

## **LEMAN A/S**

Ventrupvej 6  
2670 Greve  
CVR No. 41955619

### **Annual report 2022**

The Annual General Meeting adopted the  
annual report on 16.05.2023

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**Bo Lindberg Andersen**

Chairman of the General Meeting

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# Entity details

## Entity

LEMAN A/S

Ventrupvej 6

2670 Greve

Business Registration No.: 41955619

Date of foundation: 12.12.1972

Registered office: Greve

Financial year: 01.01.2022 - 31.12.2022

## Board of Directors

Bo Lindberg Andersen, Chairman

Christian Møller Laursen

Rikke Helstrup Thomsen

## Executive Board

Jesper Renner Autzen, Chief Executive Officer

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LEMAN A/S for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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

**Jesper Renner Autzen**  
Chief Executive Officer

## Board of Directors

**Bo Lindberg Andersen**  
Chairman

**Christian Møller Laursen**

**Rikke Helstrup Thomsen**

# Independent auditor's report

## To the shareholder of LEMAN A/S

### Opinion

We have audited the financial statements of LEMAN 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

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

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

### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 16.05.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Anders Kreiner**

State Authorised Public Accountant

Identification No (MNE) mne26765

# Management commentary

## Financial highlights

	2022 DKK'000	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000
<b>Key figures</b>					
Revenue	1,896,491	1,605,454	1,127,130	1,138,126	1,124,629
Gross profit/loss	312,628	260,824	187,085	214,128	208,710
Operating profit/loss	81,657	38,632	(12,130)	17,503	26,318
Net financials	(3,730)	(1,057)	8,781	11,386	6,547
Profit/loss for the year	48,956	27,411	(13,721)	12,960	17,609
Total assets	748,531	674,506	650,751	623,650	607,986
Investment in intangible assets	7,198	13,505	11,422	14,245	17,054
Investments in property, plant and equipment	4,877	1,543	4,029	2,212	1,093
Equity	378,599	320,647	421,893	445,827	431,420
Average number of full-time employees	390	367	373	382	373
<b>Ratios</b>					
Gross margin (%)	16.48	16.25	16.60	18.81	18.56
Return on equity (%)	14.00	7.38	(3.16)	2.95	4.16
Equity ratio (%)	50.58	47.54	64.83	71.49	70.96

Financial highlights are defined and calculated in accordance with the current 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 (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



### Primary activities

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

### Development in activities and finances

The revenue for the year amounted to DKK 1,886 million against DKK 1,605 million last year and thereby increased by 17,5%. 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 315.8m vs DKK 260.8m last year, an increase of 21,1%. The margin improved to 16.7% from 16.3% last year, to a large extent caused by strong operational performance and good utilization of our assets. The profit before tax amounted to DKK 67.5 million against profit of DKK 36.4 million last year.

The markets for international cargo transportation in which LEMAN operate were 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. 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

The Company's statutory report on corporate social responsibility addressing reporting requirements under Section 99(a) of the Danish Financial Statements Act is included in the Annual Report of LEMAN Holding A/S (CVR: 36700513) for 2022.

## 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. The Company has been achieved equal representation in the Board of Directors and in the first level of Management, 33% of the members of our Board of Directors (1 out of 3) and 33% of the members of the Company's first level of Management (2 out of 6) are female. Policies and targets will be updated during 2023.

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

## Statutory report on data ethics policy

The Company's statutory report on Data Ethics addressing reporting requirements under Section 99(a) of the Danish Financial Statements Act is included in the Annual Report of LEMAN Holding A/S (CVR: 36700513) for 2022.

## Events after the balance sheet date

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

# Income statement for 2022

	Notes	2022 DKK'000	2021 DKK '000
Revenue	1	1,896,491	1,605,454
Other operating income		68,240	52,317
Cost of sales		(1,553,437)	(1,307,844)
Other external expenses		(98,666)	(89,103)
<b>Gross profit/loss</b>		<b>312,628</b>	<b>260,824</b>
Staff costs	2	(216,631)	(195,762)
Depreciation, amortisation and impairment losses	3	(14,340)	(26,430)
<b>Operating profit/loss</b>		<b>81,657</b>	<b>38,632</b>
Income from investments in group enterprises		(10,385)	(1,170)
Other financial income	4	16,563	8,617
Other financial expenses	5	(20,293)	(9,674)
<b>Profit/loss before tax</b>		<b>67,542</b>	<b>36,405</b>
Tax on profit/loss for the year	6	(18,586)	(8,994)
<b>Profit/loss for the year</b>	7	<b>48,956</b>	<b>27,411</b>

# Balance sheet at 31.12.2022

## Assets

	Notes	2022 DKK'000	2021 DKK'000
Completed development projects	9	47,091	42,497
Goodwill		2,240	4,036
Development projects in progress	9	0	7,027
<b>Intangible assets</b>	8	<b>49,331</b>	<b>53,560</b>
Plant and machinery		4,010	6,796
Other fixtures and fittings, tools and equipment		3,873	4,247
Property, plant and equipment in progress		3,582	0
<b>Property, plant and equipment</b>	10	<b>11,465</b>	<b>11,043</b>
Investments in group enterprises		125,804	123,473
Receivables from group enterprises		147,768	166,399
Deposits		439	439
<b>Financial assets</b>	11	<b>274,011</b>	<b>290,311</b>
<b>Fixed assets</b>		<b>334,807</b>	<b>354,914</b>
Trade receivables		238,476	274,374
Receivables from group enterprises	12	61,426	12,227
Other receivables		3,977	341
Prepayments	13	6,330	9,764
<b>Receivables</b>		<b>310,209</b>	<b>296,706</b>
Other investments		76	76
<b>Other investments</b>		<b>76</b>	<b>76</b>
<b>Cash</b>		<b>103,439</b>	<b>22,810</b>
<b>Current assets</b>		<b>413,724</b>	<b>319,592</b>
<b>Assets</b>		<b>748,531</b>	<b>674,506</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Contributed capital	14	10,000	10,000
Translation reserve		9,022	2,389
Reserve for net revaluation according to the equity method		0	11,661
Reserve for development expenditure		36,731	38,629
Retained earnings		322,846	257,968
<b>Equity</b>		<b>378,599</b>	<b>320,647</b>
Deferred tax	15	10,168	10,755
<b>Provisions</b>		<b>10,168</b>	<b>10,755</b>
Other payables	16	15,677	25,926
<b>Non-current liabilities other than provisions</b>	<b>17</b>	<b>15,677</b>	<b>25,926</b>
Current portion of non-current liabilities other than provisions	17	10,160	0
Bank loans		4,050	24,678
Trade payables		187,109	228,560
Payables to group enterprises		83,387	9,234
Joint taxation contribution payable		21,884	9,822
Other payables		37,149	43,079
Deferred income	18	348	1,805
<b>Current liabilities other than provisions</b>		<b>344,087</b>	<b>317,178</b>
<b>Liabilities other than provisions</b>		<b>359,764</b>	<b>343,104</b>
<b>Equity and liabilities</b>		<b>748,531</b>	<b>674,506</b>
Financial instruments	19		
Fair value information	20		
Unrecognised rental and lease commitments	21		
Contingent liabilities	22		
Related parties with controlling interest	23		
Non-arm's length related party transactions	24		
Group relations	25		

# 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	Reserve for development expenditure DKK'000	Retained earnings DKK'000
Equity beginning of year	10,000	2,389	11,661	38,629	257,968
Exchange rate adjustments	0	8,504	2,363	0	0
Tax of entries on equity	0	(1,871)	0	0	0
Transfer to reserves	0	0	(14,024)	(1,898)	15,922
Profit/loss for the year	0	0	0	0	48,956
<b>Equity end of year</b>	<b>10,000</b>	<b>9,022</b>	<b>0</b>	<b>36,731</b>	<b>322,846</b>

	Total DKK'000
Equity beginning of year	320,647
Exchange rate adjustments	10,867
Tax of entries on equity	(1,871)
Transfer to reserves	0
Profit/loss for the year	48,956
<b>Equity end of year</b>	<b>378,599</b>

# Notes

## 1 Revenue

	2022 DKK'000	2021 DKK'000
Denmark	1,896,491	1,605,454
<b>Total revenue by geographical market</b>	<b>1,896,491</b>	<b>1,605,454</b>
Road & Logistics	1,215,073	941,633
Air & sea	681,418	663,821
<b>Total revenue by activity</b>	<b>1,896,491</b>	<b>1,605,454</b>

## 2 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	198,837	179,446
Pension costs	15,114	13,568
Other social security costs	3,012	3,705
Other staff costs	1,022	1,100
	<b>217,985</b>	<b>197,819</b>
Staff costs classified as assets	(1,354)	(2,057)
	<b>216,631</b>	<b>195,762</b>
Average number of full-time employees	390	367

The disclosure of group management remuneration fell within section 98b(3)(2) of the Danish Financial Statements Act.

## 3 Depreciation, amortisation and impairment losses

	2022 DKK'000	2021 DKK'000
Amortisation of intangible assets	11,428	12,883
Impairment losses on intangible assets	0	9,000
Depreciation of property, plant and equipment	3,972	4,798
Profit/loss from sale of intangible assets and property, plant and equipment	(1,060)	(251)
	<b>14,340</b>	<b>26,430</b>

Last year 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.

#### 4 Other financial income

	2022	2021
	DKK'000	DKK'000
Financial income from group enterprises	7,160	6,471
Other interest income	1,201	659
Exchange rate adjustments	8,202	1,487
	<b>16,563</b>	<b>8,617</b>

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

#### 5 Other financial expenses

	2022	2021
	DKK'000	DKK'000
Financial expenses from group enterprises	2,065	47
Other interest expenses	949	820
Exchange rate adjustments	17,279	8,807
	<b>20,293</b>	<b>9,674</b>

In 2022, part of exchange rate adjustments consisted of realised 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.

#### 6 Tax on profit/loss for the year

	2022	2021
	DKK'000	DKK'000
Current tax	18,370	8,033
Change in deferred tax	(587)	1,097
Adjustment concerning previous years	803	(136)
	<b>18,586</b>	<b>8,994</b>

#### 7 Proposed distribution of profit and loss

	2022	2021
	DKK'000	DKK'000
Retained earnings	48,956	27,411
	<b>48,956</b>	<b>27,411</b>



## 8 Intangible assets

	<b>Completed development projects DKK'000</b>	<b>Goodwill DKK'000</b>	<b>Development projects in progress DKK'000</b>
Cost beginning of year	76,210	31,675	7,027
Transfers	7,027	0	(7,027)
Additions	7,198	0	0
<b>Cost end of year</b>	<b>90,435</b>	<b>31,675</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(33,712)	(27,639)	0
Amortisation for the year	(9,632)	(1,796)	0
<b>Amortisation and impairment losses end of year</b>	<b>(43,344)</b>	<b>(29,435)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>47,091</b>	<b>2,240</b>	<b>0</b>

## 9 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.

## 10 Property, plant and equipment

	<b>Plant and machinery DKK'000</b>	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	23,750	45,667	0
Additions	72	1,223	3,582
Disposals	(6,951)	0	0
<b>Cost end of year</b>	<b>16,871</b>	<b>46,890</b>	<b>3,582</b>
Depreciation and impairment losses beginning of year	(16,956)	(41,419)	0
Depreciation for the year	(2,374)	(1,598)	0
Reversal regarding disposals	6,469	0	0
<b>Depreciation and impairment losses end of year</b>	<b>(12,861)</b>	<b>(43,017)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>4,010</b>	<b>3,873</b>	<b>3,582</b>

## 11 Financial assets

	<b>Investments in group enterprises DKK'000</b>	<b>Receivables from group enterprises DKK'000</b>	<b>Deposits DKK'000</b>
Cost beginning of year	111,812	166,399	439
Exchange rate adjustments	0	(8,504)	0
Additions	17,351	(10,127)	0
<b>Cost end of year</b>	<b>129,163</b>	<b>147,768</b>	<b>439</b>
Revaluations beginning of year	11,661	0	0
Exchange rate adjustments	2,363	0	0
Share of profit/loss for the year	(10,385)	0	0
Dividend	(7,004)	0	0
Other adjustments	6	0	0
<b>Revaluations end of year</b>	<b>(3,359)</b>	<b>0</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>125,804</b>	<b>147,768</b>	<b>439</b>

The Company's investments in group enterprises amount to DKK 125.8 million. DKK 22,1 million hereof has been capitalised as goodwill in the group enterprises. 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.

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
LEMAN U.S.A Inc.	USA	Inc.	100.00
LEMAN International Transport Limited	United Kingdom	Ltd.	100.00
Maru International Limited	United Kingdom	Ltd.	100.00
Maru Logistics Limited	United Kingdom	Ltd.	100.00
LEMAN AB	Sweden	AB	100.00
LEMAN OY	Finland	OY	100.00
LEMAN AS	Norway	AS	100.00
LEMAN ehf.	Iceland	ehf.	100.00

### 12 Receivables from group enterprises

No due date has been determined for receivables from group enterprises presented as current assets. However, they are expected to fall due within one year.

### 13 Prepayments

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

### 14 Share capital

	<b>Number</b>	<b>Par value DKK'000</b>	<b>Nominal value DKK'000</b>
Class A shares	10,000	1	10,000
	<b>10,000</b>		<b>10,000</b>

### 15 Deferred tax

	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Intangible assets	10,360	10,895
Property, plant and equipment	(100)	(57)
Receivables	(92)	(83)
<b>Deferred tax</b>	<b>10,168</b>	<b>10,755</b>

<b>Changes during the year</b>	<b>2022 DKK'000</b>	<b>2021 DKK'000</b>
Beginning of year	10,755	9,658
Recognised in the income statement	(587)	1,097
<b>End of year</b>	<b>10,168</b>	<b>10,755</b>

## 16 Other payables

	2022 DKK'000	2021 DKK'000
Holiday pay obligation	15,677	15,766
Other costs payable	0	10,160
	<b>15,677</b>	<b>25,926</b>

In 2021, other costs payable comprised personal income tax and social security costs as a part of the Danish Government's COVID-19 financial support package. The debt will fall due in 2023.

## 17 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK'000	Due after more than 12 months 2022 DKK'000	Outstanding after 5 years 2022 DKK'000
Other payables	10,160	15,677	13,750
	<b>10,160</b>	<b>15,677</b>	<b>13,750</b>

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.

## 18 Deferred income

Deferred income relates to revenue cut-off.

## 19 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 (2020: DKK 4,430 thousand recognised as other payables). All forward exchange contracts expire in the financial year 2023.

## 20 Fair value information

	Financial instruments DKK'000	Other investments DKK'000
Fair value end of year	117,807	76
Unrealised fair value adjustments recognised in the income statement	3,593	0

## 21 Unrecognised rental and lease commitments

	2022 DKK'000	2021 DKK'000
Liabilities under rental or lease agreements until maturity in total	75,100	31,200

The share of rental and lease commitments falling due within a year amounts to DKK 21,800 (2021: DKK 17,000 ).

## 22 Contingent liabilities

	2022 DKK'000	2021 DKK'000
Recourse and non-recourse guarantee commitments	11,000	5,230
<b>Contingent liabilities</b>	<b>11,000</b>	<b>5,230</b>
Recourse and non-recourse guarantee commitments	21,200	22,395
<b>Contingent liabilities to group enterprises</b>	<b>21,200</b>	<b>22,395</b>

The Entity participates in a Danish joint taxation arrangement in which LEMAN HOLDING A/S serves as the administration company. 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

## 23 Related parties with controlling interest

- LEMAN HOLDING A/S, Ventrupvej 6, 2670 Greve owns all shares in LEMAN A/S, thus exercising control.
- 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.

## 24 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.

## 25 Group relations

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

- LEMAN HOLDING A/S, Ventrupvej 6, 2670 Greve.

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

- LEMAN HOLDING A/S, Ventrupvej 6, 2670 Greve.

# 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 financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## 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.

## 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 non-monetary 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**

#### **Business 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**

The 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 is allocated to the geographical areas according to the country in which the customer is invoiced.

**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 freight charges and other costs relating to 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.

**Staff costs**

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

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, 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, and tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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 Entity is jointly taxed with its Parent and all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).



## Balance sheet

### 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 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

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

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

	<b>Useful life</b>
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 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.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Goodwill is the positive difference between cost of the investments and fair value of the assets and liabilities arising from acquisitions. 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.

### Receivables

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

### Prepayments

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

### Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

**Cash**

Cash comprises cash in hand and bank deposits.

**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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**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.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been 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.

**Deferred income**

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

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Company has not prepared any cash flow statement.