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# ***Nagel Danmark A/S***

Thorsvej 19, Frøslev, DK-6330 Padborg

## **Annual Report for 1 January - 31 December 2022**

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CVR No 81 74 55 28

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
30/5 2023

Jan Gantenbrink  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Nagel Danmark A/S for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Padborg, 30 May 2023

## Executive Board

Christian Gustav Berlin

Ole Brødsgaard

Jens Henrik Olesen

## Board of Directors

Jan Gantenbrink  
Chairman

Christian Gustav Berlin

Sina Wiedau

Dennis Rotbøl Jacobsen  
Staff Representative

Claus Christian Clausen  
Staff Representative

# Independent Auditor's Report

To the Shareholder of Nagel Danmark A/S

## Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Nagel Danmark A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

# Independent Auditor's Report

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Company 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 Company's and the Group'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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial

## Independent Auditor's Report

Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the 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.

Trekantområdet, 30 May 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Jan Bunk Harbo Larsen  
State Authorised Public Accountant  
mne30224

Henrik Forthoft Lind  
State Authorised Public Accountant  
mne34169

## Company Information

### The Company

Nagel Danmark A/S  
Thorsvej 19  
Frøslev  
DK-6330 Padborg

Telephone: + 45 74 30 74 30  
Facsimile: + 45 74 30 74 00  
E-mail: [dk.info@nagel-group.dk](mailto:dk.info@nagel-group.dk)  
Website: [www.nagel-group.dk](http://www.nagel-group.dk)

CVR No: 81 74 55 28  
Financial period: 1 January - 31 December  
Incorporated: 9 February 1977  
Financial year: 46th financial year  
Municipality of reg. office: Aabenraa

### Board of Directors

Jan Gantenbrink, Chairman  
Christian Gustav Berlin  
Sina Wiedau  
Dennis Rotbøl Jacobsen  
Claus Christian Clausen

### Executive Board

Christian Gustav Berlin  
Ole Brødsgaard  
Jens Henrik Olesen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

# Group Chart

**Parent Company**

Nagel Danmark A/S  
*Denmark*  
*Nom. TDKK 92.000*

**Consolidated subsidiaries**

100% Nagel Liller A/S  
*Denmark*  
*Nom. TDKK 500*

**Investment in associates**

50% Nagel Andresen Fleet  
Management ApS  
*Denmark*  
*Nom. TDKK 100*



# Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	<b>Group</b>				
	2022 Mio. DKK	2021 Mio. DKK	2020 Mio. DKK	2019 Mio. DKK	2018 Mio. DKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	1.048	868	870	972	1.086
Gross profit/loss	270	242	241	270	289
Profit/loss before financial income and expenses	14	2	12	-1	-43
Net financials	-1	0	0	-3	-2
Net profit/loss for the year	18	8	26	2	-45
<b>Balance sheet</b>					
Balance sheet total	316	271	273	292	446
Equity	110	92	84	58	56
<b>Cash flows</b>					
Cash flows from:					
- operating activities	-15	6	28	-76	16
- investing activities	-4	-3	-1	94	4
including investment in property, plant and equipment	-6	-2	-1	-3	-1
- financing activities	9	4	-26	-44	-11
Change in cash and cash equivalents for the year	-10	7	1	-26	9
Number of employees	434	426	438	479	636
<b>Ratios</b>					
Gross margin	25,8%	27,9%	27,7%	27,8%	26,6%
Profit margin	1,3%	0,2%	1,4%	-0,1%	-4,0%
Return on assets	4,4%	0,7%	4,4%	-0,3%	-9,6%
Solvency ratio	34,8%	33,9%	30,8%	19,9%	12,6%
Return on equity	17,8%	9,1%	36,6%	3,5%	-54,5%

See the description under accounting policies.

# Management's Review

## Key activities

The group's main activities comprise domestic and international logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Europe.

The group moreover offers chilled and frozen storage, dry goods storage, re-usable packaging systems, analyses and consultancy services.

## Development in the year

Revenue for the year reached DKK 1.048 million compared to the last year's DKK 868 million. The net result for the year amounted to DKK 17,7 million compared to DKK 8,0 million last year.

Cost increases, especially on energy, continued in 2022. This, as well as capacity constraints, lack of drivers and delays in components deliveries needed for operation have put pressure on the transport industry. Nagel Danmark group has followed the developments closely and weathered the turmoil successfully.

The profit before tax of DKK 12,6 million is within expectations expressed in the Annual Report 2021.

The profit before tax and the net result are considered satisfactory.

## Development expectations

Also 2023 is expected to be challenging for both the transport industry and Nagel Danmark group due to capacity constraints, traffic bottlenecks, competition and continued high energy cost as well as general cost increases.

Nagel Danmark group has started a program of modernizing the whole facility infrastructure and will in 2023 move into new, modern, energy-efficient crossdock and warehouse facilities in Vejle and Ringsted, while closing more older and less energy-efficient facilities. The optimized infrastructure and added warehouse capacity will enable a further increase in turnover.

Nagel Danmark group expects a profit before tax in 2023 in the range of DKK 20 - 24 million.

## Statement of corporate social responsibility ref. Danish Financial Statements Act section 99a

### *Business Model*

Nagel Danmark group's main activities comprise domestic and international logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Europe. The group moreover offers chilled and frozen storage, dry goods storage, re-usable packaging systems, analyses and consultancy services.

# Management's Review

## *Identified risks*

Nagel Danmark group's risk of having an impact on the areas specified within the law regarding environment, social and employee relationships, human rights and anti-corruption, is assessed to be limited. Furthermore, the group's activities do not give rise to any other risks related to social responsibility. Nagel Danmark group complies with all relevant legislation in all countries in which the group operates.

Nevertheless, Nagel Danmark group is aware of potential risks related to the activities of the group, including the ability to attract and retain competent employees, as well as emission-related environmental impact caused by the group's transport, storage and management of goods.

## *Environment and climate change*

Nagel Danmark group is aware that the group must treat the environment as an indispensable partner. It is a basic principle for the group to act responsibly about the use of resources and to continuously reduce the environmental impact of the group's operations.

## *Efforts and results concerning environmental issues and climate change*

In 2022 the group continued to rejuvenate the fleet of trucks, trailers as well as pallet-trucks and warehouse devices. All trucks are EURO 6 compliant and uses 7% biodiesel compliant with the European standard E590. All pallet-trucks and wheeled warehouse devices are battery driven, and a large part with the newest lithium-ion battery technology. Trailers have been exchanged with more energy-efficient units. Furthermore, a new technology of battery-cooled trailers is in testing in daily operation.

Daily operations focus on reducing the carbon footprint of transports through bundling of goods flow, optimization of loading space and route optimization for avoidance of extra driving distance. Fuel efficiency of the trucks is monitored, and drivers are trained in fuel-efficient driving. Energy consumption in warehouses and other facilities are monitored. Improvements in operational usage as well as maintenance and repairs are implemented in order to reduce the energy consumption.

Nagel Danmark group has started a program of modernizing the whole facility infrastructure and will in 2023 move into new energy-efficient facilities in Vejle and Ringsted, while closing more older and less energy-efficient facilities. Photovoltaic solar panel projects for more facilities are in process.

## *Social- and employee conditions*

Nagel Danmark group is aware of the risk related to the attraction and the retention of competent employees. It is the group's ambition to offer working conditions for current as well as for future employees, that secures and maintains a high level of employee satisfaction and a high level of attractiveness among new and potential employees by creating a solid culture, that reflects the wishes of existing and potential employees.

Nagel Danmark group believes that the group has a responsibility to the surrounding society and its citizens. The group wishes to contribute via efforts made within education, sport and social institutions by working actively to promote sport and youth activities, educational opportunities and to promote a

## Management's Review

healthy work-life-balance.

### *Efforts and results concerning social- and employee conditions*

Nagel Danmark group has a close collaboration with local communities. I.e. in Vejle Kommune Nagel Liller works together with Trekantsområdet's jobcenter re. recruitment and job-training of drivers and terminal/warehouse employees – in order to secure the right job for the right person with the right skillset.

Also in 2022 Aabenraa Kommune endorsed the social responsibility of Nagel Danmark through granting the "CSR-Mærke". In order to obtain the "CSR-Mærke", companies must meet several demands. As a minimum 10% of the employees must have been employed under a scheme within the last 3 months prior to application – i.e. internships, flex-jobs, sheltered jobs, adult apprentice, integration basic education (IGU), basic vocational education and training (EGU), special designed youth educations (STU).

In 2022 a large-scale education program was continued with more than 20 employees participating from multiple departments across the entire company. 20 employees finalized a leadership training and further 5 employees finalized other education programs, including certification programs.

Through theoretical training as well as practical training and leadership sparring, the employees are given a valuable insight into many areas of the daily work in the whole organization and the challenges in other departments. Through education and training, focus is on raising the general level of education and competences as well as working strategically with the next generation of managers of the company. The program supports teamwork, collaboration and team-spirit, while also benefitting the employees personally through increased job-satisfaction and personal development. The program was finished with exams.

Nagel Danmark group uses more preventive measures in order to secure a healthy work-life-balance, both mentally and physically. I.e. stress coaching and health insurances including opportunities for preventive treatments like physiotherapist.

## Management's Review

### *Human rights and anti-corruption*

Nagel Danmark group does not have a separate policy regarding human rights and anti-corruption, because the group only conducts business in highly regulated markets, in which European and national legislations protect and uphold human rights. Based on this, we assess the risk of exposure to possible breaches of human rights and anti-corruption as limited. Nagel Danmark group rejects all forms of corruption and is committed to fair competition. Business partners are selected solely on the basis of objective and unbiased criteria. Nagel Danmark group complies with IFS Logistics (International Featured Standards), which is a standard for companies offering logistics service, that ensures comparability and transparency throughout the entire supply chain.

Based on the group's compliance with European and national legislation, as well as IFS Logistics, Nagel Danmark group evaluates that a separate policy is not necessary.

Every employee is called upon to report violations of laws and/or violations of ethical and moral principles to the Compliance Officer or the Nagel-Group's ombudsman. The anonymity of the whistleblower is protected. By doing this, the Nagel-Group wants to prevent that the whistleblower does not suffer any detriment when they report actual or suspected violations. Also in 2022 there has been no reports submitted to the independent ombudsman.

### *Continuous Improvement*

We work constantly to improve our services, structures, and processes in order to satisfy the high quality standards the Nagel-Group has set for the long term. The know-how and skills of each employee are the basis for this continuous improvement process. To ensure this, we interact at all levels in an open, communicative manner, which is defined by mutual respect.

### **Statement on gender composition ref. Danish Financial Statements Act section 99b**

#### *Target for female representation on the Board of Directors*

When appointing candidates for the Board of Directors it is important that the candidates show a specific professional background and qualifications. It is moreover important that appointments are made with no regard to ethnicity, religious belief, political conviction, age or gender.

In respect of gender representation, the group is attentive to comply with new legislation from 2023 re. female representation on Board of Directors as well as on management level 1 and 2.

Target until 2028: One female member, equal to 33%, on the Board of Directors.

Currently Nagel Danmark group has one female member on the Board of Directors, equal to 33%. Thus, the firm has obtained gender equality on the Board of directors cf. The Danish Business Authorities.

#### *Target for female representation on other management levels*

The group considers a diverse workforce an asset. We employ our staff based on qualifications and personality and we offer all our employees equal opportunities with no regard to their background,

## Management's Review

ethnicity, religious belief, political conviction, age or gender. The group encourages every employee to pursue and realize his or her personal goals.

In respect of gender representation, the group is attentive to comply with new legislation from 2023 re. female representation on Board of Directors as well as on management level 1 and 2.

The group has for more years been working on promoting its female talents. This work has produced a result that is satisfactory for the industry but still inadequate to achieve the target of 40% on management level 1 and 2 in the new legislation.

Currently Nagel Danmark group has zero female representatives at management level 1 and 2. At management level 3 the female representation is 36%.

Target until 2028: Gradually develop in order to be in compliance with 40% representation in 2028.

Achieving 40% female representation on management level 1 and 2 is difficult given the majority of male employees in the industry and will not be possible to achieve in a few years. A long term plan has been established with various activities planned with focus on recruiting and education as well as further developing a culture supporting gender equality.

### **Statement on data ethics ref. Danish Financial Statements Act section 99d**

Nagel Danmark group complies with the Danish legislation on GDPR with regards to employee and personal data.

Given our business model and activities we acquire data from external sources in support of our market strategy and the services we provide to clients. However, all data are considered business critical and will as such never be shared with or in any way be made available to third parties. Consequently, the management of Nagel Danmark group see no immediate need for approving a policy on data ethics but will follow the topic closely with the aim of setting such a policy in due time.

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
<b>Revenue</b>	2	<b>1.048.473</b>	<b>868.315</b>	<b>434.899</b>	<b>340.574</b>
Other operating income		19.493	12.965	12.573	8.189
Direct freight expenses		-720.689	-575.373	-349.816	-260.133
Other external expenses		-77.245	-63.654	-32.587	-30.070
<b>Gross profit/loss</b>		<b>270.032</b>	<b>242.253</b>	<b>65.069</b>	<b>58.560</b>
Staff expenses	3	-250.543	-235.545	-52.755	-50.080
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-5.691	-4.537	-4.181	-3.589
<b>Profit/loss before financial income and expenses</b>		<b>13.798</b>	<b>2.171</b>	<b>8.133</b>	<b>4.891</b>
Result from investments in associates		-592	-143	-592	-143
Financial income	4	2.561	2.603	2.887	2.674
Financial expenses	5	-3.126	-2.503	-2.441	-1.861
<b>Profit/loss before tax</b>		<b>12.641</b>	<b>2.128</b>	<b>7.987</b>	<b>5.561</b>
Tax on profit/loss for the year	6	5.108	5.889	1.528	3.064
<b>Net profit/loss for the year</b>		<b>17.749</b>	<b>8.017</b>	<b>9.515</b>	<b>8.625</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Software		4.329	8.290	2.469	5.732
Development projects in progress		4.620	354	0	0
<b>Intangible assets</b>	7	<b>8.949</b>	<b>8.644</b>	<b>2.469</b>	<b>5.732</b>
Other fixtures and fittings, tools and equipment		3.945	2.185	2.678	87
Property, plant and equipment in progress		834	0	834	0
<b>Property, plant and equipment</b>	8	<b>4.779</b>	<b>2.185</b>	<b>3.512</b>	<b>87</b>
Investments in subsidiaries	9	0	0	0	0
Investments in associates	10	48	0	48	0
Other investments	11	2.799	2.374	1.767	1.693
Deposits	11	12.426	15.150	10.734	13.561
<b>Fixed asset investments</b>		<b>15.273</b>	<b>17.524</b>	<b>12.549</b>	<b>15.254</b>
<b>Fixed assets</b>		<b>29.001</b>	<b>28.353</b>	<b>18.530</b>	<b>21.073</b>
Raw materials and consumables		3.339	10.234	3.339	10.234
<b>Inventories</b>		<b>3.339</b>	<b>10.234</b>	<b>3.339</b>	<b>10.234</b>
Trade receivables		221.795	181.478	98.452	68.855
Receivables from group enterprises		38.956	26.919	101.150	89.834
Other receivables		0	38	0	0
Deferred tax asset	14	12.794	6.506	2.538	25
Corporation tax		0	263	0	204
Prepayments	12	7.081	3.250	3.418	1.744
<b>Receivables</b>		<b>280.626</b>	<b>218.454</b>	<b>205.558</b>	<b>160.662</b>
<b>Cash at bank and in hand</b>		<b>3.293</b>	<b>13.677</b>	<b>3.293</b>	<b>13.676</b>
<b>Currents assets</b>		<b>287.258</b>	<b>242.365</b>	<b>212.190</b>	<b>184.572</b>
<b>Assets</b>		<b>316.259</b>	<b>270.718</b>	<b>230.720</b>	<b>205.645</b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital		92.000	92.000	92.000	92.000
Reserve for net revaluation under the equity method		0	5.349	0	5.349
Reserve for development costs		0	-276	1.926	4.471
Retained earnings		17.727	-5.095	60.868	43.459
<b>Equity</b>		<b>109.727</b>	<b>91.978</b>	<b>154.794</b>	<b>145.279</b>
Other provisions	15	13	8.574	0	0
<b>Provisions</b>		<b>13</b>	<b>8.574</b>	<b>0</b>	<b>0</b>
Prepayments received from customers		414	431	369	385
Trade payables		152.245	129.334	65.842	46.884
Payables to group enterprises		21.066	11.730	128	5.289
Corporation tax		1.077	0	962	0
Other payables		31.717	28.671	8.625	7.808
<b>Short-term debt</b>		<b>206.519</b>	<b>170.166</b>	<b>75.926</b>	<b>60.366</b>
<b>Debt</b>		<b>206.519</b>	<b>170.166</b>	<b>75.926</b>	<b>60.366</b>
<b>Liabilities and equity</b>		<b>316.259</b>	<b>270.718</b>	<b>230.720</b>	<b>205.645</b>
Subsequent events	1				
Distribution of profit	13				
Contingent assets, liabilities and other financial obligations	18				
Related parties	19				
Fee to auditors appointed at the general meeting	20				
Accounting Policies	21				

## Statement of Changes in Equity

### Group

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	92.000	0	-22	91.978
Net profit/loss for the year	0	0	17.749	17.749
<b>Equity at 31 December</b>	<b>92.000</b>	<b>0</b>	<b>17.727</b>	<b>109.727</b>

### Parent Company

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	92.000	4.471	48.808	145.279
Development costs for the year	0	-2.545	2.545	0
Net profit/loss for the year	0	0	9.515	9.515
<b>Equity at 31 December</b>	<b>92.000</b>	<b>1.926</b>	<b>60.868</b>	<b>154.794</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 TDKK	2021 TDKK
Net profit/loss for the year		17.749	8.017
Adjustments	16	-728	-2.378
Change in working capital	17	-31.873	-9.962
<b>Cash flows from operating activities before financial income and expenses</b>		<b>-14.852</b>	<b>-4.323</b>
Financial income		2.561	2.602
Financial expenses		-3.126	-2.504
<b>Cash flows from ordinary activities</b>		<b>-15.417</b>	<b>-4.225</b>
Corporation tax paid		159	9.942
<b>Cash flows from operating activities</b>		<b>-15.258</b>	<b>5.717</b>
Purchase of intangible assets		-4.620	-662
Purchase of property, plant and equipment		-6.382	-1.500
Fixed asset investments made etc		1.658	-1.465
Sale of property, plant and equipment		4.746	905
Sale of fixed asset investments etc		135	0
<b>Cash flows from investing activities</b>		<b>-4.463</b>	<b>-2.722</b>
Change in payables to group enterprises		9.337	4.108
<b>Cash flows from financing activities</b>		<b>9.337</b>	<b>4.108</b>
<b>Change in cash and cash equivalents</b>		<b>-10.384</b>	<b>7.103</b>
Cash and cash equivalents at 1 January		13.677	6.574
<b>Cash and cash equivalents at 31 December</b>		<b>3.293</b>	<b>13.677</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		3.293	13.677
<b>Cash and cash equivalents at 31 December</b>		<b>3.293</b>	<b>13.677</b>

# Notes to the Financial Statements

## 1 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
<b>2 Revenue</b>				
<b>Geographical segments</b>				
Northern Europe	65.244	54.894	65.243	54.894
Germany	144.215	105.912	144.215	105.912
Southern Europe	46.095	37.019	46.095	37.019
Denmark	678.567	586.318	64.994	58.577
Other	114.352	84.172	114.352	84.172
	<b>1.048.473</b>	<b>868.315</b>	<b>434.899</b>	<b>340.574</b>
<b>Business segments</b>				
Freight by road	968.754	798.248	372.773	293.210
Various	79.719	70.067	62.126	47.364
	<b>1.048.473</b>	<b>868.315</b>	<b>434.899</b>	<b>340.574</b>
<b>3 Staff expenses</b>				
Wages and salaries	228.212	213.559	48.418	45.865
Pensions	18.163	17.854	3.946	3.833
Other social security expenses	4.168	4.132	391	382
	<b>250.543</b>	<b>235.545</b>	<b>52.755</b>	<b>50.080</b>
Including remuneration to the Executive Board and Board of Directors of:				
Executive Board	2.314	2.190	1.157	1.095
Supervisory Board	50	50	50	50
	<b>2.364</b>	<b>2.240</b>	<b>1.207</b>	<b>1.145</b>
<b>Average number of employees</b>	<b>434</b>	<b>426</b>	<b>97</b>	<b>94</b>

## Notes to the Financial Statements

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
<b>4 Financial income</b>				
Income from fixed asset investments	238	183	238	183
Interest received from group enterprises	1.779	1.224	2.840	2.225
Other financial income	525	1.194	-191	266
Exchange gains	19	2	0	0
	<b>2.561</b>	<b>2.603</b>	<b>2.887</b>	<b>2.674</b>
<b>5 Financial expenses</b>				
Interest paid to group enterprises	2.191	1.170	2.017	1.159
Other financial expenses	804	1.212	424	702
Exchange loss	131	121	0	0
	<b>3.126</b>	<b>2.503</b>	<b>2.441</b>	<b>1.861</b>
<b>6 Tax on profit/loss for the year</b>				
Current tax for the year	1.180	0	985	0
Deferred tax for the year	-6.288	-4.075	-2.513	-1.250
Adjustment of tax concerning previous years	0	-1.814	0	-1.814
	<b>-5.108</b>	<b>-5.889</b>	<b>-1.528</b>	<b>-3.064</b>

# Notes to the Financial Statements

## 7 Intangible assets

### Group

	Software TDKK	Development projects in progress TDKK
Cost at 1 January	19.767	354
Additions for the year	0	4.620
Disposals for the year	-379	-134
Transfers for the year	0	-220
Cost at 31 December	<u>19.388</u>	<u>4.620</u>
Impairment losses and amortisation at 1 January	11.477	0
Amortisation for the year	3.961	0
Reversal of amortisation of disposals for the year	-379	0
Impairment losses and amortisation at 31 December	<u>15.059</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>4.329</u></b>	<b><u>4.620</u></b>
Amortised over	<u>3-5 years</u>	
Development projects in progress relate to the rental of buildings		

## Notes to the Financial Statements

### 7 Intangible assets (continued)

#### Parent Company

	<u>Software</u> TDKK
Cost at 1 January	16.279
Disposals for the year	<u>-379</u>
Cost at 31 December	<u>15.900</u>
Impairment losses and amortisation at 1 January	10.547
Amortisation for the year	3.263
Reversal of amortisation of disposals for the year	<u>-379</u>
Impairment losses and amortisation at 31 December	<u>13.431</u>
<b>Carrying amount at 31 December</b>	<b><u>2.469</u></b>
Amortised over	<u>3-5 years</u>

# Notes to the Financial Statements

## 8 Property, plant and equipment

### Group

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK
Cost at 1 January	10.338	0
Additions for the year	5.548	834
Disposals for the year	-3.470	0
Transfers for the year	220	0
Cost at 31 December	<u>12.636</u>	<u>834</u>
Impairment losses and depreciation at 1 January	8.153	0
Depreciation for the year	1.730	0
Reversal of impairment and depreciation of sold assets	-1.192	0
Impairment losses and depreciation at 31 December	<u>8.691</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>3.945</u></b>	<b><u>834</u></b>
Depreciated over	<u>3-20 years</u>	<u>0</u>



# Notes to the Financial Statements

## 8 Property, plant and equipment (continued)

### Parent Company

	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress
	TDKK	TDKK
Cost at 1 January	7.363	0
Additions for the year	4.880	834
Disposals for the year	-2.205	0
Kostpris at 31 December	<u>10.038</u>	<u>834</u>
Impairment losses and depreciation at 1 January	7.276	0
Depreciation for the year	918	0
Reversal of impairment and depreciation of sold assets	-834	0
Impairment losses and depreciation at 31 December	<u>7.360</u>	<u>0</u>
<b>Carrying amount at 31 December</b>	<b><u>2.678</u></b>	<b><u>834</u></b>
Depreciated over	<u>3-20 years</u>	

## Notes to the Financial Statements

	<b>Parent Company</b>	
	2022	2021
	TDKK	TDKK
<b>9 Investments in subsidiaries</b>		
Cost at 1 January	7.813	7.813
Cost at 31 December	7.813	7.813
Value adjustments at 1 January	-7.813	-7.813
Value adjustments at 31 December	-7.813	-7.813
<b>Carrying amount at 31 December</b>	<b>0</b>	<b>0</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nagel Liller A/S	Odense, Denmark	TDKK 500	100%

## Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>10 Investments in associates</b>				
Cost at 1 January	25	25	25	25
Additions for the year	640	0	640	0
Cost at 31 December	665	25	665	25
Value adjustments at 1 January	-25	118	-25	118
Net profit/loss for the year	-592	-143	-592	-143
Value adjustments at 31 December	-617	-25	-617	-25
<b>Carrying amount at 31 December</b>	<b>48</b>	<b>0</b>	<b>48</b>	<b>0</b>

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nagel Andresen Fleet Management ApS (under frivillig likvidation)	Padborg, Denmark	TDKK 100	50%

### 11 Other fixed asset investments

	Group		Parent Company	
	Other investments	Deposits	Other investments	Deposits
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	2.373	15.150	1.692	13.561
Additions for the year	426	1.825	75	1.722
Disposals for the year	0	-4.549	0	-4.549
Cost at 31 December	2.799	12.426	1.767	10.734
<b>Carrying amount at 31 December</b>	<b>2.799</b>	<b>12.426</b>	<b>1.767</b>	<b>10.734</b>

### 12 Prepayments

Prepayments consist mainly of prepaid expenses concerning insurance premiums, lease and etc.

## Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>13 Distribution of profit</b>				
Retained earnings	17.749	8.017	9.515	8.625
	<b>17.749</b>	<b>8.017</b>	<b>9.515</b>	<b>8.625</b>
<b>14 Deferred tax asset</b>				
Deferred tax asset at 1 January	6.506	2.430	25	-1.225
Amounts recognised in the income statement for the year	6.288	4.076	2.513	1.250
<b>Deferred tax asset at 31 December</b>	<b>12.794</b>	<b>6.506</b>	<b>2.538</b>	<b>25</b>

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next years. In connection with the assessment of the utilisation of the tax asset, special emphasis has been placed on the Group having implemented efficiency measures which are expected to increase the Group's income.

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
<b>15 Other provisions</b>				
Other provisions include obligations in respect of pallets and packing materials and a recognised net in the balance sheet.				
Other provisions	13	8.574	0	0
	<b>13</b>	<b>8.574</b>	<b>0</b>	<b>0</b>

## Notes to the Financial Statements

	<b>Group</b>	
	2022	2021
	TDKK	TDKK
<b>16 Cash flow statement - adjustments</b>		
Financial income	-2.561	-2.603
Financial expenses	3.126	2.503
Depreciation, amortisation and impairment losses, including losses and gains on sales	3.223	3.919
Result from investments in associates	592	143
Tax on profit/loss for the year	-5.108	-5.889
Other adjustments	0	-451
	<b>-728</b>	<b>-2.378</b>
<b>17 Cash flow statement - change in working capital</b>		
Change in inventories	6.895	-7.900
Change in receivables	-56.147	12.643
Change in other provisions	-8.561	4.571
Change in trade payables, etc	25.940	-19.276
	<b>-31.873</b>	<b>-9.962</b>

## Notes to the Financial Statements

18 Contingent assets, liabilities and other financial obligations	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

### Contingent assets

An unrecognized deferred tax asset, due to historic tax losses carry forward, of the value of approximately DKK 13-15 mio., is not recognized in the income statement and balance sheet.

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	21.598	21.728	1.887	3.218
Between 1 and 5 years	31.924	12.808	2.743	1.405
After 5 years	7.954	185	0	0
	<b>61.476</b>	<b>34.721</b>	<b>4.630</b>	<b>4.623</b>

Rental obligations, period of interminability up to 15 years for the Group (2021: 16 years)

	189.530	186.254	15.951	9.523
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### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 1,077. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The group has registered a pledge ban regarding some of the group's accounts receivables.

# Notes to the Financial Statements

## 19 Related parties

	<u>Basis</u>
<b>Controlling interest</b>	
Nagel-Group Logistics SE	Immediate Parent Company
<b>Other related parties</b>	
Nagel-Group SE & Co. KG, Versmold	Ultimate Parent Company

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The Company is included in the Consolidated Annual Report of its ultimate Parent Company, Nagel-Group SE & Co. KG.

<u>Name</u>	<u>Place of registered office</u>
Nagel-Group SE & Co. KG	D-33775 Versmold

The Group Annual Report of Nagel-Group SE & Co. KG may be obtained at the following address:

Friedrich-Menzefricke-Straße 6  
D-33775 Versmold  
Germany

## Notes to the Financial Statements

	<b>Group</b>		<b>Parent Company</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	TDKK	TDKK	TDKK	TDKK
<b>20 Fee to auditors appointed at the general meeting</b>				
<b>PricewaterhouseCoopers</b>				
Audit fee	405	370	305	270
Other assurance engagements	47	8	26	8
Tax advisory services	163	177	163	177
Other services	156	190	155	155
	<u>771</u>	<u>745</u>	<u>649</u>	<u>610</u>



# Notes to the Financial Statements

## 21 Accounting Policies

The Annual Report of Nagel Danmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

### Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Nagel Danmark A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

## Notes to the Financial Statements

### 21 Accounting Policies (continued)

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets

in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in

deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful

life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

### Segment reporting

Information on business segments and geographical segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### Direct freight expenses

Direct freight expenses comprise the raw materials and consumables consumed to achieve revenue for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

#### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

#### Income from investments in subsidiaries and associates

The items "Result from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year less goodwill amortisation, including gains and losses on the sale of shares in subsidiaries.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the subsidiaries Nagel Liller A/S. Nagel Danmark A/S has been selected as the administrative company.

The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance Sheet

### Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5-10 years.

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software is amortised on a straight-line basis over its useful life, which is assessed at 3-5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	10-40 years
Other fixtures and fittings, tools and equipment	3-20 years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items “Investments in subsidiaries” and “Investments in associates” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries and the associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Fixed asset investments

Fixed asset investments, which consist of are not traded in an active market are measured at the lower of cost and recoverable amount.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

### Other fixed asset investments

Other fixed asset investments consist of deposits and long term receivables.

### Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, lease and etc.

### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.



# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

#### Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

#### Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

#### Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

#### Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

# Notes to the Financial Statements

## 21 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$