of trucks to our fleet and the ageing of our "own" fleet has resulted in a two percent higher GHG index (2012) for the group in 2021, compared to 2020.

The acquired fleet will be replaced during the coming 2 years, which we expect to have a significant positive impact on our overall performance. Furthermore, improvements in performance of the already renewed fleet will be expected with full effect in 2022.

To use these fuel resources responsibly - our internal environmental policy is based on securing knowledge, skills and raising awareness of our employees. In 2021 we continued to focus on eco-driving techniques and to monitor eco -driving performance of our drivers. 263 drivers have improved their eco-driving scores, and 372 new drivers were introduced to eco-driving techniques.

Besides our focus on direct emission, our environmental policies also apply to waste management and reduction. Paper and waste from workshop activities are recycled and agreements are made to dispose of waste appropriately when recycling is not possible. Agreements are also made to ensure that all used tires are rethread and re-used by other businesses or recycled into new materials. Our administrative employees are encouraged to reduce, re-use and recycle various office supplies and to recycle paper.

In 2021 KJTG celebrates ten years anniversary since a conscious objective was set to reduce the GHG index and this initiative has resulted in approximately 20% reduction of GHG in comparison to 2011. To continue the development, KJTG will continue to invest in its fleet and phase out the worst performing vehicles. KJTG will continue to work on eco-driving initiatives and will continue to focus on mindful planning of the routes and loads. Our objective for 2026 is a reduction of greenhouse gases by additional five percent. KJTG focuses on the EU's adopted Paris Agreement, with a special focus on reducing CO2.

Staff Conditions, Labor and Human Rights

KJTG is committed to respect human and labor rights in all activities and operations. All our employees are hired on a contractual basis and are entitled to social security benefits according to the legislation.

Driving with time sensitive cargo involves - work at nights and frequent exchange of trucks on the road besides many other factors. This requires great efforts from our drivers. In 2021 a project called "the best place to work" has been started to focus on the physical work conditions of our drivers.

During the last two years the Covid19 outbreak has been one of the biggest concerns of our drivers, as a result the frequency of cleaning and disinfecting in our driver hubs as well as in trucks has been significantly increased. Considering this, the driver hubs are also continuously renovated and updated to meet our standards. In the future, KJTG will continue to work on improving the work conditions for the drivers.

To ensure the safety in operations, all employees are required to use the provided safety equipment and to follow the safety guidelines described in the driver and workshop manuals. All drivers are ADR and security trained. For many years, the Group has provided training to all the unexperienced drivers to secure and confirm that drivers have a thorough understanding and knowledge to work comfortably on their own.

To avoid risks associated with drowsy driving, our drivers and our driver-planners are trained to understand the driving and resting rules. During the year, around 350 new drivers have received two weeks training. To offer proper conditions for rest, the Group has approximately 30 apartment and hotel hubs across Europe.

When in a need of support, our 24/7 service desk is available to all employees. In 2021, four work related accidents involving drivers have been reported, of which none were fatal. Our aim is to prevent accidents from happening by verifying that drivers follow safety precautions and understand the driving and resting rules well.

KJTG has a zero alcohol and drug policy - drivers are not allowed to possess, use, or transport any alcohol beverages or drugs while working, driving or resting. Random alcohol checks are conducted by an external security company and our internal security manager. During the last year more than a hundred random tests have been conducted, and as a result five contracts were terminated due to violation of our alcohol and drug policy. We will continue to conduct unannounced alcohol checks to certify that all drivers follow the policies.

In 2021 we have completed the exchange of all our driver phones to smartphones. The use of smartphones ensure more flexible communication, documentation, and information exchange. To meet the requirements of the EU Mobility Package, the phones have been designed to improve drivers working and safety conditions. Smartphones will provide a modern platform to meet the demands of road transport legislation. On the phone, the driver receives the instructions prepared according to the trip along with a copy of the posting statement and other relevant documents.

In 2021, KJTG has established an internal compliance department with dedicated legal resources. The main objective is to ensure that KJTG operates in compliance with legislation, to lead the implementation process of the Mobility Package and to certify data ethics within the organization. KJTG focuses on always following rules and legislation in all EU States.

Anti-corruption Practices and Business Ethics

We strive to ensure that no bribes are accepted nor offered and that no employees are engaged in theft, fraud, and anti-competitive behaviors. A breach of rules is taken seriously and when relevant reported to authorities. During 2021, 372 new drivers have been trained in business ethics, anticompetitive behaviors, and anti-bribery practices as a part of the introduction training.

During December 2021, KJTG has also implemented an internal whistleblowing scheme.

Gender diversity

Supreme management body

The gender ration for the Board of Directors accounts for 2/3 men and women accordinigly, and the gender representation is thus regarded as balanced. The gender balance is expected to be maintained in future.

Data ethics

Since May 2018, when the EU's General Data Protection Regulation (GDPR) entered into force, the responsible use of personal data has become an integrated part of KJTG operations. KJTG is committed to continue working on procedures, policies, and practices to raise the awareness and to achieve transparency in handling and erasing of personal and intercompany data. To define procedures and guidelines KJTG has created, published and implemented an internal IT-Security Policy and a Policy regarding deletion and storage of personal data.

Income statement

Note		Group 2021 DKK '000	Group 2020 DKK '000	Parent 2021 DKK '000	Parent 2020 DKK '000
3	**Revenue**	**594.405**	**466.093**	**0**	**0**
	Production costs	-524.856	-407.994	0	0
	Administration costs	-54.090	-46.290	-90	-89
	Other operating income	9.685	6.216	0	0
	Other operating expenses	-170	-3.911	0	0
	Operating profit/loss	**24.974**	**14.114**	**-90**	**-89**
6	Income from equity investments in group enterprises	0	0	12.377	6.717
7	Financial income	1.824	1.548	121	109
8	Financial expenses	-2.892	-1.504	-1	0
	Profit before tax	**23.906**	**14.158**	**12.407**	**6.737**
	Tax on profit for the year	-3.941	-3.353	34	-1
	Profit for the year	**19.965**	**10.805**	**12.441**	**6.736**

9 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.21 DKK '000	Group 31.12.20 DKK '000	Parent 31.12.21 DKK '000	Parent 31.12.20 DKK '000
	Completed development projects	665	1.019	0	0
	Goodwill	450	717	0	0
10	**Total intangible assets**	**1.115**	**1.736**	**0**	**0**
	Land and buildings	43.175	41.274	0	0
	Leasehold improvements	0	37	0	0
	Plant and machinery	44.918	51.061	0	0
	Other fixtures and fittings, tools and equipment	4.410	4.096	0	0
11	**Total property, plant and equipment**	**92.503**	**96.468**	**0**	**0**
12	Equity investments in group enterprises	0	0	60.580	45.621
13	Receivables from group enterprises	0	0	578	2.600
12	Equity investments in associates	63	63	0	0
12	Other investments	3.105	2.425	0	0
13	Deposits	4.100	1.185	0	0
13	Other receivables	674	753	674	753
	Total investments	**7.942**	**4.426**	**61.832**	**48.974**
	Total non-current assets	**101.560**	**102.630**	**61.832**	**48.974**
	Raw materials and consumables	4.609	2.367	0	0
	Total inventories	**4.609**	**2.367**	**0**	**0**
	Trade receivables	91.880	73.521	0	0
	Income tax receivable	0	0	3.493	0
	Other receivables	27.292	15.238	0	0
14	Prepayments	9.016	7.225	0	0
	Total receivables	**128.188**	**95.984**	**3.493**	**0**
	Cash	**12.825**	**13.984**	**0**	**0**
	Total current assets	**145.622**	**112.335**	**3.493**	**0**
	Total assets	**247.182**	**214.965**	**65.325**	**48.974**

Balance sheet

EQUITY AND LIABILITIES

Note		Group		Parent	
		31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000
15	Share capital	6.000	6.000	6.000	6.000
	Revaluation reserve	4.551	1.965	0	0
	Reserve for net revaluation according to the equity method	0	0	55.074	40.115
	Foreign currency translation reserve	-138	-241	0	0
	Cash flow hedging reserve	261	0	0	0
	Retained earnings	53.203	40.197	2.803	1.806
	Proposed dividend for the financial year	1.400	1.000	1.400	1.000
	Equity attributable to owners of the parent	**65.277**	**48.921**	**65.277**	**48.921**
16	Non-controlling interests	12.975	6.875	0	0
	Total equity	**78.252**	**55.796**	**65.277**	**48.921**
17	Provisions for deferred tax	9.223	8.074	0	0
	Total provisions	**9.223**	**8.074**	**0**	**0**
18	Mortgage debt	19.939	12.309	0	0
18	Payables to other credit institutions	768	4.402	0	0
18	Lease commitments	14.893	18.718	0	0
18	Other payables	2.240	1.807	0	0
	Total long-term payables	**37.840**	**37.236**	**0**	**0**
18	Short-term part of long-term payables	12.772	21.815	0	0
	Payables to other credit institutions	192	82	0	0
	Trade payables	78.754	63.718	0	0
	Payables to associates	5.985	5.101	0	0
	Income taxes	839	4.438	0	4
	Other payables	23.325	18.705	48	49
	Total short-term payables	**121.867**	**113.859**	**48**	**53**
	Total payables	**159.707**	**151.095**	**48**	**53**
	Total equity and liabilities	**247.182**	**214.965**	**65.325**	**48.974**

19 Fair value information
20 Derivative financial instruments
21 Contingent liabilities
22 Charges and security
23 Related parties

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 01.01.21 - 31.12.21										
Balance as at 01.01.21	6.000	1.965	0	-241	0	40.197	1.000	48.921	6.875	55.796
Foreign currency translation adjustment of foreign enterprises	0	0	0	103	0	0	0	103	69	172
Revaluations during the year	0	5.835	0	0	0	0	0	5.835	0	5.835
Fair value adjustment of hedging instruments	0	0	0	0	334	0	0	334	223	557
Dividend paid	0	0	0	0	0	0	-1.000	-1.000	-1.667	-2.667
Other changes in equity	0	-1.965	0	0	-73	1.965	0	-73	-49	-122
Tax on changes in equity	0	-1.284	0	0	0	0	0	-1.284	0	-1.284
Net profit/loss for the year	0	0	0	0	0	11.041	1.400	12.441	7.524	19.965
Balance as at 31.12.21	6.000	4.551	0	-138	261	53.203	1.400	65.277	12.975	78.252

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 01.01.21 - 31.12.21										
Balance as at 01.01.21	6.000	0	40.115	0	0	1.806	1.000	48.921	0	48.921
Foreign currency translation adjustment of foreign enterprises	0	0	103	0	0	0	0	103	0	103
Revaluations during the year	0	0	5.835	0	0	0	0	5.835	0	5.835
Distributed dividend from group enterprises	0	0	-2.333	0	0	2.333	0	0	0	0
Fair value adjustment of hedging instruments	0	0	334	0	0	0	0	334	0	334
Dividend paid	0	0	0	0	0	0	-1.000	-1.000	0	-1.000
Tax on changes in equity	0	0	-1.357	0	0	0	0	-1.357	0	-1.357
Net profit/loss for the year	0	0	12.377	0	0	-1.336	1.400	12.441	0	12.441
Balance as at 31.12.21	6.000	0	55.074	0	0	2.803	1.400	65.277	0	65.277

Consolidated cash flow statement

Note		Group 2021 DKK '000	Group 2020 DKK '000
	Profit for the year	**19.965**	**10.805**
24	Adjustments	26.974	23.561
	Change in working capital:		
	Inventories	-2.242	563
	Receivables	-35.038	12.882
	Trade payables	15.035	-11.198
	Other payables relating to operating activities	5.837	-4.809
	Cash flows from operating activities before net financials	**30.531**	**31.804**
	Interest income and similar income received	1.825	520
	Interest expenses and similar expenses paid	-2.892	-1.972
	Income tax paid	-4.292	-3.961
	Cash flows from operating activities	**25.172**	**26.391**
	Purchase of intangible assets	-429	-224
	Purchase of property, plant and equipment	-17.122	-7.779
	Sale of property, plant and equipment	5.379	3.398
	Purchase of securities and equity investments	-3.838	-19
	Sale of securities and equity investments	243	237
	Cash flows from investing activities	**-15.767**	**-4.387**
	Dividend paid	-2.667	-1.967
	Arrangement of mortgage debt	21.219	0
	Repayment of mortgage debt	-14.223	-1.726
	Arrangement of payables to credit institutions	13.439	14.971
	Repayment of payables to credit institutions	-4.530	-17.293
	Repayment of lease commitments	-24.345	0
	Repayment of other long-term payables	433	0
	Cash flows from financing activities	**-10.674**	**-6.015**
	Total cash flows for the year	**-1.269**	**15.989**
	Cash, beginning of year	13.984	2.347
	Short-term payables to credit institutions, beginning of year	-82	-4.434
	Cash, end of year	**12.633**	**13.902**
	Cash, end of year, comprises:		
	Cash	12.825	13.984
	Short-term payables to credit institutions	-192	-82
	Total	**12.633**	**13.902**

1. Subsequent events

After the balance sheet date, the company has received tender offers relating to a potential sale of land and buildings in a subsidiary either in the form of sale of assets or sale of shares in the subsidiary. As land and buildings have not been put up for sale, these are recognised as tangible assets in the annual report. Per the signing date of the annual report, no written sales contract has been signed, thus Management is not able to quantify the potential effect on the income statement and equity relating to a potential sale.

2. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

		Group		Parent	
Special items:	Recognised in the income statement in:	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
COVID-19 compensations	Other operating income	4.247	3.098	0	0
Badwill	Other operating income	2.007	0	0	0
Total		6.254	3.098	0	0

The Group's activities in 2020 and in 2021 have been directly impacted by the outburst of COVID-19 virus, as further described in Management's review. As a result, the Group has applied for compensation under relevant aid schemes in countries, where the Group operates, primarily relating to salary and capacity costs compensation. Received compensation, where Management estimates that the risk of repayment is minimal, has been recognized in other operating income.

The Group has in 2021 purchased activities, including client contracts, employees, plant and machinery, entered leasing agreements, etc. in Slovakia from a former competitor. Management has treated the purchase as a business combination. As described in accounting policies in the section "business combinations", the Group has applied the acquisition method. In this regard, negative goodwill (badwill) of approx mDKK 2 has been recognised in other operating income. In the Parent Financial Statements, badwill is recognised in income from equity investments in group enterprises.

Due to the special nature and material size of the received compensation as well as badwill, both recognized in other operating income, these transactions have been presented as special items in the annual report.

	Group		Parent	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000

3. Revenue

Revenue comprises the following activities:

Revenue from transport services	594.405	466.093	0	0

Revenue comprises the following geographical markets:

Denmark	16	16	0	0
Revenue, other countries	594.389	466.077	0	0
Total	594.405	466.093	0	0

4. Employee aspects

Wages and salaries	147.847	126.937	0	0
Pensions	1.454	2.950	0	0
Other social security costs	17.426	13.681	0	0
Total	166.727	143.568	0	0

Average number of employees during the year	828	726	0	0

Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	2.041	2.049	0	0

5. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	540	506	19	19
Other assurance engagements	56	59	0	0
Tax advice	0	0	0	0
Other services	236	319	21	20
Total	832	884	40	39

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
- HLB Expertus KLF (mernber of HLB International).
- SIA "Sandra Dzerele un Partneris" (member of HLB International).

	Group		Parent	
	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
6. Income from equity investments in group enterprises				
Share of profit or loss of group enterprises	0	0	12.377	6.717
Total	0	0	12.377	6.717
7. Financial income				
Interest, group enterprises	0	0	100	86
Other interest income	96	23	21	23
Other financial income	1.728	1.525	0	0
Total	1.824	1.548	121	109
8. Financial expenses				
Other financial expenses	2.892	1.504	1	0
Total	2.892	1.504	1	0

9. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	12.377	6.717
Proposed dividend for the financial year	1.400	1.000	1.400	1.000
Non-controlling interests	7.524	4.069	0	0
Retained earnings	11.041	5.736	-1.336	-981
Total	19.965	10.805	12.441	6.736

10. Intangible assets

Figures in DKK '000	Completed development projects	Goodwill
Group:		
Cost as at 01.01.21	1.939	1.335
Additions during the year	429	0
Cost as at 31.12.21	2.368	1.335
Amortisation and impairment losses as at 01.01.21	-920	-618
Amortisation during the year	-783	-267
Amortisation and impairment losses as at 31.12.21	-1.703	-885
Carrying amount as at 31.12.21	665	450

Completed development projects comprise the development of new internal ERP-systems and automation of processes.

The capitalized costs comprise external costs.

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

11. 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 01.01.21	49.061	1.435	151.380	17.707
Additions during the year	0	70	15.356	1.696
Disposals during the year	-1.124	-87	-13.441	-892
Cost as at 31.12.21	47.937	1.418	153.295	18.511
Revaluations as at 01.01.21	2.701	0	0	0
Reversal of revaluations of disposed assets	-2.701	0	0	0
Revaluations during the year	5.835	0	0	0
Revaluations as at 31.12.21	5.835	0	0	0
Depreciation and impairment losses as at 01.01.21	-10.488	-1.398	-100.319	-13.611
Depreciation during the year	-841	-20	-19.300	-1.382
Reversal of depreciation of and impairment losses on disposed assets	732	0	11.242	892
Depreciation and impairment losses as at 31.12.21	-10.597	-1.418	-108.377	-14.101
Carrying amount as at 31.12.21	43.175	0	44.918	4.410
Carrying amount in the balance sheet if revaluation to fair value had not been carried out as at 31.12.21	37.340	0	18.172	653
Carrying amount of assets held under finance leases as at 31.12.21	0	0	0	0

Land and buildings, which comprises one property as the second property as at 31.12.20 has been sold in 2021, 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 of DKK 2,375k, and a required rate of return of 5,50% (2020: 6,25%). 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.

12. Investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates	Other investments
Group:			
Cost as at 01.01.21	0	63	103
Cost as at 31.12.21	0	63	103
Fair value adjustments as at 01.01.21	0	0	2.322
Fair value adjustments during the year	0	0	680
Fair value adjustments as at 31.12.21	0	0	3.002
Carrying amount as at 31.12.21	0	63	3.105
Parent:			
Cost as at 01.01.21	5.506	0	0
Cost as at 31.12.21	5.506	0	0
Revaluations as at 01.01.21	40.115	0	0
Foreign currency translation adjustment of foreign enterprises	103	0	0
Revaluations during the year	5.835	0	0
Net profit/loss from equity investments	12.377	0	0
Dividend relating to equity investments	-2.333	0	0
Fair value adjustment of hedging instruments	334	0	0
Other equity adjustments relating to equity investments	-1.357	0	0
Revaluations as at 31.12.21	55.074	0	0
Carrying amount as at 31.12.21	60.580	0	0

12. 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%	59.221	18.813	46.241
Kim Johansen Transport SAS, France	100%	5.972	-1.135	7.382
Kim Johansen International Transport AS, Norway	100%	2.611	-35	2.611
Kim Johansen Transport OÜ, Estonia	100%	4.178	638	3.729
Kim Johansen Poland Sp. Z.o.o, Poland	100%	12.232	10.379	10.782
Kim Johansen Transport SRL, Romania	90%	-1.132	-906	-949
Kim Johansen International Transport GmbH, Germany	100%	-155	-28	-155
Kim Johansen Transport SIA, Latvia	100%	5.754	2.374	5.713
Kim Johansen Transport s.r.o., Slovakia	100%	4.746	-466	5.641
Kim Johansen Ejendomme ApS, Greve	100%	14.340	1.089	14.340
Associates:				
Partner-Logistic ApS, Glostrup	50%	145	7	63

Equity investments in group enterprises include a dividend priority right related to the ownership of Kim Johansen International Transport A/S. Book value of the dividend priority right as at 31.12.2021 comprise DKK 24,555k.

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.

13. Other non-current financial assets

Figures in DKK '000	Receivables from group enterprises	Deposits	Other receivables
Group:			
Cost as at 01.01.21	0	1.185	753
Additions during the year	0	2.915	21
Disposals during the year	0	0	-100
Cost as at 31.12.21	0	4.100	674
Carrying amount as at 31.12.21	0	4.100	674
Parent:			
Cost as at 01.01.21	2.600	0	753
Additions during the year	0	0	21
Disposals during the year	-2.022	0	-100
Cost as at 31.12.21	578	0	674
Carrying amount as at 31.12.21	578	0	674

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000
14. Prepayments				
Other prepayments	9.016	7.225	0	0
Total	9.016	7.225	0	0

15. Share capital

The share capital consists of:

	Quantity	Total nominal value
Share capital	6.000	6.000.000
Total		6.000.000

	Group		Parent	
	31.12.21 DKK '000	31.12.20 DKK '000	31.12.21 DKK '000	31.12.20 DKK '000

16. Non-controlling interests

Non-controlling interests, beginning of year	6.875	4.633	0	0
Foreign currency translation adjustment of foreign enterprises	69	-160	0	0
Fair value adjustment of hedging instruments	223	0	0	0
Dividend paid	-1.667	-1.667	0	0
Other changes in equity	-49	0	0	0
Net profit/loss for the year (distribution of net profit)	7.524	4.069	0	0
Total	12.975	6.875	0	0

17. Deferred tax

Deferred tax as at 01.01.21	8.074	10.377	0	-66
Deferred tax recognised in the income statement	-135	-2.413	0	66
Deferred tax recognised in equity	1.284	110	0	0
Deferred tax as at 31.12.21	9.223	8.074	0	0
Deferred tax is recognized in the balance sheet as:				
Provisions for deferred tax	9.223	8.074	0	0
Deferred tax is distributed as below:				
Intangible assets	102	224	0	0
Property, plant and equipment	8.502	7.632	0	0
Inventories	520	217	0	0
Receivables	822	747	0	0
Liabilities	-75	607	0	0
Tax losses	-648	-1.353	0	0
Total	9.223	8.074	0	0

18. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Group:				
Mortgage debt	1.177	15.431	21.116	14.119
Payables to other credit institutions	898	0	1.666	6.196
Lease commitments	10.697	75	25.590	36.929
Other payables	0	0	2.240	1.807
Total	12.772	15.506	50.612	59.051

19. Fair value information

Figures in DKK '000	Unlisted securities and equity investments	Derivative financial instruments	Land and buildings	Total
Group:				
Fair value as at 31.12.21	3.105	3.105	43.175	49.385
Unrealised changes of fair value recognised in the income statement for the year	680	0	0	680
Unrealised changes of fair value recognised in equity for the year	0	557	5.835	6.392

The method for fair value measurement of unlisted securities and equity investments is described in note 12.

The method for fair value measurement of derivative financial instruments is descried in note 20.

The method for fair value measurement of land and buildings is described in note 11.

20. Derivative financial instruments

Group:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The group concludes contracts for the sole purpose of hedging the currency risk on the future payments of production- and capacity costs in foreign currency. At the end of a 2021, a future payment of costs in PLN of approx. 14,000k was secured for a period of up to 6 months. The fair value of the forward exchange contracts amounts to DKK 557k as at 31.12.21, and the unrealised net gain before tax recognised in equity as at 31.12.21 also constitutes DKK 557k. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

21. Contingent liabilities

Group:

Lease commitments

The group has enteret operating lease agreements on trucks, trailers and operating plant, etc. for the years 2021-2026. Annual payments for operating leases (2022 amounts) are DKK 41,854k (2020: DKK 35,393k).

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 6-60 months. Annual payments for these operating lease agreements (2022 amounts) are DKK 9,589k (2020: DKK 5,519k).

Other contingent liabilities

In 2021, a subsidiary in the Group received a claim from local tax authorities as part of a national tax campaign within the transportation business. A similar case was withdrawn by the tax administration earlier in 2021. Furthermore, new legislation has been entered into force, with the intention to eliminate these cases. At this moment, Management is not able to finally confirm the annulment of this case.

Due to the uncertainty relating to both the timing and the eventual financial impact on the Group, the matter is included as a contingent liability in the annual report.

Parent:

Recourse guarantee commitments

The company has provided an unlimited absolute guarantee for debt to credit institutions raised by the group enterprise, Kim Johansen International Transport A/S. The group enterprise's debt to the credit institutions concerned amounts to DKK 604k at the balance sheet date (2020: DKK 482k).

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 (2022 amounts) are DKK 5,519k (2020: DKK 386k). The included lease commitment is DKK 4,920k as at 31st December 2021 (DKK 13,443k as at 31st December 2020) and the carrying amount of the included plant and machinery is DKK 5,078k as at 31st December 2021 (DKK 16,724k as at 31st December 2020).

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.

22. Charges and security

Group:

Land and buildings with a carrying amount of DKK 43,175k have been provided as security for mortgage debt of DKK 21,116k

The group has issued mortgage deeds registered to the mortgagor on land and buildings of DKK 16,600 nominal (2020: 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 as security for debt to credit institutions. As at 31.12.21, 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.

23. 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 4. Employee aspects.

24. Adjustments for the cash flow statement

Depreciation and impairments losses of property, plant and equipment	21.966	20.252
Financial income	-1.825	-1.548
Financial expenses	2.892	1.504
Tax on profit or loss for the year	3.941	3.353
Total	26.974	23.561

25. 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.

25. 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.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

Revaluation of assets and liabilities between book value and fair value has primarilly comprised the difference between market value, based on assessment should similar agreements be enteret with a third party, of similar leasehold and buy back agreements compared to the actual prices in entered agreements.

The tax effect of the above mentioned reassessments is recognised as deferred tax.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the net assets acquired and the purchase price of the enterprise. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under deferred income in the balance sheet and is reduced as these liabilities are realised. Any remaining negative difference (negative goodwill) is recognised as income in other operating income in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

25. Accounting policies - continued -

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.

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.

25. Accounting policies - continued -

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 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.

25. Accounting policies - continued -

INCOME STATEMENT

Revenue

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

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.

Depreciation and impairment losses

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

25. Accounting policies - continued -

	Useful lives, years	Residual value, per cent
Completed development projects	3	0
Goodwill	5	0
Buildings	50	0
Leasehold improvements	7	0
Plant and machinery	3-10	0-15
Other plant, fixtures and fittings, tools and equipment	3-20	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 is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

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.

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

25. Accounting policies - continued -

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

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.

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,

25. Accounting policies - continued -

which are stated in the ‘Depreciation 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 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 and impairment losses' section.

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

25. Accounting policies - continued -

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.

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 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

25. Accounting policies - continued -

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.

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.

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.

25. Accounting policies - continued -

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 depreciation 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

25. Accounting policies - continued -

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 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.

25. Accounting policies - continued -

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 payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

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 and short-term payables to credit institutions.

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.