



Annual Report 2023

LEMAN HOLDING A/S



“

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



LEMAN HOLDING A/S
Annual Report 2023
CBR No. 36 70 05 13

The Annual General Meeting adopted the annual report on 24th of June 2024

Chairman of the General Meeting

Louise Hansen

“

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



Proudly
driven
by people.

Contents

Entity details.....	5
Statement by Management on the annual report	6
Independent auditor's reports	8
Management commentary	12
Consolidated income statement for 2023.....	20
Consolidated balance sheet at 31.12.2023.....	21
Consolidated statement of changes in equity for 2023.....	23
Consolidated cash flow statement for 2023.....	24
Notes to consolidated financial statements	26
Parent income statement for 2023.....	37
Parent balance sheet at 31.12.2023	38
Parent statement of changes in equity for 2023.....	41
Notes to parent financial statements.....	43
Accounting policies	47

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: 01.01.2023 - 31.12.2023

Board of Directors

Philippe Ziegler, Chairman
Tanya Ziegler Moyal
Lilian Merete Mogensen
Ole Michael Ringheim
Charles Duro
Tina Hørbye Christensen (as of June 24, 2024)
Karen Nielsen (until June 24, 2024)

Executive Board

Bo Lindberg Andersen, Chief Executive Officer
Michael Schrøder, Chief Financial 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 01.01.2023 – 31.12.2023

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 – 31.12.2023

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, 24.06.2024

Executive Board

Bo Lindberg Andersen
Chief Executive Officer

Michael Schrøder
Chief Financial Officer

Board of Directors

Philippe Ziegler
Chairman

Tanya Ziegler Moyal

Lilian Merete Mogensen

Ole Michael Ringheim

Charles Duro

Karen Nielsen

“

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 01.01.2023 – 31.12.2023, 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 31.12.2023 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2023 – 31.12.2023 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State Authorized Public Accountant
Identification No (MNE) mne26765

“

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



Proudly
driven
by people.

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	2,857,506	4,127,504	3,579,350	2,241,643	2,267,603
Gross profit	613,442	770,006	638,500	460,593	538,029
Operating profit/loss	(54,303)	89,294	63,615	(9,365)	19,750
Net financials	(1,157)	(10,139)	(9,180)	(4,465)	3,426
EBT	(55,460)	79,155	54,435	(13,830)	23,176
Profit/loss for the year	(65,470)	55,357	40,798	(11,222)	15,547
Balance sheet total	1,124,108	1,301,775	1,204,654	950,245	911,835
Investment in intangible assets	2,481	7,198	13,505	11,422	14,245
Investments in property, plant and equipment	52,207	22,909	10,433	9,729	18,384
Equity	571,560	646,706	583,132	528,995	568,473
Average numbers of employees	800	843	782	683	718
Ratios					
Gross margin (%)	21.47	18.66	17,84	20,54	23,73
Return on equity (%)	(10.75)	9.00	7,34	(2,05)	2,76
Equity ratio (%)	50.85	49.68	48,41	55,67	62,34

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 2,858 million against DKK 4,128 million last year and thereby decreased by 31%. The markets were challenging throughout the year with lower demand for international transport and logistics services than anticipated, which resulted in lower activity levels and lower rates than last year. This especially applied to ocean freight, but also road freight and airfreight markets were impacted. The gross profit reached DKK 613.7 million vs DKK 770.0 million last year, a decrease of 20%. The margin however improved to 21,5% from 18.7% last year, to a large extent caused by the lower freight rates but also impacted negatively by lower asset utilization caused by trade volumes not meeting expectations. The profit before tax amounted to a loss of DKK 55.5 million against profit of DKK 79.2 million last year.

The markets for international cargo transportation in which LEMAN operate were very weak in 2023 – a very sudden and dramatic shift from the strong markets we enjoyed in particular during the first half of 2022. Bottlenecks and capacity shortages were replaced by a situation with oversupply and steep rate declines within a very short time span, the suddenness and severity of the downturn coming as somewhat of a surprise. LEMAN was geared for handling higher volumes in 2023 than we realized, and this led to the organizational and operational capacity not being fully utilized during the year. In particular this applied to our organizations in the US, the UK and China. The LEMAN organizations in the Nordics were also impacted but were better positioned to mitigate the impact.

In this volatile environment, the LEMAN organization demonstrated also in 2023 the agility and responsiveness necessary to find the best possible transport solutions for our customers and international business partners. Sustainability is increasingly on the agenda in our dialogue with customers, and at LEMAN we take our responsibility within this area very seriously. Our Scope 1+2 emissions were significantly reduced during 2023, and we invested in one of the largest rooftop installations of solar panels in the Greater Copenhagen area with 4,000m installed on top of our warehouse in Greve.

As of 1 January 2023, LEMAN opened in Reykjavik, Iceland whereby LEMAN is present with own organization in all 5 Nordic countries. New offices were opened in Mexico and in Vietnam later in 2023, further expanding the geographical footprint of the LEMAN Group in growth markets of high interest to many of our customers. As of 1 January 2024, Nauta AG became part of the LEMAN Group, whereby LEMAN became present in Switzerland. Nauta AG has its headquarters in Basel. Also as of 1 January 2024, LEMAN sold the majority of the shares in IntraVAT Aps in a management buy-out.

During 2023, construction commenced on a 6,000m² expansion of our terminal facility in Taulov, Denmark. The first phase of the expansion is scheduled to open in May 2024.

Profit/loss for the year in relation to expected developments

The financial result for the year was unsatisfactory, reflecting both the weak market conditions and the underutilized organizational and operational capacity in a couple of key markets as well as an additional amortization of goodwill in the UK due to a prudent approach. During 2023 we have invested a high two-digit million amount in expanding to new markets, new buildings, IT and our people. Our cash position is very sound, and the Group is well positioned for growth in 2024 and has progressed very satisfactorily on its strategic initiatives during the year.

Outlook

The Company will continue to execute a series of growth initiatives and investments to strengthen- and expand the capacity and reach of the LEMAN Group despite the poor performance in 2023.

The global freight markets in 2024 continue to face several challenges, including geopolitical tensions, economic uncertainties, and capacity management issues. However, there are opportunities for growth and stabilization, particularly in the latter part of the year. Adaptability and resilience will be key for businesses navigating these conditions. While the outlook remains uncertain, maintaining flexibility and a proactive approach will help mitigate risks and capitalize on potential opportunities.

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, ISK, MXN, VND, USD and USD-related currencies. Further, the Group has made investments in SEK, NOK, EUR, GBP, CNY, TWD, ISK, MXN, VND 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 eleven countries combined with a vast network of trusted agents, the services cover the entire world. Besides the transportation of goods, LEMAN offers 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 complying with 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 a comprehensive sustainability approach that reflects our commitment towards environmental protection, health and safety of our workforce, ethical ways of working and fostering fair and just working conditions across our operations. Elements of our sustainability approach are reflected in the following paragraphs:

Human rights & working conditions

- We treat all employees with dignity and respect and shall comply with all national human rights legislation in force at all times.
- 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.

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 Supplier Code of Conduct in which we expect similar respect for human rights from suppliers as we do from ourselves. We have implemented an eNPS survey system, where all employees on a monthly basis are prompted to rate their satisfaction with, amongst others, working environment and conditions. A whistleblower hotline is in place to enable reporting of alleged violations of human rights or working conditions.

Results, expectations and risks:

In 2023, 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 information from every supplier in our Supplier Code of Conduct.

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.

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 2023, we encountered 11 workplace accidents (versus 14 in 2022). 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 of the 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 changes

Reducing our CO₂e footprint been high on the agenda for Management and the Board of Directors. While LEMAN has been reporting on our Scope 1 and 2 emissions, we realize that a significant portion of our CO₂e footprint can be attributed to our subcontracted transport i.e. our Scope 3 due to the nature of our business as a freight forwarder. We aim to set new goals for our Scope 1, 2 and 3 emissions by the end of 2024.

Goals and implementation:

In 2023, we have achieved a significant 55% reduction in Scope 1 & 2 emissions. 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 to the reduction in emissions. In 2023, 4000 sqm of solar panels were installed in our headquarters in Greve. This represents one the largest roof top solar panel installations in the greater Copenhagen area. The expansion of the Taulov terminal is prepared for a similar roof top installation.

Results, expectations and risks:

Our CO₂e emissions are calculated following the Greenhouse Gas Protocol, an internationally recognized standard. We plan to revisit our CO₂e emissions calculations for Scope 1 and 2 and report on Scope 3 emissions from 2025.

The Group's CO₂e emissions during 2023 can be summarized as follows, with 2022 emissions shown for comparison:

(T CO ₂)	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
	2023	2023	2023	2022	2022	2022
Denmark	102	8	110	231	9	240
Sweden	-	-	-	-	-	-
Norway	-	1	1	-	1	1
Finland	-	8	8	-	16	16
United Kingdom	91	39	129	229	21	250
USA	72	48	120	292	120	412
Greater China	5	71	76	4	58	62
Total	270	174	444	756	225	981

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.

Throughout 2023, we continued to prioritize using suppliers who live up to Euronorm 6, thus minimizing the environmental impact of our transport.

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 at the moment to impact the carbon footprint of the transportation industry is mainly through making the CO₂e impact of transportation visible to our customers. 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.

Implementation:

Living up to our ethical standards is vital, and our goal is to make sure each employee and supplier lives 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 2023, we unfortunately recorded one case of corruption, where a LEMAN employee in an overseas office requested commission from a supplier. The amount was immaterial, and the employee was immediately dismissed. It is our expectation every year going forward not to have any corruption or bribery issues to report. The whistleblower hotline is in place to enhance the protection of whistleblowers wishing to remain anonymous.

For our ethical and moral standards to be met, we are not only obliged 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 policy on Data Ethics was adopted in 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

Supreme management body	2023	2022
Total number of members	6	5
Underrepresented gender (%)	50.00	40.00
Year of expected achievement of target figures	Achieved	Achieved
Other management levels	2023	2022
Total number of members	6	6
Underrepresented gender (%)	33.00	33.00
Year of expected achievement of target figures	Achieved	Achieved

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, 50% of the members of our Board of Directors (3 out of 6) and 33% of the members of the Group Coordination Team (2 out of 6) were female by end of 2023.

Our equal opportunities policy is put into practice in the Company's employee manual.

Events after the balance sheet date

As of 1 January 2024, Nauta AG became part of the LEMAN Group, whereby LEMAN became present in Switzerland. Nauta AG has its headquarters in Pratteln. Also as of 1 January 2024, LEMAN sold the majority of the shares in IntraVAT ApS in a management buy-out.

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

Parent treasury shares

LEMAN HOLDING A/S owns several treasury shares, which are specified in note 17 to the consolidated financial statements.

Consolidated income statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Revenue	2	2,857,506	4,127,504
Cost of sales		(2,244,064)	(3,357,498)
Gross profit		613,442	770,006
Other operating income		682	0
Other external expenses	3	(180,589)	(183,277)
Staff costs	4	(446,970)	(464,189)
Depreciation, amortization and impairment losses	5	(40,868)	(33,246)
Operating profit/loss		(54,303)	89,294
Other financial income	6	7,086	15,090
Other financial expenses	7	(8,243)	(25,229)
Profit/loss before tax		(55,460)	79,155
Tax on profit/loss for the year	8	(10,010)	(23,798)
Profit/loss for the year	9	(65,470)	55,357

Consolidated balance sheet at 31.12.2023

Assets	Notes	2023 DKK'000	2022 DKK'000
Completed development projects	10	40,134	47,090
Goodwill		10,741	22,055
Intangible assets	11	50,875	69,145
Land and buildings		257,126	268,194
Plant and machinery		25,732	18,098
Other fixtures and fittings, tools and equipment		23,315	20,599
Property, plant and equipment in progress		29,728	3,582
Property, plant and equipment	12	335,901	310,473
Other investments		33,499	33,499
Deposits		1,758	1,631
Financial assets	13	35,257	35,130
Fixed assets		422,033	414,748
Trade receivables		415,509	666,715
Deferred tax	14	2,428	2,237
Other receivables		6,160	6,082
Tax receivable		917	2,353
Prepayments	15	18,612	10,977
Receivables		443,626	688,364
Other investments		76	76
Other investments		76	76
Cash		258,373	198,587
Current assets		702,075	887,027
Assets		1,124,108	1,301,775

Consolidated balance sheet at 31.12.2023

Equity and liabilities	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	16,17	30,000	30,000
Translation reserve		4,509	10,185
Retained earnings		537,051	602,521
Proposed dividend for the financial year		0	4,000
Equity		571,560	646,706
Deferred tax	14	38,046	45,240
Other provisions	18	964	746
Provisions		39,010	45,986
Mortgage debt		57,438	60,979
Other payables	19	16,114	15,981
Non-current liabilities other than provisions	20	73,552	76,960
Current portion of long-term liabilities other than provisions	20	3,702	14,139
Bank loans		0	4,050
Trade payables		313,760	402,210
Tax payable		19,756	22,572
Other payables		102,317	88,723
Deferred income	21	451	429
Current liabilities other than provisions		439,986	532,123
Liabilities other than provisions		513,538	609,083
Equity and liabilities		1,124,108	1,301,775
Events after the balance sheet date	1		
Financial instruments	23		
Fair value information	24		
Unrecognized rental and lease commitments	25		
Contingent liabilities	26		
Assets charged and collateral	27		
Non-arm's length related party transactions	28		
Subsidiaries	29		

Consolidated statement of changes in equity for 2023

	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	10,185	602,521	4,000	646,706
Ordinary dividend paid	0	0	0	(4,000)	(4,000)
Exchange rate adjustments	0	(5,676)	0	0	(5,676)
Profit/loss for the year	0	0	(65,470)	0	(65,470)
Equity end of year	30,000	4,509	537,051	0	571,560

Consolidated cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		(54,303)	89,294
Amortization, depreciation and impairment losses		40,868	33,246
Other provisions		(218)	2,640
Working capital changes	22	148,494	11,750
Cash flow from ordinary operating activities		134,841	136,930
Financial income received		7,086	15,090
Financial expenses paid		(8,243)	(25,229)
Taxes refunded/(paid)		(22,731)	(2,275)
Cash flows from operating activities		110,953	124,516
Acquisition etc. of intangible assets		(2,481)	(7,198)
Acquisition etc. of property, plant and equipment		(52,207)	(22,909)
Sale of property, plant and equipment		1,079	1,949
Deposit		(332)	(103)
Cash flows from investing activities		(53,941)	(28,261)
Free cash flows generated from operations and investments before financing		57,012	96,255
Loans raised		0	49,887
Repayments of loans etc.		(3,469)	(3,354)
Incurrence of debt to group enterprises		0	(9,234)
Other payable		10,293	(89)
Cash flows from financing activities		6,824	37,210
Increase/decrease in cash and cash equivalents		63,836	133,465
Cash and cash equivalents beginning of year		194,613	61,148
Cash and cash equivalents end of year		258,449	194,613
Cash and cash equivalents at year-end are composed of:			
Cash		258,373	198,587
Securities		76	76
Short-term bank loans		0	(4,050)
Cash and cash equivalents end of year		258,449	194,613

“

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



Notes to consolidated financial statements

1. Events after the balance sheet date

As of 1 January 2024, Nauta AG became part of the LEMAN Group, whereby LEMAN became present in Switzerland. Nauta AG has its headquarters in Basel. Also as of 1 January 2024, LEMAN sold the majority of the shares in IntraVAT Aps in a management buy-out.

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

	2023 DKK'000	2022 DKK'000
2. Revenue		
Denmark	1,521,194	1,896,491
USA	673,488	1,239,180
Other countries	662,824	991,833
Total revenue by geographical market	2,857,506	4,127,504
Road & Logistics	1,729,691	1,915,054
Air & Sea	1,127,815	2,212,450
Total revenue by activity	2,857,506	4,127,504

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

DKK'000	2023 DKK'000			2022 DKK'000		
	Deloitte	Other	In total	Deloitte	Other	In total
Statutory audit services	944	791	1,735	682	673	1,355
Tax services	94	133	227	89	132	221
Other services	115	10	125	218	40	258
	1,153	934	2,087	989	845	1,834

	2023 DKK'000	2022 DKK'000
4. Staff costs		
Wages and salaries	400,303	418,791
Pension costs	26,411	26,308
Other social security costs	8,596	8,486
Other staff costs	11,660	11,958
	446,970	465,543
Staff costs classified as assets	0	(1,354)
	446,970	464,189
Average number of full-time employees	800	843
	Remuneration of management 2023 DKK'000	Remuneration of management 2022 DKK'000
Total amount for management categories	5,175	4,612
	5,175	4,612
	2023 DKK'000	2022 DKK'000
5. Depreciation, amortization, and impairment losses		
Amortization of intangible assets	15,054	16,182
Impairment losses on intangible assets	5,669	0
Depreciation of property, plant, and equipment	20,145	16,913
Profit/loss from sale of intangible assets and property, plant, and equipment	0	151
	40,868	33,246

	2023 DKK'000	2022 DKK'000
6. Other financial income		
Other interest income	6,221	3,562
Exchange rate adjustments	865	11,528
	7,086	15,090

In 2023, part of the exchange rate adjustments consisted of unrealised fair value adjustments of 1,614 thousand (2022: 3,593 thousand) relating to financial instruments.

	2023 DKK'000	2022 DKK'000
7. Other financial expenses		
Financial expenses from group enterprises		0
Other interest expenses	3,392	7,722
Exchange rate adjustments	4,851	17,507
	8,243	25,229

In 2023, part of exchange rate adjustments consisted of realised fair value adjustments of DKK 2,646 thousand (2022: DKK 15,900 thousand) relating to financial instruments.

	2023 DKK'000	2022 DKK'000
8. Tax on profit/loss for the year		
Current tax	18,064	21,395
Change in deferred tax	(7,385)	1,595
Adjustment concerning previous years	(669)	808
	10,010	23,798

	2023 DKK'000	2022 DKK'000
9. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	4,000
Retained earnings	(65,470)	51,357
	(65,470)	55,357

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 comprise both external consultancy fees and internal labour costs.

	Completed development projects DKK'000	Goodwill DKK'000
11. Intangible assets		
Cost beginning of year	90,435	80,150
Exchange rate adjustments	0	87
Additions	2,393	88
Cost end of year	92,828	80,325
Amortization and impairment losses beginning of year	(43,345)	(58,095)
Exchange rate adjustments	0	(115)
Impairment losses for the year	0	(5,669)
Amortization for the year	(9,349)	(5,705)
Amortization and impairment losses end of year	(52,694)	(69,584)
Carrying amount end of year	40,134	10,741

The Group has capitalised goodwill of DKK 10.7 million. DKK 11.0 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. Upon carrying the impairment test, Management decided to write down part of the recognised goodwill that Management deems to have some uncertainty attached to it. The impairment loss totals DKK 5.7 million. Consequently, the remaining part of the goodwill connected with uncertainty comes to DKK 5.3 million.

	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
12. Property, plant, and equipment				
Cost beginning of year	352,080	45,255	94,203	3,582
Exchange rate adjustments	(1,439)	(591)	(966)	0
Transfers	0	3,582	0	(3,582)
Additions	715	8,961	12,803	29,728
Disposals	0	(3,480)	0	0
Cost end of year	351,356	53,727	106,040	29,728
Depreciation and impairment losses beginning of the year	(83,886)	(27,157)	(73,604)	0
Exchange rate adjustments	(2,660)	(271)	(310)	0
Depreciation for the year	(7,684)	(3,650)	(8,811)	0
Reversal regarding disposals	0	3,083	0	0
Depreciation and impairment losses end of the year	(94,230)	(27,995)	(82,725)	0
Carrying amount end of year	257,126	25,732	23,315	29,728
Recognized assets not owned by entity	0	0	900	0
			Other investments DKK'000	Deposits DKK'000
13. Financial assets				
Cost beginning of year			33,499	1,631
Exchange rate adjustments			0	(205)
Additions			0	733
Disposals			0	(401)
Cost end of year			33,499	1,758
Carrying amount end of year			33,499	1,758

	2023	2022
	DKK'000	DKK'000
14. Deferred tax		
Changes during the year		
Beginning of year	(43,003)	(41,408)
Recognized in the income statement	7,385	(1,595)
End of the year	(35,618)	(43,003)

Deferred tax has been recognized in the balance sheet as follows

Deferred tax assets	2,428	2,237
Deferred tax liabilities	(38,046)	(45,240)
	(35,618)	(43,003)

Deferred tax assets

As of 31.12.2023, the Group has recognised a tax asset of DKK 2,428 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 off set against future taxable income within the next 2-3 years.

The Group did not capitalise its tax loss carryforward of DKK 18,220 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.

15. 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
16. 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 %
17. Treasury shares				
Class A shares	12	250	3,000	10,00
Holding of treasury shares	12	250	3,000	10,00

18. 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.

	2023 DKK'000	2022 DKK'000
19. Other payables		
Holiday pay obligation	16,114	15,981
Other costs payable	0	0
	16,114	15,981

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
20. Non-current liabilities other than provisions				
Mortgage debts	3,541	3,469	57,438	40,200
Lease liabilities	0	510	0	0
Other payables	161	10,160	16,114	16,114
	3,702	14,139	73,552	56,314

Other payables include the Company'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 Company's employees are expected to leave the labour market considering their retirement age.

21. Deferred income

Deferred income relates to revenue cut-off.

	2023 DKK'000	2022 DKK'000
22. Change in working capital		
Increase/decrease in receivables	243,493	11,758
Increase/decrease in trade payables etc.	(94,999)	(8)
	148,494	11,750

23. Derivative financial instruments

In the financial year, the Group decided to hedge part of the currency risk by entering into a forward exchange contract of DKK 112,308 thousand (2022: DKK 117,807 thousand), distributed in USD. The fair value of the contract amounts to positive DKK 1,614 thousand, which has been recognised as other receivables, and the fair value adjustment has been recognised in the income statement (2022: Fair value adjustment amounts to a positive DKK 3,593 thousand). All forward exchange contracts expire in the financial year 2023.

	Financial instruments DKK'000	Other investments DKK'000
24. Fair value information		
Fair value end of year	112,308	76
Unrealized fair value adjustments recognized in the income statement	1,614	0

	2023 DKK'000	2023 DKK'000
25. Unrecognized rental and lease commitments		
Total liabilities under rental or lease agreements until maturity	210,000	210,600

Liabilities under rental or lease agreements until maturity can be divided into liabilities under rental agreements of DKK 117 000 thousand (2022: DKK 115,700 thousand) and liabilities under lease agreements of DKK 94,000 thousand (2022: DKK 94,900 thousand).

	2023	2022
	DKK'000	DKK'000
26. Contingent liabilities		
Recourse and non-recourse guarantee commitments	82,600	92,500
Contingent liabilities in total	82,600	92,500

27. 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 70,000.

28. 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.

“

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



Notes to consolidated financial statements

	Registered in	Corporate form	Ownership %
29. 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
LEMAN Company Limited	Vietnam	Ltd.	99,00
LEMAN SA de CV	Mexico	CV	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 2023

	Notes	2023 DKK'000	2022 DKK'000
Other operating income		15,225	15,225
Other external expenses		(2,051)	(2,018)
Property costs		(1,498)	(1,144)
Gross profit/loss		11,676	12,063
Depreciation, amortization, and impairment losses	1	(5,218)	(5,262)
Operating profit/loss		6,458	6,801
Income from investments in group enterprises		(71,371)	48,422
Other financial income	2	2,705	4,521
Other financial expenses	3	(1,864)	(2,436)
Profit/loss before tax		(64,072)	57,308
Tax on profit/loss for the year	4	(1,398)	(1,951)
Profit/loss for the year	5	(65,470)	55,357

Parent balance sheet at 31.12.2023

Assets	Notes	2023 DKK'000	2022 DKK'000
Land and buildings		213,003	220,130
Property, plant and equipment in progress		29,730	0
Property, plant and equipment	6	242,733	220,130
Investments in group enterprises		330,390	402,990
Other investments		33,499	33,499
Financial assets	7	363,889	436,489
Fixed assets		606,622	656,619
Receivables from group enterprises		53,043	84,328
Joint taxation contribution receivable		10,185	21,325
Receivables		63,228	105,653
Cash		538	22
Current assets		63,766	105,675
Assets		670,388	762,294

“

We take ownership by developing creative and innovative solutions.



Proudly
driven
by people.

Parent balance sheet at 31.12.2023

Equity and liabilities	Notes	2023 DKK'000	2022 DKK'000
Contributed capital		30,000	30,000
Translation reserve			0
Reserve for net revaluation according to the equity method		300,205	377,252
Retained earnings		241,355	235,454
Proposed dividend for the financial year		0	4,000
Equity		571,560	646,706
Deferred tax	8	27,288	28,625
Provisions		27,288	28,625
Mortgage debt		57,438	60,978
Non-current liabilities other than provisions	9	57,438	60,978
Current portion of long-term liabilities other than provisions	9	3,540	3,469
Trade payables		857	200
Tax payable		9,700	22,316
Other payables		5	0
Current liabilities other than provisions		14,102	25,985
Liabilities other than provisions		71,540	86,963
Equity and liabilities		670,388	762,294
Employees	10		
Contingent liabilities	11		
Assets charged and collateral	12		
Related parties with controlling interest	13		
Non-arm's length related party transactions	14		

Parent statement of changes in equity for 2023

	Contributed capital 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	Total DKK'000
Equity beginning of year	30,000	377,252	235,454	4,000	646,706
Ordinary dividend paid	0	0	0	(4,000)	(4,000)
Exchange rate adjustments	0	(5,676)	0	0	(5,676)
Profit/loss for the year	0	(71,371)	5,901	0	(65,470)
Equity end of year	30,000	300,205	241,355	0	571,560

“

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



Notes to parent financial statements

	2023 DKK'000	2022 DKK'000
1. Depreciation, amortization, and impairment losses		
Depreciation of property, plant and equipment	5,218	5,262
	5,218	5,262

	2023 DKK'000	2022 DKK'000
2. Other financial income		
Financial income from group enterprises	2,117	2,644
Other interest income	588	1,877
	2,705	4,521

Other interest income also consists of exchange gains.

	2023 DKK'000	2022 DKK'000
3. Other financial expenses		
Other interest expenses	1,864	2,436
	1,864	2,436

	2023 DKK'000	2022 DKK'000
4. Tax on profit/loss for the year		
Current tax	2,233	2,694
Change in deferred tax	(1,337)	(739)
Adjustment concerning previous years	502	(4)
	1,398	1,951

	2023 DKK'000	2022 DKK'000
5. Proposed distribution of profit and loss		
Ordinary dividend for the financial year	0	4,000
Retained earnings	(65,470)	51,357
	(65,470)	55,357
	Land and buildings	Property, plant and equipment in progress
	DKK'000	DKK'000
6. Property, plant, and equipment		
Cost beginning of year	284,670	2,125
Additions	216	27,605
Cost end of year	284,886	29,730
Depreciation and impairment losses beginning of year	(66,665)	0
Depreciation for the year	(5,218)	0
Depreciation and impairment losses end of year	(71,883)	0
Carrying amount end of year	213,003	29,730

	Investments in group enterprises DKK'000	Other investments DKK'000
7. Financial assets		
Cost beginning of year	25,738	33,499
Additions	4,447	0
Disposals	0	0
Cost end of year	30,185	33,499
Revaluations beginning of year	377,252	0
Exchange rate adjustments	(5,676)	0
Share of profit/loss for the year	(71,371)	0
Revaluations end of year	300,205	0
Carrying amount end of year	330,390	33,499

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

	2023 DKK'000	2022 DKK'000
8. Deferred tax		
Property, plant, and equipment	27,500	28,849
Liabilities other than provisions	(212)	(224)
	27,288	28,625
Changes during the year		
Beginning of year	28,625	29,364
Recognized in the income statement	(1,337)	(739)
End of year	27,288	28,625

	Due within 12 months 2023 DKK'000	Due within 12 months 2022 DKK'000	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
9. Non-current liabilities other than provisions				
Mortgage debts	3,540	3,469	57,438	40,200
	3,540	3,469	57,438	40,200

10. Employees

The Entity has no employees other than the Executive Board and Board of Directors. The total amount for management categories DKK 5,175 (2022: DKK 4,612 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 70,000.

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 1.500 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 S.A. 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.

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 off set 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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

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.

“

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.



LEMAN HOLDING A/S
Ventrupvej 6
DK-2670 Greve
Denmark

+45 33 43 42 00
kontakt.dk@leman.com
CBR: 36 70 05 13
www.leman.com