



Annual Report 2022

LEMAN HOLDING A/S



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We build our business on **respect** - for each other, for our customers and for the world around us.



LEMAN HOLDING A/S
Annual Report 2022
CBR No. 36 70 05 13

The Annual General Meeting adopted the annual report on 16th May 2023

Chairman of the General Meeting

Bo Lindberg Andersen

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We strive to always deliver customer care and results of the highest **quality**. You can trust LEMAN.



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Entity details

Entity

LEMAN HOLDING A/S
Ventrupvej 6
2670 Greve

Central Business Registration No: 36700513
Date of foundation: 29.10.1970
Registered office: Greve
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Philippe Ziegler, Chairman
Karen Nielsen
Lilian Merete Mogensen
Ole Michael Ringheim
Charles Duro

Executive Board

Bo Lindberg Andersen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of for the financial year 01.01.2022 – 31.12.2022

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

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

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

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

Greve, 16.05.2023

Executive Board

Bo Lindberg Andersen
Chief Executive Officer

Board of Directors

Philippe Ziegler
Chairman

Charles Duro

Lilian Merete Mogensen

Karen Nielsen

Ole Michael Ringheim

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A key word in our work is **commitment** - both towards our colleagues, our customers and the tasks we face.



Independent auditor's reports

To the shareholder of LEMAN HOLDING A/S

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 16.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State Authorized Public Accountant
Identification No (MNE) mne26765

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We listen to each other and learn from each other and solve customers' wishes together.



Management commentary

Financial highlights

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------|-----------|-----------|-----------|-----------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | | |
| Revenue | 4,127,504 | 3,579,350 | 2,241,643 | 2,267,603 | 2,439,102 |
| Gross profit | 770,006 | 638,500 | 460,593 | 538,029 | 540,821 |
| Operating profit/loss | 89,294 | 63,615 | (9,365) | 19,750 | 34,270 |
| Net financials | (10,139) | (9,180) | (4,465) | 3,426 | (2,031) |
| EBT | 79,155 | 54,435 | (13,830) | 23,176 | 32,239 |
| Profit/loss for the year | 55,357 | 40,798 | (11,222) | 15,547 | 22,670 |
| Balance sheet total | 1,301,775 | 1,204,654 | 950,245 | 911,835 | 952,634 |
| Investment in intangible assets | 7,198 | 13,505 | 11,422 | 14,245 | 25,431 |
| Investments in property, plant and equipment | 22,909 | 10,433 | 9,729 | 18,384 | 15,997 |
| Equity | 646,706 | 583,132 | 528,995 | 568,473 | 558,979 |
| Average numbers of employees | 843 | 782 | 683 | 718 | 744 |
| Ratios | | | | | |
| Gross margin (%) | 18.66 | 17,84 | 20,54 | 23,73 | 22,17 |
| Return on equity (%) | 9.00 | 7,34 | (2,05) | 2,76 | 4,13 |
| Equity ratio (%) | 49.68 | 48,41 | 55,67 | 62,34 | 58,68 |

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

Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

Return on equity (%):

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

Average equity

Equity ratio (%):

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

Balance sheet total

Primary activities

The Parent and all its subsidiaries primarily operate within transportation, freight forwarding and logistics.

Development in activities and finances

The consolidated revenue for the year amounted to DKK 4,128 million against DKK 3,579 million last year and thereby increased by 16%. The first half of 2022 was exceptionally strong with high demand for our services and very high ocean freight rates. The second half of 2022 was more challenging, with less demand for international transportation and a collapse in ocean freight rates. The gross profit reached DKK 770.0m vs DKK 638.5m last year, an increase of 21%. The margin improved to 18.7% from 17.8% last year, to a large extent caused by strong operational performance and good utilization of our assets. The profit before tax amounted to DKK 79.2 million against profit of DKK 54.4 million last year.

The markets for international cargo transportation in which LEMAN operate was very volatile in 2022. The markets were strong in the first half of 2022, with bottlenecks and shortage of capacity impacting many parts of the global supply chains. During the second half of 2022, consumer demand for tangible goods softened, which impacted demand for international transportation, leading to softer markets and a steep collapse in freight rates.

In this volatile environment, the LEMAN organization demonstrated also in 2022 the agility and creativity necessary to keep the cargo moving and continuously find the best possible transport solutions for our customers and international business partners.

In July 2022, LEMAN opened a new airfreight office in Gardermoen, Norway. In November, 2022 a new office was opened in Taipei, thereby expanding our coverage of Greater China. As of 1 January 2023, LEMAN opened up in Reykjavik, Iceland whereby LEMAN is present with own organization in all 5 Nordic countries. Further expansion is planned for 2023.

The Sustainability Strategy was updated during 2022 with new targets and commitments to further investments in green initiatives.

Profit/loss for the year in relation to expected developments

The financial result for the year was very satisfactory, and the Group has again demonstrated the ability to navigate through very volatile markets and still stay focused on expanding the business.

Outlook

The Company will continue to execute on a series of growth initiatives and investments to strengthen- and expand the capacity and reach of the LEMAN Group.

The global freight markets are very volatile, and we have less visibility to the coming year than we normally have. There is however nothing to suggest that the exceptionally strong market conditions we enjoyed in 2021 and during

the first half of 2022 will come back in the immediate future. Ocean freight rates will in all likelihood be substantially lower than we have experienced over the past couple years, and we project a slight decline in the volume of goods transported internationally as a modest global GDP growth combines with retailers reducing their inventory levels. For the LEMAN Group, these market developments are expected to result in turnover and profitability for 2023 being somewhat lower than in 2022.

Use of Financial Instruments

Financial risks

The Group is only exposed to changes in interest rates to a limited extent, as the Group's equity ratio and financial resources are considered very satisfactory. The Group does not currently use financial instruments to hedge interest rate risk.

Currency risks

Purchase and sales transactions are carried out in DKK, SEK, NOK, EUR, GBP, CNY, TWD, USD and USD-related currencies. Further, the Group has made investments in SEK, NOK, EUR, GBP, CNY, TWD and USD. Since 2020, Management has followed a hedging policy whereby the Group's exposure to mainly USD is being partially hedged. The gains or losses on the hedging instruments are booked as financial items on the Profit and Loss account, whereas value adjustments to the assets being hedged are booked directly to reserves.

The Company's foreign currency exposures relating to sales transactions have as far as possible been hedged by offsetting purchase transactions.

Group relations

LEMAN operates within transportation, freight forwarding and logistics. With own presence in eight countries combined with a vast network of trusted agents, the services cover the entire world. Besides the transportation of goods, LEMAN offer several value-adding services such as customs clearance, cargo insurance, warehousing, customized distribution solutions, etc.

Statutory report on corporate social responsibility

A description of our business activities can be found above in the paragraph 'Primary Activities' at the opening of this Management Commentary.

It goes without saying that LEMAN is fully committed to meet the laws and regulations of the countries and local communities in which the Company operates. Staying up-to-date with developments in local legislation to ensure understanding and compliance is for LEMAN clearly considered a license to operate. All employees are presented with the Company's Code of Conduct as part of their on-boarding, and regular e-learning is in place to ensure continued awareness throughout the organization.

LEMAN has during 2022 formulated an updated, comprehensive Sustainability and CSR Strategy, setting out new- and more ambitious targets primarily when it comes to Climate Impact. Elements of the new CSR Strategy are reflected in the following paragraphs:

Human rights

- We treat all employees with dignity and respect and shall comply with all national human rights legislation in force at any time.
- All agreements on working hours, holidays and wages shall comply with applicable legislation in the country in which the employee is employed. We aim to minimize hazardous work and ensure that all employees are adequately trained to perform their duties.
- We do not tolerate child labor. That is why nobody at LEMAN or our business partners may employ children under the age of 15.
- None of our employees may discriminate based on age, religion, nationality, race, gender, sexual orientation, disability, pregnancy or political conviction.

Goals and implementation:

Our goal is always zero incidents involving the violation of human rights, both internally and with our suppliers and business partners. As a tool to avoid incidents, regular LEMAN suppliers must sign our Code of Conduct in which we expect similar respect for human rights from suppliers as we do from ourselves. A whistleblower hotline is in place to enable reporting of alleged human rights violations.

Results, expectations and risks:

In 2022, we did not record any incidents that violate human rights. It is our expectation every year going forward not to have any human rights violations to report.

It is the view of the Company that the most significant risk pertaining to human rights is difficulties upholding satisfactory inspection. While operating in an international marketplace, our upstream activities carry risks. In this case, we are left to rely on the intimation from every supplier in our Supplier Code of Conduct.

Working conditions

Through relevant procedures and processes, we must create the safest possible working environment for our employees and minimize work-related accidents and diseases. Furthermore, we must protect our employees from chemical, biological and physical danger in their workplace. A Global Workplace Assessment survey was conducted in Q2 of 2022 and the results were overall encouraging, with the vast majority of respondents considering the workplace to be safe and the ergonomics to be satisfactory.

Goals and implementation:

Every year, our goal is altogether to avoid accidents in the workplace and as a minimum we target a year-by-year reduction in work-related injuries. The prevention will be upheld by a combination of education of each employee and the implementation of behavioral procedures, ensuring a safe working environment. We must always make sure that all equipment is adequately maintained for it to carry a minimal risk to our employees. A number of Health and

Safety committees have been established on main sites and expert advice is being sought from specialized consultants to identify- and mitigate safety hazards.

Results, expectations and risks:

In 2022, we encountered 14 workplace accidents (versus 3 in 2021). The majority of accidents occurred during warehouse operations and involved only minor injuries. Accidents are always unfortunate and as mentioned above we strive to eliminate them through awareness training and continuous improvement to safety features of our equipment.

It is the view of the Company that the most significant risk pertaining to working conditions is accidents in the warehouses, where cargo is being moved around which can cause injuries to employees.

Environment and climate

Sustainability has also in 2022 been high on the agenda for Management and the Board of Directors. Due to significant progress made over the past couple of years when it comes to reducing CO₂ emissions, the updated Sustainability Strategy contains new reduction targets and commitments.

- LEMAN is committed to reduce CO₂ emissions from own operations (scope 1 and scope 2) with 60% by 2023 with 2020 as baseline
- LEMAN is committed to offset scope 1 and scope 2 emissions globally, which cannot be avoided as from 1 January 2022. Thereby achieving carbon neutrality in own operations.
- LEMAN is committed to reduce CO₂ emissions from scope 3 with 30% by 2030 (baseline 2022)
- LEMAN is committed to promote sustainable transport solutions and reduce climate impact in partnership with customers.

As a forwarding agent, the Company is not directly responsible in general for the impact on the external environment of the transport itself. However, we recognize that the transport industry impacts the environment, and that is why the Company, since 2018, has launched initiatives to reduce the emissions and spread the use of green energy. At the same time, both Management and employees are focusing on any impact on the external environment of daily activities, including transport activities in which the Company itself acts as the carrier.

Goals and implementation:

In accordance with the new Sustainability Strategy, LEMAN has in 2022 achieved a significant 52% reduction in Scope 1 & 2 emissions and arranged an offset for its remaining direct Scope 1 and Scope 2 emissions. The offsetting took place through a contribution towards the planting of more than 4,000 trees spread over four projects in developing countries. In addition to CO₂ capture, the projects were focused on enhancing biodiversity and developing local communities. Many initiatives, big and small, such as converting to green electricity, turning down the temperature in our offices and reducing the number of diesel trucks, contributed the reduction in emissions. Towards the end of 2022, it was decided to install solar panels on the roof of our warehouse building in Greve, Denmark.

Results, expectations and risks:

Our greenhouse gas emissions are calculated following the Greenhouse Gas Protocol, an internationally recognized standard. LEMAN has for now chosen to set its organizational boundaries using the control-approach, which implies

that LEMAN only reports on the emissions in Scope 1 and 2 of which it has control. All subcontracted transport is considered to fall under LEMAN's Scope 3 emissions.

The Group's CO₂ emissions during 2022 can be summarized as follows, with 2021 emissions shown for comparison:

| (T CO ₂) | Scope 1 | Scope 2 | Total | Scope 1 | Scope 2 | Total |
|----------------------|------------|------------|------------|--------------|------------|--------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| Denmark | 231 | 9 | 240 | 288 | - | 288 |
| Sweden | - | - | - | - | - | - |
| Norway | - | 1 | 1 | 16 | - | 16 |
| Finland | - | 16 | 16 | - | 19 | 19 |
| United Kingdom | 229 | 21 | 250 | 920 | 39 | 960 |
| USA | 292 | 120 | 412 | 384 | 292 | 676 |
| Greater China | 4 | 58 | 62 | - | 70 | 70 |
| Total | 756 | 225 | 981 | 1,608 | 420 | 2,028 |

Scope 3 emissions has based on an initial mapping been recorded at 134,028 tCO₂, which will be used as our baseline.

It is our goal to help protect the environment through efficient utilization of energy resources. We aim to take environmental considerations into account in all our decision-making processes. In our offices and warehouses, we minimize consumption through LED lights installed and focus on efficient energy usage. In Norway, our large warehousing facility in Vestby has achieved certification by BREEAM for its environmental, social and economic sustainability performance. During 2021, one of Norway's largest solar panel installations was placed on the roof of the warehouse in Vestby, covering an area of 8,000m².

Throughout 2022, we continued to prioritize using suppliers who live up to Euronorm 6, thus minimizing the environmental impact of our transports. For airfreight and sea freight, we have on some corridors been able to offer customers carbon-neutral transportation against a surcharge. We expect an expansion of such product offerings in the coming years.

The most significant risks which could hinder environmental progress are the risk of delays in the technological development towards modes of cargo transport with lower consumption of fossil fuels, the volatility of our industry and the fact that market terms have a significant impact on the behavior of our subcontractors carrying out the actual transportation. Our ability to impact the carbon footprint of the transportation industry is mainly through making the CO₂ impact of transportation visible to our customers and ensure we can offer alternative transport solutions with lower environmental impact. With respect to our Direct emissions within Scope 1 and Scope 2, we have assessed the risk of environmental impact to be limited. However, we are aware that every effort makes a real difference.

Ethics and anti-corruption

We must comply with all international and national legislation and regulations, and we reject all forms of corruption, including extortion and bribery. LEMAN is deeply committed to compliance and has zero-tolerance for illegal or unethical behavior. We go about our business to the highest ethical standards, and we expect the same from our suppliers.

Goals and implementation:

Living up to our ethical standards is vital, and our goal is to make sure each employee and supplier live up to this as well. Our long-term goal is to have 100% of our regular suppliers sign our Supplier Code of Conduct, thus committing to our high ethical standards.

Each new employee at LEMAN is signing our Employee Code of Conduct at the beginning of employment, whereby they undertake to comply with all applicable laws and regulations and behave in accordance with our values and ethics by respecting all colleagues, business partners, and the world around us.

Results, expectations and risks:

In 2022, we did not record any cases of corruption or bribery. It is our expectation every year going forward not to have any corruption or bribery issues to report. The whistleblower hotline was upgraded towards the end of 2021 to enhance the protection of whistleblowers wishing to remain anonymous.

For our ethical and moral standards to be met, we are not only obliged ourselves to live up to our expectations. Our ethical responsibility goes further, and we require regular suppliers to sign our Supplier Code of Conduct.

As part of an international, cross-cultural line of business, we have an ever-present risk of having to deal with bribery and other ethical concerns. This situation makes our efforts to educate our staff, as well as having our suppliers commit to responsible and ethical behavior, even more critical.

Statutory report on Data Ethics

A new policy on Data Ethics was adopted during 2021, emphasizing LEMAN's commitment to gather-, use- and share data in an ethically correct way and guiding the organization on how to deal with the ethical dilemmas which may arise when making decisions around data. One of the core values of LEMAN is 'Respect', and the policy on Data Ethics also contains stipulations around always communicating about employees and business partners in a respectful and dignified way. The policy also contains stipulations around not revealing data on business partners without their consent and on maintaining appropriate levels of confidentiality internally

Statutory report on the underrepresented gender

Our goal is to create an open, modern and inspiring workplace in which staff members can develop their full potential, and in which, through a transparent structure, we work to ensure that there are relatively equal numbers of women and men in the various levels of management.

LEMAN wants to foster diversity, encourage and develop more female leaders in what is a traditionally male-dominated industry. Significant progress has been achieved, 40% of the members of our Board of Directors (2 out of 5) and 33% of the members of the Group Coordination Team (2 out of 6) were female by end of 2022. Our equal opportunities policy is put into practice in the Company's employee manual.

Events after the balance sheet date

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

Treasury shares

LEMAN HOLDING A/S owns a number of treasury shares, which are specified in note 16 to the parent financial statements.

Consolidated income statement for 2022

| | Notes | 2022 DKK'000 | 2021 DKK'000 |
|--|-------|-----------------|-----------------|
| Revenue | 1 | 4,127,504 | 3,579,350 |
| Cost of sales | | (3,357,498) | (2,940,850) |
| Gross profit | | 770,006 | 638,500 |
| Other operating income | | 0 | 103 |
| Other external expenses | 2 | (183,277) | (145,137) |
| Staff costs | 3 | (464,189) | (387,994) |
| Depreciation, amortization and impairment losses | 4 | (33,246) | (41,857) |
| Operating profit/loss | | 89,294 | 63,615 |
| Other financial income | 5 | 15,090 | 895 |
| Other financial expenses | 6 | (25,229) | (10,075) |
| Profit/loss before tax | | 79,155 | 54,435 |
| Tax on profit/loss for the year | 7 | (23,798) | (13,637) |
| Profit/loss for the year | 8 | 55,357 | 40,798 |

Consolidated balance sheet at 31.12.2022

| Assets | Notes | 2022 DKK'000 | 2021 DKK'000 |
|--|-------|------------------|------------------|
| Completed development projects | 10 | 47,090 | 42,497 |
| Goodwill | | 22,055 | 28,965 |
| Development projects in progress | 10 | 0 | 7,027 |
| Intangible assets | 9 | 69,145 | 78,489 |
| Land and buildings | | 268,194 | 271,364 |
| Plant and machinery | | 18,098 | 14,994 |
| Other fixtures and fittings, tools and equipment | | 20,599 | 16,763 |
| Property, plant and equipment in progress | | 3,582 | 0 |
| Property, plant and equipment | 11 | 310,473 | 303,121 |
| Other investments | | 33,499 | 33,499 |
| Deposits | | 1,631 | 1,557 |
| Financial assets | 12 | 35,130 | 35,056 |
| Fixed assets | | 414,748 | 416,666 |
| Trade receivables | | 666,715 | 659,499 |
| Deferred tax | 13 | 2,237 | 1,663 |
| Other receivables | | 6,082 | 11,770 |
| Tax receivable | | 2,353 | 4,967 |
| Prepayments | 14 | 10,977 | 24,263 |
| Receivables | | 688,364 | 702,162 |
| Other investments | | 76 | 76 |
| Other investments | | 76 | 76 |
| Cash | | 198,587 | 85,750 |
| Current assets | | 887,027 | 787,988 |
| Assets | | 1,301,775 | 1,204,654 |

Consolidated balance sheet at 31.12.2022

| Equity and liabilities | | 2022 | 2021 |
|--|--------|------------------|------------------|
| | Notes | DKK'000 | DKK'000 |
| Contributed capital | 15, 16 | 30,000 | 30,000 |
| Translation reserve | | 10,185 | 1,968 |
| Retained earnings | | 602,521 | 551,164 |
| Proposed dividend for the financial year | | 4,000 | 0 |
| Equity | | 646,706 | 583,132 |
| Deferred tax | 13 | 45,240 | 43,071 |
| Other provisions | 17 | 746 | 3,386 |
| Provisions | | 45,986 | 46,457 |
| Mortgage debt | | 60,979 | 15,960 |
| Lease liabilities | | 0 | 1,067 |
| Other payables | 18 | 15,981 | 26,230 |
| Non-current liabilities other than provisions | 19 | 76,960 | 43,257 |
| Current portion of long-term liabilities other than provisions | 19 | 14,139 | 1,958 |
| Bank loans | | 4,050 | 24,678 |
| Trade payables | | 402,210 | 406,498 |
| Payables to group enterprises | | 0 | 9,234 |
| Tax payable | | 22,572 | 3,241 |
| Other payables | | 88,723 | 76,862 |
| Deferred income | 20 | 429 | 9,337 |
| Current liabilities other than provisions | | 532,123 | 531,808 |
| Liabilities other than provisions | | 609,083 | 575,065 |
| Equity and liabilities | | 1,301,775 | 1,204,654 |
| Financial instruments | 22 | | |
| Fair value information | 23 | | |
| Unrecognized rental and lease commitments | 24 | | |
| Contingent liabilities | 25 | | |
| Assets charged and collateral | 26 | | |
| Transactions with related parties | 27 | | |
| Subsidiaries | 28 | | |

Consolidated statement of changes in equity for 2022

| | Contributed capital DKK'000 | Translation reserve DKK'000 | Retained earnings DKK'000 | Proposed dividend for the financial year DKK'000 | Total DKK'000 |
|---------------------------|-----------------------------------|-----------------------------------|---------------------------------|---|------------------|
| Equity beginning of year | 30,000 | 1,968 | 551,164 | 0 | 583,132 |
| Exchange rate adjustments | 0 | 10,148 | 0 | 0 | 10,148 |
| Tax of entries on equity | 0 | (1,931) | 0 | 0 | (1,931) |
| Profit/loss for the year | 0 | 0 | 51,357 | 4,000 | 55,357 |
| Equity end of year | 30,000 | 10,185 | 602,521 | 4,000 | 646,706 |

Consolidated cash flow statement for 2022

| | Notes | 2022 DKK'000 | 2021 DKK'000 |
|---|-------|-----------------|-----------------|
| Operating profit/loss | | 89,294 | 63,615 |
| Amortization, depreciation and impairment losses | | 33,246 | 41,857 |
| Other provisions | | 2,640 | (1,922) |
| Working capital changes | 21 | 5,771 | (153,920) |
| Cash flow from ordinary operating activities | | 130,951 | (50,370) |
| Financial income received | | 3,562 | 895 |
| Financial expenses paid | | (7,722) | (10,075) |
| Taxes refunded/(paid) | | (2,275) | (6,136) |
| Cash flows from operating activities | | 124,516 | (65,686) |
| Acquisition etc. of intangible assets | | (7,198) | (13,505) |
| Acquisition etc. of property, plant and equipment | | (22,909) | (13,890) |
| Sale of property, plant and equipment | | 1,949 | 3,581 |
| Deposit | | (103) | 904 |
| Cash flows from investing activities | | (28,261) | (22,910) |
| Free cash flows generated from operations and investments before financing | | 96,255 | (88,596) |
| Loans raised | | 49,887 | 0 |
| Repayments of loans etc. | | (3,354) | (1,895) |
| Incurrence of debt to group enterprises | | (9,234) | 5,723 |
| Other payable | | (89) | 10,127 |
| Cash flows from financing activities | | 37,210 | 13,955 |
| Increase/decrease in cash and cash equivalents | | 133,465 | (74,641) |
| Cash and cash equivalents beginning of year | | 61,148 | 135,789 |
| Cash and cash equivalents end of year | | 194,613 | 61,148 |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 198,587 | 85,750 |
| Securities | | 76 | 76 |
| Short-term bank loans | | (4,050) | (24,678) |
| Cash and cash equivalents end of year | | 194,613 | 61,148 |

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We have a global outlook - both in the way we work and the way we think.



Notes to consolidated financial statements

| | 2022 DKK'000 | 2021 DKK'000 |
|---|------------------|------------------|
| 1. Revenue | | |
| Denmark | 1,896,491 | 1,605,454 |
| USA | 1,239,180 | 944,700 |
| Other countries | 991,833 | 1,029,196 |
| Total revenue by geographical market | 4,127,504 | 3,579,350 |
| | | |
| Road & Logistics | 1,915,054 | 1,481,601 |
| Air & Sea | 2,212,450 | 2,097,749 |
| Total revenue by activity | 4,127,504 | 3,579,350 |

2. Fees to the auditor appointed by the Annual General Meeting

| DKK'000 | 2022 DKK'000 | | | 2021 DKK'000 | | |
|-----------------------------|--------------|-------|----------|--------------|-------|----------|
| | Deloitte | Other | In total | Deloitte | Other | In total |
| Statutory audit services | 682 | 673 | 1,355 | 627 | 456 | 1,083 |
| Other assurance engagements | 0 | 0 | 0 | 30 | 97 | 127 |
| Tax services | 89 | 132 | 221 | 65 | 57 | 122 |
| Other services | 218 | 40 | 258 | 675 | 31 | 706 |
| | 989 | 845 | 1,834 | 1,397 | 641 | 2,038 |

| | 2022 DKK'000 | 2021 DKK'000 |
|---|--|--|
| 3. Staff costs | | |
| Wages and salaries | 418,791 | 350,284 |
| Pension costs | 26,308 | 24,388 |
| Other social security costs | 8,486 | 6,532 |
| Other staff costs | 11,958 | 8,847 |
| | 465,543 | 390,051 |
| Staff costs classified as assets | (1,354) | (2,057) |
| | 464,189 | 387,994 |
| Average number of full-time employees | 843 | 782 |
| | Remuneration of management 2022 DKK'000 | Remuneration of management 2021 DKK'000 |
| Executive Board | 0 | 5,643 |
| Board of Directors | 0 | 704 |
| Total amount for management categories | 4,612 | 0 |
| | 4,612 | 6,347 |
| | 2022 DKK'000 | 2021 DKK'000 |
| 4. Depreciation, amortization, and impairment losses | | |
| Amortization of intangible assets | 16,182 | 17,639 |
| Impairment losses on intangible assets | 0 | 9,000 |
| Depreciation of property, plant, and equipment | 16,913 | 18,196 |
| Profit/loss from sale of intangible assets and property, plant, and equipment | 151 | (2,978) |
| | 33,246 | 41,857 |

In 2021 the Company decided to implement another standard Transport Management System, CargoWise, for the AIR&SEA activities. As a consequence of this decision, the Company made a write-down of DKK 9.0 million related to the former Transport Management System for AIR&SEA in 2021.

| | 2022 DKK'000 | 2021 DKK'000 |
|----------------------------------|-----------------|-----------------|
| 5. Other financial income | | |
| Other interest income | 3,562 | 895 |
| Exchange rate adjustments | 11,528 | 0 |
| | 15,090 | 895 |

In 2022, part of the exchange rate adjustments consisted of unrealized fair value adjustments of 3,593 thousand relating to financial instruments.

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 6. Other financial expenses | | |
| Financial expenses from group enterprises | 0 | 47 |
| Other interest expenses | 7,722 | 10,028 |
| Exchange rate adjustments | 17,507 | 0 |
| | 25,229 | 10,075 |

In 2022, part of exchange rate adjustments consisted of realized fair value adjustments of DKK 15,900 thousand relating to financial instruments. In 2021, part of the exchange rate adjustments consisted of unrealised fair value adjustments of DKK 4,430 thousand relating to financial instruments.

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 7. Tax on profit/loss for the year | | |
| Current tax | 21,395 | 13,704 |
| Change in deferred tax | 1,595 | 145 |
| Adjustment concerning previous years | 808 | (212) |
| | 23,798 | 13,637 |

| | 2022 DKK'000 | 2021 DKK'000 |
|--|-----------------|-----------------|
| 8. Proposed distribution of profit/loss | | |
| Ordinary dividend for the financial year | 4,000 | 0 |
| Retained earnings | 51,357 | 40,798 |
| | 55,357 | 40,798 |

| | Completed development projects DKK'000 | Goodwill DKK'000 | Development projects in progress DKK'000 |
|---|---|---------------------|---|
| 9. Intangible assets | | | |
| Cost beginning of year | 76,210 | 79,595 | 7,027 |
| Exchange rate adjustments | 0 | 555 | 0 |
| Transfers | 7,027 | 0 | (7,027) |
| Additions | 7,198 | 0 | 0 |
| Cost end of year | 90,435 | 80,150 | 0 |
| Amortization and impairment losses beginning of year | (33,713) | (50,630) | 0 |
| Exchange rate adjustments | 0 | (915) | 0 |
| Amortization for the year | (9,632) | (6,550) | 0 |
| Amortization and impairment losses end of year | (43,345) | (58,095) | 0 |
| Carrying amount end of year | 47,090 | 22,055 | 0 |

The Group has capitalised goodwill of DKK 22 million. DKK 11 million of the total goodwill is connected with some uncertainty due to the subsidiary's generation of losses in recent years.

Management has carried out impairment tests based on budgets for the next few years. The subsidiary has had a good intake of new clients in recent quarters and is broadly on track with the implementation of a range of profit improvement initiatives. This is all reflected in the budget for the subsidiary.

Management has determined the value in use based on budgets covering eight years. No terminal value has been calculated, thus adding a fixed discount rate of 10%. On that basis, Management has not identified any indication of impairment.

Management has prepared sensitivity analyses by modifying budget assumptions. In preparing the sensitivity analyses, Management has considered the uncertainty inherent in calculating market value compared with the industry. Management assesses that this uncertainty has been adequately considered in the impairment tests and sensitivity analyses.

10. Development projects

Completed development projects and development projects in progress include the development of the Transport Management System for road activities and the new Transport Management System CargoWise for the AIR/SEA activities, and other supportive IT systems. The development projects are all completed during 2022 and comprise both external consultancy fees and internal labour costs.

| | Land and buildings DKK'000 | Plant and machinery DKK'000 | Other fixtures and fittings, tools, and equipment DKK'000 | Property, plant and equipment in progress DKK'000 |
|---|----------------------------------|-----------------------------------|--|---|
| 11. Property, plant, and equipment | | | | |
| Cost beginning of year | 349,966 | 45,648 | 85,934 | 0 |
| Exchange rate adjustments | (2,625) | (349) | 2,572 | 0 |
| Additions | 5,040 | 6,907 | 7,380 | 3,582 |
| Disposals | (301) | (6,951) | (1,683) | 0 |
| Cost end of year | 352,080 | 45,255 | 94,203 | 3,582 |
| Depreciation and impairment losses beginning of the year | (78,602) | (30,654) | (69,171) | 0 |
| Exchange rate adjustments | 1,848 | 1,030 | 980 | 0 |
| Depreciation for the year | (7,132) | (4,002) | (5,779) | 0 |
| Reversal regarding disposals | 0 | 6,469 | 366 | 0 |
| Depreciation and impairment losses end of the year | (83,886) | (27,157) | (73,604) | 0 |
| Carrying amount end of year | 268,194 | 18,098 | 20,599 | 3,582 |
| Recognized assets not owned by entity | 0 | 0 | 1,300 | 0 |

| | Other investments DKK'000 | Deposits DKK'000 |
|------------------------------------|---------------------------------|---------------------|
| 12. Financial assets | | |
| Cost beginning of year | 33,499 | 1,557 |
| Exchange rate adjustments | 0 | (29) |
| Additions | 0 | 103 |
| Cost end of year | 33,499 | 1,631 |
| Carrying amount end of year | 33,499 | 1,631 |

| | 2022 | 2021 |
|------------------------------------|-----------------|-----------------|
| | DKK'000 | DKK'000 |
| 13. Deferred tax | | |
| Changes during the year | | |
| Beginning of year | (41,408) | (41,263) |
| Recognized in the income statement | (1,595) | (145) |
| End of the year | (43,003) | (41,408) |

Deferred tax has been recognized in the balance sheet as follows

| | | |
|--------------------------|-----------------|-----------------|
| Deferred tax assets | 2,237 | 1,663 |
| Deferred tax liabilities | (45,240) | (43,071) |
| | (43,003) | (41,408) |

Deferred tax assets

As of 31.12.2022, the Group has recognised a tax asset of DKK 2,237 thousand. The deferred tax asset is only useable to the specific legal entity. The tax asset is composed of tax loss carryforwards and unutilised tax deductions consisting of timing differences. Management believes that the tax asset is likely to be offset against future taxable income within the next 2-3 years.

The Group did not capitalise its tax loss carryforward of DKK **9.800** thousand. The tax loss has not been recognised due to uncertainty connected with the time when it can be set off against future taxable income.

14. Prepayments

Prepayments comprise costs incurred such as rent, insurance premiums, subscription fees, and freight forwarding costs relating to the next financial year.

| | Number | Par value DKK'000 | Nominal value DKK'000 |
|--------------------------------|------------|----------------------|-----------------------------|
| 15. Contributed capital | | | |
| Class A shares | 120 | 250 | 30,000 |
| | 120 | 250 | 30,000 |

| | Number | Nominal value DKK'000 | Recorded par value DKK'000 | Share of contributed capital % |
|-----------------------------------|-----------|-----------------------------|----------------------------------|---|
| 16. Treasury shares | | | | |
| Class A shares | 12 | 250 | 3,000 | 10,00 |
| Holding of treasury shares | 12 | 250 | 3,000 | 10,00 |

17. Other provisions

Other provisions include provisions for payment of losses expected to incur in pending cases. Once the cases are settled, the outcome and timing will remain uncertain by their very nature, but all liabilities are assessed to be paid in the next year. The liabilities include legal costs, such as legal fees and any damages.

| | 2022 DKK'000 | 2021 DKK'000 |
|---------------------------|-----------------|-----------------|
| 18. Other payables | | |
| Holiday pay obligation | 15,981 | 16,070 |
| Other costs payable | 0 | 10,160 |
| | 15,981 | 26,230 |

Other costs payable comprise personal income tax and social security costs, the payment deadline of which has been extended as part of the Danish Government's COVID-19 financial support package. As a result, the debt will fall due in 2023.

| | Due within 12 months 2022 DKK'000 | Due within 12 months 2021 DKK'000 | Due after more than 12 months 2022 DKK'000 | Outstanding after 5 years 2022 DKK'000 |
|--|--|--|--|---|
| 19. Non-current liabilities other than provisions | | | | |
| Mortgage debts | 3,469 | 1,445 | 60,979 | 44,100 |
| Lease liabilities | 510 | 513 | 0 | 0 |
| Other payables | 10,160 | 0 | 15,981 | 13,750 |
| | 14,139 | 1,958 | 76,960 | 57,850 |

Other payables include the Group's frozen holiday allowance and other costs payable. The holiday pay obligation falls due as employees leave the labour market. Consequently, the outstanding debt after five years has been estimated based on when the Group's employees are expected to leave the labour market considering their retirement age.

20. Deferred income

Deferred income relates to revenue cut-off.

| | 2022 DKK'000 | 2021 DKK'000 |
|--|-----------------|------------------|
| 21. Change in working capital | | |
| Increase/decrease in receivables | 11,758 | (327,187) |
| Increase/decrease in trade payables etc. | (5,987) | 173,267 |
| | 5,771 | (153,920) |

22. Derivative financial instruments

In the financial year, the Company decided to hedge part of the currency risk by entering into a forward exchange contract of DKK 117.807 thousand (2021: DKK 87,167 thousand), distributed in USD. The fair value of the contract amounts to positive DKK 3,593 thousand, which has been recognised as other receivables, and the fair value adjustment has been recognised in the income statement (2021: DKK 4,430 thousand recognised as other payables). All forward exchange contracts expire in the financial year 2023.

| | Financial instruments DKK'000 | Other investments DKK'000 |
|--|-------------------------------------|---------------------------------|
| 23. Fair value information | | |
| Fair value end of year | 117,807 | 76 |
| Unrealized fair value adjustments recognized in the income statement | 3,593 | 0 |
| | 2022 DKK'000 | 2021 DKK'000 |
| 24. Unrecognized rental and lease commitments | | |
| Total liabilities under rental or lease agreements until maturity | 210,600 | 198,700 |

Liabilities under rental or lease agreements until maturity can be divided into liabilities under rental agreements of DKK 115,700 thousand (2021: DKK 117,100 thousand) and liabilities under lease agreements of DKK 94,900 thousand (2021: DKK 81,600 thousand).

| | 2022 | 2021 |
|---|---------------|---------------|
| | DKK'000 | DKK'000 |
| 25. Contingent liabilities | | |
| Recourse and non-recourse guarantee commitments | 92,500 | 46,130 |
| Contingent liabilities in total | 92,500 | 46,130 |

26. Assets charged and collateral

The bank and mortgage debts of the LEMAN Group are secured by way of mortgage deeds registered on its properties of DKK 75,400 thousand. The carrying amount is DKK 62,400.

27. Non-arm's length related party transactions

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

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We put ourselves in the customers' shoes and we always find a way.



Notes to consolidated financial statements

| | Registered in | Corporate form | Ownership % |
|--|---------------------|-------------------|----------------|
| 28. Subsidiaries | | | |
| LEMAN A/S | Denmark, Greve | A/S | 100 |
| LEMAN U.S.A. Inc. | USA, Sturtevant | Inc. | 100 |
| LEMAN OY | Finland, Helsinki | OY | 100 |
| LEMAN AS | Norway, Drammen | AS | 100 |
| LEMAN AB | Sweden, Helsingborg | AB | 100 |
| LEMAN International Transport Limited | England, Bradford | Ltd. | 100 |
| - Maru International Limited | England, Dewsbury | Ltd. | 100 |
| - Maru Logistics Limited | England, Dewsbury | Ltd. | 100 |
| | | | |
| LEMAN (Shanghai) International Logistic co. LTD. | China, Shanghai | Ltd. | 100 |
| LEMAN (Taiwan) International Logistic Corp | Taipei, Taiwan | Ltd. | 100 |
| LEMAN ehf. | Iceland | Ehf. | 100 |
| | | | |
| IntraVAT ApS | Denmark, Greve | ApS | 100 |
| IntraVAT AS | Norway, Oslo | AS | 100 |
| IntraVAT AB | Sweden, Helsingborg | AB | 100 |
| IntraVAT OY | Finland, Helsinki | OY | 100 |
| IntraVAT Limited | England, Dewsbury | Ltd. | 100 |

Parent income statement for 2022

| | Notes | 2022 DKK'000 | 2021 DKK'000 |
|---|-------|-----------------|-----------------|
| Other operating income | | 15,225 | 15,230 |
| Other external expenses | | (2,018) | (1,768) |
| Property costs | | (1,144) | (1,801) |
| Gross profit/loss | | 12,063 | 11,661 |
| Depreciation, amortization, and impairment losses | 1 | (5,262) | (3,101) |
| Operating profit/loss | | 6,801 | 8,560 |
| Income from investments in group enterprises | | 48,422 | 35,492 |
| Other financial income | 2 | 4,521 | 1,963 |
| Other financial expenses | 3 | (2,436) | (3,727) |
| Profit/loss before tax | | 57,308 | 42,288 |
| Tax on profit/loss for the year | 4 | (1,951) | (1,490) |
| Profit/loss for the year | 5 | 55,357 | 40,798 |

Parent balance sheet at 31.12.2022

| Assets | Notes | 2022 DKK'000 | 2021 DKK'000 |
|--|-------|-----------------|-----------------|
| Land and buildings | | 220,130 | 223,268 |
| Property, plant, and equipment | 6 | 220,130 | 223,268 |
| Investments in group enterprises | | 402,990 | 340,343 |
| Receivables from group enterprises | | 0 | 15,747 |
| Other investments | | 33,499 | 33,499 |
| Financial assets | 7 | 436,489 | 389,589 |
| Fixed assets | | 656,619 | 612,857 |
| Receivables from group enterprises | | 84,328 | 7,258 |
| Income tax receivable | | 0 | 307 |
| Joint taxation contribution receivable | | 21,325 | 9,699 |
| Receivables | | 105,653 | 17,264 |
| Cash | | 22 | 22 |
| Current assets | | 105,675 | 17,286 |
| Assets | | 762,294 | 630,143 |

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We take ownership by developing creative and innovative solutions.



Parent balance sheet at 31.12.2022

| Equity and liabilities | Notes | 2022 DKK'000 | 2021 DKK'000 |
|--|-------|-----------------|-----------------|
| Contributed capital | | 30,000 | 30,000 |
| Translation reserve | | 0 | (214) |
| Reserve for net revaluation according to the equity method | | 377,252 | 320,828 |
| Retained earnings | | 235,454 | 232,518 |
| Proposed dividend for the financial year | | 4,000 | 0 |
| Equity | | 646,706 | 583,132 |
| Deferred tax | 8 | 28,625 | 29,364 |
| Provisions | | 28,625 | 29,364 |
| Mortgage debt | | 60,978 | 15,960 |
| Non-current liabilities other than provisions | 9 | 60,978 | 15,960 |
| Current portion of long-term liabilities other than provisions | 9 | 3,469 | 1,445 |
| Joint taxation contribution payable | | 22,316 | 0 |
| Other payables | | 200 | 242 |
| Current liabilities other than provisions | | 25,985 | 1,687 |
| Liabilities other than provisions | | 86,963 | 17,647 |
| Equity and liabilities | | 762,294 | 630,143 |
| Employees | 10 | | |
| Contingent liabilities | 11 | | |
| Assets charged and collateral | 12 | | |
| Related parties with controlling interest | 13 | | |
| Transactions with related parties | 14 | | |

Parent statement of changes in equity for 2022

| | Contributed capital DKK'000 | Translation reserve DKK'000 | Reserve for net Revaluation according to the equity method DKK'000 | Retained earnings DKK'000 | Proposed dividend for the year Total DKK'000 |
|---------------------------|-----------------------------------|-----------------------------------|--|---------------------------------|--|
| Equity beginning of year | 30,000 | (214) | 320,828 | 232,518 | 0 |
| Exchange rate adjustments | 0 | 274 | 8,003 | 0 | 0 |
| Tax of entries on equity | 0 | (60) | 0 | 0 | 0 |
| Profit/loss for the year | 0 | 0 | 48,421 | 2,936 | 4,000 |
| Equity end of year | 30,000 | 0 | 377,252 | 235,454 | 4,000 |
| | | | | | Total DKK'000 |
| Equity beginning of year | | | | | 583,132 |
| Exchange rate adjustments | | | | | 8,277 |
| Tax of entries on equity | | | | | (60) |
| Profit/loss for the year | | | | | 55,357 |
| Equity end of year | | | | | 646,706 |

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We develop our people and promote diversity all over the LEMAN Group.



Notes to parent financial statements

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 1. Depreciation, amortization, and impairment losses | | |
| Depreciation of property, plant and equipment | 5,262 | 5,259 |
| Profit/loss from sale of intangible assets and property, plant, and equipment | 0 | (2,158) |
| | 5,262 | 3,101 |

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 2. Other financial income | | |
| Financial income from group enterprises | 2,644 | 787 |
| Other interest income | 1,877 | 1,176 |
| | 4,521 | 1,963 |

Other interest income also consists of exchange gains.

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 3. Other financial expenses | | |
| Financial expenses from group enterprises | 0 | 2,001 |
| Other interest expenses | 2,436 | 1,726 |
| | 2,436 | 3,727 |

Other interest expenses also consist of exchange losses.

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|-----------------|
| 4. Tax on profit/loss for the year | | |
| Current tax | 2,694 | 1,003 |
| Change in deferred tax | (739) | 561 |
| Adjustment concerning previous years | (4) | (74) |
| | 1,951 | 1,490 |

| | 2022 DKK'000 | 2021 DKK'000 |
|---|-----------------|---|
| 5. Proposed distribution of profit and loss | | |
| Ordinary dividend for the financial year | 4,000 | 0 |
| Retained earnings | 51,357 | 40,798 |
| | 55,357 | 40,798 |
| | | Land and buildings DKK'000 |
| 6. Property, plant, and equipment | | |
| Cost beginning of year | | 284,671 |
| Additions | | 2,124 |
| Cost end of year | | 286,795 |
| Depreciation and impairment losses beginning of year | | (61,403) |
| Depreciation for the year | | (5,262) |
| Depreciation and impairment losses end of year | | (66,665) |
| Carrying amount end of year | | 220,130 |

| | Investments in group enterprises DKK'000 | Receivables from group enterprises DKK'000 | Other investments DKK'000 |
|------------------------------------|---|---|---------------------------------|
| 7. Financial assets | | | |
| Cost beginning of year | 19,515 | 15,747 | 33,499 |
| Additions | 6,223 | 0 | 0 |
| Disposals | 0 | (15,747) | 0 |
| Cost end of year | 25,738 | 0 | 33,499 |
| Revaluations beginning of year | 320,828 | 0 | 0 |
| Exchange rate adjustments | 8,003 | 0 | 0 |
| Share of profit/loss for the year | 48,421 | 0 | 0 |
| Revaluations end of year | 377,252 | 0 | 0 |
| Carrying amount end of year | 402,990 | 0 | 33,499 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements. Some uncertainty is connected with recognition and measurement of investments in group enterprises as specified in note 9 to the consolidated financial statements.

| | 2022 DKK'000 | 2021 DKK'000 |
|------------------------------------|-----------------|-----------------|
| 8. Deferred tax | | |
| Property, plant, and equipment | 28,849 | 29,432 |
| Liabilities other than provisions | (224) | (68) |
| | 28,625 | 29,364 |
| Changes during the year | | |
| Beginning of year | 29,364 | 28,803 |
| Recognized in the income statement | (739) | 561 |
| End of year | 28,625 | 29,364 |

| | Due within 12 months 2022 DKK'000 | Due within 12 months 2021 DKK'000 | Due after more than 12 months 2022 DKK'000 | Outstan- ding after 5 years 2022 DKK'000 |
|---|--|--|--|--|
| 9. Non-current liabilities other than provisions | | | | |
| Mortgage debts | 3,469 | 1,445 | 60,978 | 44,100 |
| | 3,469 | 1,445 | 60,978 | 44,100 |

10. Employees

In 2022, remuneration to the Executive Board are excluded given that the Executive Board only consist of one member, accordingly, the Company fell within section 98b(3)(2) of the Danish Financial Statements Act. In 2021, The Entity had no employees other than the Executive Board and Board of Directors. The Executive board has received a remuneration of 570 thousand and the Board of Directors has received a remuneration of 705 thousand.

11. Contingent liabilities

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

12. Assets charged and collateral

The bank and mortgage debts of the LEMAN Group are secured by way of mortgage deeds registered on its properties of DKK 75,400 thousand. The carrying amount is DKK 62,400.

Collateral provided for group enterprises

LEMAN HOLDING A/S has provided parent company guarantees for the following subsidiaries:

- LEMAN A/S, Denmark, the guarantee is unlimited to all bank facilities
- LEMAN Oy, Finland, the guarantee limited to DKK 5.000 thousand
- IntraVAT ApS, Denmark, the guarantee is limited to an account with a credit limit of DKK 500 thousand.

13. Related parties with controlling interest

- La Capite S.A., 10, Rue Nicolas Adames, L-1114 Luxembourg owns all shares in LEMAN HOLDING A/S, thus exercising control.
- Philippe Ziegler, Geneva, Switzerland owns 48% of the shares in La Capite SA and is the controlling shareholder of the Company.

14 Non-arm's length related party transactions

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

Accounting policies

Reporting class

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

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

A few changes have been made to the presentation of the comparative figures of the Group and the Parent. These changes do not affect their income statement or equity.

Recognition and measurement

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

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

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

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

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

Consolidated financial statements

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

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions

between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

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

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

Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful lives. If the useful life cannot be estimated reliably, it is fixed at ten years. Useful life is reassessed annually.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from nonmonetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised as other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognised in the income statement when the agreed freight forwarding services are considered delivered, and control of the goods has been passed either to the customer or another logistics supplier.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Segment information

Operation segments

The primary activities of LEMAN comprise transportation and logistics to and from foreign destinations on behalf of Danish and foreign customers. Business segments are defined by the operational and management structure of LEMAN. The services rendered by the Company comprise road, air&sea and logistics services.

Geographical segments

LEMAN business is based on transactions in our global network rather than in individual countries or regions, the transportations are arranged through an extended network of cooperation among agents. Revenue are allocated to the geographical areas according to the country in which the customer is invoiced and the consolidated entity is based.

Other operating income

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

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

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

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

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

Depreciation, amortization, and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

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

The Parent, LEMAN HOLDING A/S, is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is ten years based on acquired market positions and a long-term earnings profile.

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

Intellectual property rights etc.

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

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under reserve for development costs, which is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs, amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at ten years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are three to ten years.

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

Property, plant, and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-manufactured assets, cost comprises direct and indirect costs of materials, components, suppliers and labour costs.

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

- Buildings: 39-50 years
- Plant and machinery: 5 years
- Other fixtures and fittings, tools and equipment: 3-8 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period used is ten years.

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

Receivables

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

Other investments

Other investments are measured at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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

Tax payable or receivable

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

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Treasury shares

Acquisition and selling prices and dividends of treasury shares are classified directly as equity under retained earnings. Gains and losses from sale are not recognised in the income statement. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to their nominal value.

Other provisions

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

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

Operating leases

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

Other financial liabilities

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

Deferred income

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

Cash flow statement

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

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

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short term bank loans.

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To us, solutions mean being proactive and tailor to our customers' needs.



Financial highlights

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

| Ratios | Calculation formula | Calculation formula reflect |
|----------------------|--|--|
| Gross margin (%) | $\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$ | The Entity's operating gearing. |
| Return on equity (%) | $\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$ | The Entity's return on capital invested in the Entity by the owners. |
| Equity ratio (%) | $\frac{\text{Equity} \times 100}{\text{Total assets}}$ | The financial strength of the Entity. |



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