
Slow Hands ApS

Nordre Strandvej 105, DK-8240 Aahus

Annual Report for 2024

CVR No. 33 15 74 60

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 11/6 2025

Claus Normann
Hansen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of Slow Hands ApS for the financial year 1 January - 31 December 2024.

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

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2024.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aarhus, 11 June 2025

Executive Board

Claus Normann Hansen

Independent Auditor's report

To the shareholder of Slow Hands ApS

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 2024 and of the results of the Group's and the Parent Company's operations as well as of the consolidated cash flows for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Slow Hands ApS for the financial year 1 January - 31 December 2024, 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.

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 Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Independent Auditor's report

Ringsted, 11 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Sloth Langhoff Hansen

State Authorised Public Accountant

mne36027

Nikolaj Frausing Borch

State Authorised Public Accountant

mne44062

Company information

The Company

Slow Hands ApS
Nordre Strandvej 105
DK-8240 Aarhus

CVR No: 33 15 74 60

Financial period: 1 January - 31 December

Incorporated: 20 September 2010

Municipality of reg. office: Aarhus

Executive Board

Claus Normann Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
DK-4100 Ringsted

Group Chart

<u>Company</u>	<u>Residence</u>	<u>Ownership</u>
Slow Hands ApS	Denmark	
Baton Transport Holding A/S	Denmark	80%
Baton Transport Bulgaria EOOD	Bulgaria	100%
Baton Transport Hungary (Branch)	Hungary	100%
Baton Transport Hungary KFT	Hungary	100%
Baton Transport Latvia SIA	Latvia	100%
Baton Transport A/S	Denmark	100%
Baton Transport GmbH	Germany	100%
Baton Transport AB	Sweden	100%
Baton Transport Switzerland AG	Switzerland	100%
Baton Transport SP. Z.O.O.	Poland	100%

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2024	2023	2022	2021	2020
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	612,282	584,704	582,641	385,971	0
Profit/loss of primary operations	-2,061	7,722	15,400	13,886	-22
Profit/loss of financial income and expenses	-6,603	-5,202	-779	-2,127	8,792
Net profit/loss for the year	-7,261	667	12,249	10,393	8,769
Balance sheet					
Balance sheet total	241,890	239,964	218,009	173,884	36,899
Investment in property, plant and equipment	31,155	43,654	36,745	34,028	0
Equity	58,556	67,631	69,562	57,371	36,841
Cash flows					
Cash flows from:					
- operating activities	24,929	32,554	16,299	21,839	-31
- investing activities	-8,834	143	-1,229	-46,055	-28,252
- financing activities	-26,281	-30,575	-10,540	42,139	0
Change in cash and cash equivalents for the year	-10,186	2,122	4,530	17,923	-31
Number of employees	503	520	413	321	0
Ratios					
Gross margin	11.1%	12.7%	20.3%	7.1%	0.0%
Profit margin	-0.3%	1.3%	2.6%	3.6%	0.0%
Return on assets	-0.9%	3.2%	7.1%	8.0%	-0.1%
Solvency ratio	24.2%	28.2%	31.9%	33.0%	99.8%
Return on equity	-11.5%	1.0%	19.3%	22.1%	47.6%

Management's review

Key activities

The Groups principal activity is to deliver Line Haul services with trailers or containers to global or local freight forwarders, using the Baton Transport brand.

Development in activities and financial matters

The consolidated income statement for 2024 reports a net loss after tax of 7.3 million kr., compared to a net profit of 0.67 million kr. in the previous year. As of December 31, the consolidated balance sheet reflects an equity position of 58.6 million kr., down from 67.6 million kr. the prior year. This development should be assessed in relation to the group's projected pre-tax income from ordinary activities for 2024, which was expected to be between 12-15 million kr., as stated in the 2023 annual report.

Management acknowledges that the net profit for the year is disappointing but remains confident in the underlying performance of the existing business. The decline in profit is primarily attributed to transformation initiatives undertaken in 2023 and 2024, with benefits expected to materialize over the next 1-2 years. Key factors include the establishment of the third-country driver platform in Hungary, the partial transition from subcontracted operations to in-house production in response to customer preferences, the re-registration of the truck portfolio, and higher vehicle repair costs. Additionally, significant investments were made in 2024 to scale up Baton, supporting future growth

Financial risks and the use of financial instruments

Foreign currency risks

The transactions in Group are primarily in foreign currency and relate to the sale of transport services in EUR and DKK as well as the purchase of fuel, transport services from sub-suppliers, driver salaries and other types of costs. Since both the Group's sales and purchase transactions are primarily in EUR, currency risks are limited, however currency exchange loss and gains can occur from accounting transactions. Currently financial instruments are not used for price hedging of the Group's transactions.

Interest rate risks

It is the group's policy that interest rate risks are hedged when entering into a mix of variable and fixed interest leasing credit facilities,

Credit risks

The group does not have significant risks regarding individual customers, though some risks exist for cancellation fees for all customers, which though have been limited in 2024 . There are risks regarding the group's financing of individual partners. The group's policy for assuming credit risks regarding business partners means that business partners are continually assessed for credit and that the total risk can amount to a maximum of 50% of the group outstanding with the sub-supplier.

Delivery risks

The Group buys from global partners regarding trucks and trailers and the Group is in close dialogue with current and potential suppliers to reduce the effects of the continuing imbalances in the global supply chains. A significant part of the Line haul services are delivered by business partners and with the arrival of the EU mobility package and the current economic climate the delivery risk has increased. In order to reduce the risk, the Group has further invested in internal back up readiness from trucks and drivers. The shortage of drivers in Europe constitutes a significant risk for the group, however the risk has somehow been reduced through the employment of 3rd country drivers, primarily India. During 2025 the delivery risk will be further reduced through increased employment of Indian drivers through our operations in Bulgaria and Hungary. Other locations in Europe are currently being investigated.

Management's review

Expected developments

For the coming year, the group anticipates a sales increase of 10-15% compared to 2024 and an operating profit before tax in the range of 2-5 million kr. Management expects strong growth in Germany and Southern Europe, alongside moderate growth in Scandinavia and the Benelux region. As part of the Staying Ahead 2027 strategy, the group will continue investing in third-country driver recruitment while balancing digitalization efforts across all functions with cost-saving initiatives within transport service costs. However, given the current geopolitical landscape, there is an inherent level of uncertainty regarding future economic developments, which may also impact the group's financial performance.

Events occurring after the end of the financial year

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

Statement of corporate social responsibility

Business model

The business model of Baton Transport A/S consists of delivering line hauls to global or regional forwarders. The group intends to deliver products, concepts, and services at a quality that can measure up to the market's best. Furthermore, the group wishes to have a solid and credible reputation in all countries where the group is operating. This goes for both customers, employees, suppliers, and other stakeholders. Here, social awareness and responsibility play an important role in the group's culture and business operations.

Purpose

Our purpose is to drive change by supporting diversity and enabling equality of opportunity for all.

Vision

Our Vision is to be the preferred partner for our customers by leveraging our logistic expertise and our extensive line haul capabilities.

Mission

Our mission is to support our colleagues and customers by being proactive, straightforward, responsible, and creative in all our activities.

It is expected that all of the group's activities are carried out with commitment, trust, openness, and integrity and that all employees are treated with dignity and respect. The group expects the same from all business partners. All companies in the group must comply with existing legislation and regulations in the countries in which the group operates.

Large-scale formalization of our ESG efforts

Baton Transport has always been guided by a strong people-centric culture with numerous sustainable initiatives embedded in the organization. Guided by the Baton Transport Key Behaviors, our business dealings have always been characterized by deeply ingrained social and environmental practices, ensuring fair treatment of employees, responsible business conduct, and a focus on efficiency that naturally reduced environmental impact. These values have shaped the way Baton interacts with employees, customers, and partners, fostering an organization that prioritizes responsible decision-making and long-term value creation. However, as the company has expanded and regulatory as well as customer expectations for ESG transparency have intensified, it became evident that a more structured and formalized approach was necessary to ensure continued alignment with global sustainability standards and to prepare for upcoming disclosure requirements.

Management's review

In 2024, Baton took a significant step in this direction by establishing an ESG Steering Committee. The committee is composed of key representatives from upper management, relevant internal stakeholders, and external ESG experts. The ESG Steering Committee is headed by the CEO of Baton Transport, ensuring that sustainability is anchored at the highest level of leadership in the organization. The group has been tasked with building a robust ESG governance framework that ensures a structured and proactive approach to sustainability. Through collaboration with colleagues, customers, partners, and other stakeholders, the committee has worked to map, prioritize, and incorporate all material sustainability topics related to Baton's value chain.

Looking ahead to 2025, the ESG Steering Committee will focus on the implementation of CSRD-related data collection processes, ensuring that Baton is fully prepared to meet upcoming EU sustainability reporting requirements. This will involve managing the process for tracking and reporting ESG data, further strengthening governance structures, and preparing the Management Report in line with new regulatory requirements, thus improving Baton's ability to respond to customer and regulatory demands with high-quality, verifiable ESG disclosures.

Through this large-scale formalization of ESG efforts, Baton is strengthening its position as a responsible and forward-thinking company that is well-equipped to integrate sustainability into its long-term business strategy.

Baton Transport's Double Materiality Assessment

One of the first initiatives undertaken by the ESG Steering Committee was conducting a Double Materiality Assessment (DMA) — a critical exercise that now serves as the foundation for all of Baton's ESG efforts. The DMA is essential in identifying the sustainability topics that are most significant to Baton, both in terms of how the company impacts people and the environment (impact materiality) and how sustainability topics create financial risks or opportunities for Baton (financial materiality).

To ensure a structured and comprehensive assessment, Baton followed a multi-phased methodology:

- **External stakeholder mapping and engagement:** Baton identified and consulted key external stakeholders, including customers, suppliers, and ESG experts, to gain insights into sustainability expectations.
- **Value chain mapping:** A structured workshop was conducted to define the full extent of Baton's value chain, ensuring all sustainability impacts — both direct and indirect — were considered.
- **Workshops with key decision-makers:** A company-wide DMA workshop was conducted with key representatives from all business areas to systematically assess and prioritize ESG impacts, risks, and opportunities.
- **Verification and validation:** The results of the assessment were reviewed and approved by senior management to ensure alignment with strategic priorities and regulatory expectations.

Management's review

Key Takeaways from the DMA Outcome

The DMA Matrix, developed as the final output of this process, has provided Baton with a clear and prioritized overview of the most material sustainability topics. Some of the key themes that emerged include:

- **Social Responsibility in Transport Operations:** Given the nature of Baton's business, driver safety, well-being, and human rights in the value chain were identified as highly material topics, reinforcing the company's need for structured initiatives in these areas. Ensuring that drivers, included those recruited internationally, receive adequate support, fair treatment, and a safe working environment remains a core priority.
- **Diversity and Inclusion:** The DMA confirmed that diversity and equal opportunities are critical areas of focus. Baton's workforce consists of employees from various cultural backgrounds, and ensuring an inclusive work environment, equal career opportunities, and a non-discriminatory culture was identified as a key material priority. This is particularly relevant to Baton's recruitment of female drivers in India, which presents both challenges and opportunities for enhancing industry diversity.
- **Environmental Considerations:** The environmental impact of transport operations was a key focus area in the assessment, with topics such as carbon emissions, air pollution, and fuel consumption emerging as highly material. The DMA results indicated that the transport sector's dependency on fossil fuels and its role in emissions generation remain central sustainability challenges for Baton.
- **Business Ethics and Compliance:** Ensuring ethical conduct and regulatory compliance was also prioritized as a material topic. The assessment identified risks associated with supplier conduct, anti-corruption, and compliance, reinforcing the importance of strong business ethics across the value chain.

Utilizing the DMA Insights in 2025

With the Double Materiality Assessment complete, Baton now has a data-driven foundation for targeted sustainability efforts. Throughout 2025, the company will use the DMA results to:

- Direct ESG initiatives toward the most material topics, ensuring that resources are allocated efficiently to areas with the greatest impact.
- Ensure accurate and relevant CSRD reporting, using the DMA findings to structure data collection and disclosures in line with regulatory requirements.
- Regularly monitor and update sustainability priorities, ensuring that any emerging risks or opportunities are incorporated into Baton's ESG strategy.

The DMA marks a major milestone in Baton's sustainability journey, providing clarity, focus, and strategic direction for the company's ESG initiatives. As CSRD compliance becomes an increasing priority, the DMA ensures that Baton is well-prepared to meet both regulatory expectations and stakeholder demands for transparency.

Management's review

Baton's Policy Development

With key material ESG areas having emerged from the Double Materiality Assessment, the ESG Steering Committee determined a package of policies that would best address the uncovered impacts, risks, and opportunities. The Committee decided on formalizing Baton's ESG commitments through 12 policies, thereby creating a structured policy framework. This framework translates Baton's existing practices and values into clear, governed policies that provide guidance, accountability, and consistency across all areas of ESG.

The development of Baton's ESG policies was a collaborative effort involving key internal stakeholders from various parts of the business. The resulting policy framework provides a comprehensive structure for Baton's ESG efforts, covering:

- Code of Conduct & Business Conduct Policy – Defining expectations for ethical behavior, compliance, and integrity across all levels of the company.
- Social policies – Highlighting Baton's commitment to diversity, anti-harassment, and an ethical approach to working with external recruitment partners in international recruitments.
- Supplier Code of Conduct & Responsible Procurement Policy – Ensuring that Baton's sustainability standards extend across its supply chain, with expectations on labor rights, environmental responsibility, and business ethics.
- Human Rights Policies (Own Workforce & Value Chain) – Safeguarding human rights and fair labor conditions across both Baton's operations and its external partnerships.
- Environmental & Climate Policy – Establishing Baton's commitment to emissions reductions, sustainable resource use, and environmental stewardship.
- Health & Safety Policy – Reinforcing safety standards and well-being initiatives, particularly for truck drivers and other operational roles.

The policies all follow a set structure to ensure consistency and that stakeholders can easily approach the policies and find the information relevant to their position. This includes a governance section, in which a designated policy owner is mentioned, ensuring that implementation and compliance are actively managed. Furthermore, all policies are equipped with clear governance and review mechanisms, specifying how frequently the policy will be evaluated and updated.

Utilizing the policies in 2025

Beyond compliance, Baton sees its ESG policies as active governance tools that shape decision-making and business practices. In 2025, these policies will:

- Serve as key input for Baton's upcoming CSRD reporting, ensuring structured disclosures.
- Be integrated into onboarding and supplier agreements, embedding ESG expectations at every level.
- Be continuously reviewed and updated through the ESG Steering Committee and designated policy owners, ensuring relevance and adaptability.
- Serve as the foundation for employee training, specifically in terms of safety and ethics.

Through this work with the ESG policy framework, Baton Transport ensures that its sustainability commitments are clearly defined, actively managed, and continuously reviewed to align with evolving expectations and regulatory requirements.

Climate and environmental impact

Management's review

Baton Transport recognizes its responsibility to minimize environmental impact across its operations and throughout its value chain. As a company operating in the transport sector, fuel consumption and emissions are inherent challenges. However, Baton is committed to reducing its footprint through targeted initiatives, innovation, and strategic partnerships.

Recognizing that operational efficiency directly impacts environmental performance, Baton intensified its efforts to reduce unnecessary emissions. This involved increased attention on empty miles reductions, with focused strategies to decrease empty hauls, optimizing logistics routes and reducing fuel waste. Furthermore, Baton continued its focus on fleet optimization, carrying out various vehicle upgrades and ensuring that trucks in the route network are of the highest Euro emission standards.

Climate & Environment Policy

As part of its formalized ESG framework, Baton introduced a dedicated Climate & Environment Policy, which serves as the foundation for the company's environmental strategy. The policy outlines Baton's commitment to reducing its ecological footprint and establishing governance structures to oversee progress.

Key elements of the policy include:

- **Operational Scope:** Applies to all employees, subcontractors, and key stakeholders to ensure environmental efforts extend beyond Baton's direct operations.
- **Principles & Commitments:** Covers emissions reduction, pollution prevention, resource efficiency, and sustainable fleet management.
- **Stakeholder Engagement:** Emphasizes collaboration with customers, suppliers, and industry partners to drive environmental progress.
- **Governance & Accountability:** Assigns executive oversight of environmental efforts to the Chief Operating Officer (COO) and includes mechanisms for annual policy reviews to ensure continuous improvement.

The policy will assist Baton in maintaining a structured approach to environmental sustainability, which will play a key role in decarbonizing Baton's operations and ensuring resource efficiency in the future.

Collaborative approach

A key focus of Baton's Climate & Environment Policy was ensuring that sustainability was not just an internal ambition but a shared effort across the entire value chain, engaging customers and suppliers in working towards common environmental goals. During 2024, Baton deployed this collaborative approach to sustainability by working closely with customers to implement greener transport solutions. This included:

- **Biofuel Integration:** Several customer routes were transitioned to biofuel, significantly lowering CO₂ emissions per haul.
- **Shared Linehaul Services:** By promoting load-sharing across to customers through various outlets, Baton optimized truck space, reducing fuel consumption and emissions.

The value-chain perspective of sustainability was also used, as Baton expanded its environmental focus beyond its own operations. Two major policies were introduced to ensure that suppliers and subcontractors align with Baton's sustainability standards:

- **Supplier Code of Conduct:** Establishes clear expectations for environmental responsibility among Baton's suppliers and subcontractors, requiring them to adopt sustainable practices in line with industry standards.
- **Responsible Procurement & Sourcing Policy:** Guides Baton's purchasing decisions, ensuring that all procurement activities prioritize sustainability, resource efficiency, and environmental protection.

Management's review

Expectations for 2025

In the coming year, Baton will continue strengthening its environmental initiatives by:

- Scaling Biofuel Deployment: Expanding the use of alternative fuels where feasible.
- Further Reducing Empty Hauls: Leveraging digital tools and customer collaboration to optimize route planning and load utilization.
- Supplier Engagement & Monitoring: Enhancing environmental performance tracking among subcontractors. Baton has developed a Supplier Audit Questionnaire, which will be tested throughout 2025. Together with the Supplier Code of Conduct, the audits aim to ensure compliance with Baton's environmental ambitions throughout all services, subcontracted or not.
- Integrating Environmental Data into CSRD Reporting: Ensuring accurate and transparent environmental disclosures in line with regulatory requirements.

With a structured policy framework in place and a growing commitment to sustainable transport solutions, Baton is prepared to make even greater strides in its environmental performance in 2025.

Commitment to social responsibility

Baton Transport is committed to ensuring fair working conditions, ethical business conduct, and a strong safety culture for all employees, subcontractors, and partners throughout its value chain. As a growing transport company, Baton recognizes the inherent social challenges within the industry, particularly in areas such as driver working conditions, diversity, and responsible employment practices. To address these challenges, Baton has taken significant steps in 2024 to formalize its governance structure, enhance its policy framework around these topics, strengthen its human rights due diligence, and enhance collaboration with key stakeholders.

The group has also initiated "Trucking for Equality" where the purpose is in cooperation with local NGO's from India to employ women with a purpose to train the women as truck drivers and engage them in specific Line haul lines. The program has commenced in 2023, and the Group now employs that 20 female drivers, of which 10 are currently working on pure female lines and the remaining are progressing through the training program.

Baton continues its active engagement with Responsible Trucking, a collaboration platform coordinated by CSR Europe, which brings together industry peers to uphold and advance responsible labor practices. The Responsible Trucking framework consists of 15 key social and ethical business guidelines, categorized as follows:

Working Conditions: Requirements & Aspirations

- 1.Forced Labor
- 2.Child Labor
- 3.Harassment
- 4.Working and Resting Times
- 5.Remuneration
- 6.Benefits
- 7.Non-Discrimination
- 8.Freedom of Association and Collective Bargaining
- 9.Health & Safety
- 10.Disciplinary Practices
- 11.Facilities

Management's review

Business Ethics

- 12. Fair Competition/Anti-Trust
- 13. Anti-Corruption
- 14. Privacy
- 15. Disclosure of Information

Baton strives to comply with all guidelines. Some aspects are addressed through the individual Line Haul's setup, while others are governed through Baton's ESG policies and safety procedures. The ESG policy framework launched in 2024 expands upon these topics, ensuring transparency in Baton's commitments and providing a clear governance structure to uphold social responsibility across all operations.

Social progress in 2024

In 2024, Baton took significant steps in strengthening its social sustainability commitments by:

- Conducting a Double Materiality Assessment (DMA) to identify the most critical social issues.
- Developing and implementing a Human Rights Due Diligence framework to ensure ethical employment practices across all operations and partnerships.
- Launching dedicated policies on diversity, health & safety, responsible recruitment, and fair employment.
- Strengthening worker protections and ethical business conduct through the Supplier Code of Conduct, Employer Code of Conduct, and Business Conduct Policy.
- Expanding efforts to increase diversity, including strategic partnerships to recruit and support female truck drivers through dedicated recruitment partners.

Safety across operations

As a transport company, safety is at the core of Baton Transport's operations. Whether on the road or in offices, ensuring that all employees operate in a safe environment is a top priority. Baton's approach to safety is embedded in the company culture and continuously reinforced through training, governance, and proactive risk management.

In 2024, Baton continued working with its safety commitments through the introduction of a dedicated Health & Safety Policy. Supporting our more practical Safety Handbook, the policy outlines clear principles, responsibilities, and governance structures to ensure a structured approach to managing safety risks. The policy reaffirms Baton's commitments to various road safety initiatives including:

- **Enhanced Vehicle Safety Standards:** All trucks in Baton's fleet meet or exceed Euro emission and safety regulations, ensuring both environmental and operational safety.
- **Monitoring and Incident Prevention:** Baton actively tracks driver behavior and vehicle diagnostics to prevent accidents before they occur.
- **Collaboration with Subcontractors:** The company extends its safety expectations to all third-party hauliers, ensuring uniform safety standards across the value chain.
- **Comprehensive Driver Safety Training:** All new drivers undergo rigorous safety training, with regular refreshers to reinforce best practices.
- **Empowerment to Act on Unsafe Conditions:** Employees are encouraged to report hazards immediately and have the right to stop unsafe work without fear of retaliation.

Management's review

Given the nature of Baton's business, traffic safety remains a key focus area. However, through the new policy and its governance structure, Baton has decided to also bring the topic of mental health and well-being to the executive level. Recognizing the psychological strain of long-haul driving and the potential stressors of working in an office, Baton actively promotes mental well-being as part of its overall safety commitment.

The policy is reviewed annually and is overseen by both the Chief Executive Officer (CEO) and Chief Operating Officer (COO) to ensure continuous improvement. The CEO is ultimately responsible for the mental health and well-being of our colleagues, while the COO is assigned owner of the area of physical safety.

Safety in 2025

Building on the progress made in 2024, Baton will continue to enhance its safety culture by:

- Continue driver training programs, with a particular focus on training of our newly recruited Indian drivers.
- Strengthening incident reporting mechanisms and speak-up culture to ensure that safety concerns are addressed proactively.
- Defining how Baton can best support the mental health of our colleagues.
- Rolling out supplier safety audits as part of our supplier audit program.

With these continued efforts, Baton aims to ensure that all employees, subcontractors, and stakeholders operate in a physically and psychologically safe environment.

Diversity & Inclusion

Baton Transport recognizes that a diverse and inclusive workforce is fundamental to our success. It is at the core of our business and embedded in our purpose: to drive change by supporting diversity and enabling equality of opportunity for all. Baton Transport is committed to fostering a workplace where all employees, regardless of gender, nationality, or background, feel valued and have equal opportunities to thrive. In the traditionally male-dominated transport sector, Baton has taken proactive steps to increase diversity, particularly by promoting gender diversity in trucking and expanding employment opportunities for international drivers.

A key part of this commitment has been Baton's Indian driver recruitment initiative, which actively trains and hires drivers from India, including female drivers, supporting greater gender diversity in the trucking industry. Baton recognizes the unique challenges that drivers from different backgrounds may face when transitioning to new work environments, and the company has worked to integrate structured training and onboarding programs to facilitate a smooth transition.

Management's review

Our work with diversity in 2024

In 2024, Baton intensified its efforts to promote diversity and inclusion, focusing on tangible actions that support underrepresented groups in trucking. The company's key initiatives included:

- Strengthened partnerships with Sakha Consulting Wings, a specialized organization in India that trains and employs female drivers, helping them transition into trucking careers.
- Implemented tailored onboarding and training programs to ensure female drivers entering the European market receive structured support and suitable living conditions when on the road.
- Continued our engagement and support for the Trucking For Equality initiative.
- Provided re-training and language lessons for drivers transitioning from India to Europe, ensuring they are fully equipped to succeed in their new roles.
- Addressed integration challenges, such as cultural adaptation and language barriers, through additional support measures.
- Promoted a workplace culture that embraces multiculturalism and equal treatment.

Introducing the Diversity & Inclusion Policy

In 2024, Baton adopted a Diversity & Inclusion Policy to provide clear principles and commitments on fostering a fair and respectful workplace. The policy sets out Baton's expectations in key areas, including:

- **Equal Opportunities:** Ensuring hiring, promotions, and compensation decisions are based on merit and free from bias.
- **Zero Tolerance for Discrimination and Harassment:** Providing a safe and inclusive work environment, where any instances of harassment or discrimination are addressed promptly.
- **Accessibility and Support:** Creating a workplace that accommodates diverse needs and offers necessary support for employees to succeed.

The Chief Human Resources Officer (CHRO) is responsible for overseeing the implementation of the policy, ensuring its commitments are upheld and reviewed annually.

Looking Ahead

Baton will continue to embed diversity and inclusion into its operations in 2025, with a focus on:

- **Expanding gender diversity in driver recruitment:** Strengthening outreach and training programs to increase female participation in the industry.
- **Enhancing awareness and training:** Rolling out initiatives to educate employees on unconscious bias, inclusive leadership, and fostering an open, respectful workplace.
- **Tracking and reporting on diversity metrics:** Improving data collection and transparency to measure progress and ensure accountability.

By taking a structured and proactive approach to diversity and inclusion, Baton is reinforcing its position as a fair and forward-thinking employer, committed to fostering an equitable and supportive work environment for all.

Management's review

Working conditions and human rights

Baton Transport is committed to ensuring fair and dignified working conditions for all employees and subcontractors, both within its own operations and throughout its value chain. As a transport company, Baton acknowledges the challenges of long working hours, time away from home, and the physical demands placed on drivers. In 2024, the company further strengthened its commitment to human rights and labor protections by implementing new policies and initiatives to safeguard employees and subcontracted workers.

Baton Transport has long prioritized fair and transparent labor practices, ensuring that all employees and partners operate under conditions that promote safety, well-being, and equal opportunities. In 2024, the company formalized these commitments by introducing three key policies:

- **Human Rights Policy – Own Workforce:** Outlines Baton's responsibilities in ensuring ethical employment conditions, including fair wages, non-discrimination, and the right to freedom of association.
- **Human Rights in the Value Chain Policy:** Extends Baton's commitment to human rights to suppliers, subcontractors, and business partners, ensuring ethical sourcing and responsible labor practices across all operations.
- **Employer Code of Conduct:** Establishes clear expectations for working conditions, outlining fair treatment, ethical recruitment, and anti-harassment guidelines for all employees under Baton's management. This policy reinforces Baton's commitment to upholding the highest labor standards across its workforce.

The policies not only ensure full compliance with European and national laws, but they also assist Baton in maintaining a position as a preferred employer, aiding us in attracting skilled labor in increasingly competitive market conditions. The policies deal with key areas such as:

- **Working & Rest Time Regulations:** Baton ensures that all drivers adhere to regulated rest periods in compliance with the EU Mobility Package and local labor laws. Training is provided to ensure that both directly employed and subcontracted drivers understand and follow these requirements.
- **Support for International Drivers:** Baton has implemented structured onboarding and support measures to help international drivers adjust to their new work environment. This includes training programs, integration support, and ensuring access to proper rest facilities while on the road. Female drivers receive additional safety measures, including designated accommodations in secure locations.
- **Ethical Recruitment Practices:** Baton works exclusively with vetted recruitment agencies that adhere to ethical hiring standards. The company has established clear expectations with partners to ensure that recruitment processes are free from coercion, excessive fees, or other exploitative practices. Baton's partnerships include structured onboarding support to ensure a smooth transition for international hires.
- **Fair Employment Conditions:** Baton guarantees that all direct employees and subcontracted drivers work under fair employment conditions, including clear contracts outlining wages, benefits, and working conditions. The company ensures compliance with applicable labor laws, collective agreements, and its own internal human rights policies.

Looking Ahead

Baton will continue to embed the policies and regulations into its operations in 2025

Management's review

Business ethics

Baton Transport maintains a strong commitment to ethical business practices, ensuring integrity, transparency, and accountability across all operations. Our efforts to formalize structures across the entire ESG-scope included significant steps to strengthening our ethical standards to foster further trust among our stakeholders. In 2024, two key policies related to ethics were created:

- **Code of Conduct:** Defines the ethical expectations for all employees, reinforcing a culture of integrity, respect, and responsible business practices. The Code covers critical areas such as anti-corruption, anti-bribery, fair competition, and responsible communication. Employees are encouraged to speak up through the company's Whistleblower System if they observe misconduct.
- **Business Conduct Policy:** Serves as the overarching framework for ethical business operations, outlining governance structures, reporting obligations, and due diligence requirements to ensure compliance with ESG principles. This policy establishes clear expectations for leadership, management, and employees regarding ethical behavior and responsible decision-making.

Anti-Corruption and bribery prevention

Baton maintains a zero-tolerance policy toward bribery and corruption. Employees are strictly prohibited from offering, soliciting, or accepting any form of improper payment or advantage that could influence business decisions. As outlined in the Code of Conduct, all employees receive clear guidance on handling gifts, hospitality, and business interactions to prevent any perception of unethical behavior. The primary risks related to anti-corruption and bribery prevention are associated with fuel fraud, a known issue in the industry involving the theft or unauthorized sale of fuel, which could also pose a risk to Baton.

During the current financial year, Baton has strengthened fuel management controls and implemented a driver misconduct reporting system, which can lead to dismissal in cases of detected fraud. In 2024, only a few such cases were identified.

Besides Fuel fraud, we have not found any indications of bribery or corruption in the current financial year. Thus, no reason has been found to exclude suppliers or business partners from the cooperation with Baton Transport. The assessment is that the risk of bribery and corruption is at a low level. We expect to achieve the same results in 2025.

Looking Ahead to 2025

In the coming year, Baton will continue to strengthen the fuel control and will continue strengthening its ethical governance by enhancing training programs on anti-corruption and business integrity to ensure compliance with global best practices. Internal campaigns will also be carried out to generate awareness of the new ethics-related policies.

Statement on data ethics

Since the introduction of the EU's General Data Protection Regulation (GDPR), responsible handling of personal data has been an integral part of Baton Transport's daily operations. Ensuring compliance with data protection regulations while maintaining transparency and security in data management remains a key priority.

As part of the Staying Ahead 2027 strategy, Baton engaged an external data protection consultancy in 2024 to further strengthen internal procedures, policies, and governance structures surrounding data ethics. This collaboration has helped Baton improve its data protection framework, ensuring that all employees handle sensitive information responsibly and that personal data is processed securely and in full compliance with GDPR requirements.

Management's review

In addition to personal data security, cybersecurity has become a growing focus area for Baton. Recognizing the increasing risks posed by cyber threats, a dedicated Cybersecurity Policy was introduced within the company's Code of Conduct, outlining best practices for data protection, responsible use of digital tools, and protocols for preventing unauthorized access to company systems. Employees are required to adhere to these guidelines, which include:

- Secure handling of company and customer data to prevent unauthorized sharing or leaks.
- Prohibitions on downloading unauthorized software or accessing unapproved online platforms on company devices.

Further development of social responsibility in 2025

With strong policies and governance structures in place across numerous different aspects of social responsibility, Baton will focus on implementation, training, and monitoring in 2025. Key priorities include:

- Ensuring full compliance with the newly implemented ESG policies.
- Expanding third party haulier audits to enforce social responsibility across Baton's value chain, ensuring alignment with the Supplier Code of Conduct.
- Building awareness and strengthening the speak-up culture, ensuring that all employees, subcontractors, and stakeholders are aware of their rights and the channels available to report concerns. Baton will promote its Whistleblower Line and other internal reporting mechanisms to encourage transparency and accountability.
- Preparing for CSRD reporting, ensuring transparent and structured disclosures on social performance.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Revenue	1	612,282	584,704	0	0
Production expenses	2	-544,305	-510,157	0	0
Gross profit		67,977	74,547	0	0
Distribution expenses	2	-6,330	-7,459	0	0
Administrative expenses	2	-62,703	-56,383	-37	-36
Operating profit/loss		-1,056	10,705	-37	-36
Other operating income		187	70	0	0
Other operating expenses		-1,192	-3,053	0	0
Profit/loss before financial income and expenses		-2,061	7,722	-37	-36
Income from investments in subsidiaries	3	0	0	-5,671	550
Financial income		2,565	2,017	678	1,092
Financial expenses		-9,168	-7,219	-1,518	-1,534
Profit/loss before tax		-8,664	2,520	-6,548	72
Tax on profit/loss for the year	4	1,403	-1,853	0	0
Net profit/loss for the year	5	-7,261	667	-6,548	72

Balance sheet 31 December

Assets

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Completed development projects		3,719	0	0	0
Goodwill		14,110	16,923	0	0
Development projects in progress		703	0	0	0
Intangible assets	6	18,532	16,923	0	0
Other fixtures and fittings, tools and equipment		74,220	87,751	0	0
Property, plant and equipment	7	74,220	87,751	0	0
Investments in subsidiaries	8	0	0	46,345	59,226
Other receivables	9	16,896	18,530	16,896	18,530
Fixed asset investments		16,896	18,530	63,241	77,756
Fixed assets		109,648	123,204	63,241	77,756
Raw materials and consumables		44	0	0	0
Inventories		44	0	0	0
Trade receivables		80,268	80,810	0	0
Other receivables		19,766	4,415	0	0
Receivable from shareholders and Management		90	0	0	0
Deferred tax asset	10	9,243	3,931	0	0
Corporation tax		1,613	0	0	0
Prepayments	11	6,809	3,009	0	0
Receivables		117,789	92,165	0	0
Cash at bank and in hand		14,409	24,595	3,060	4,101
Current assets		132,242	116,760	3,060	4,101
Assets		241,890	239,964	66,301	81,857

Balance sheet 31 December

Liabilities and equity

	Note	Group		Parent company	
		2024	2023	2024	2023
		TDKK	TDKK	TDKK	TDKK
Share capital	12	50	50	50	50
Reserve for net revaluation under the equity method		0	0	0	7,194
Reserve for development costs		3,450	0	0	0
Reserve for exchange rate conversion		320	331	0	0
Retained earnings		46,558	56,556	50,328	49,693
Equity attributable to shareholders of the Parent Company		50,378	56,937	50,378	56,937
Minority interests		8,178	10,694	0	0
Equity		58,556	67,631	50,378	56,937
Credit institutions		6,500	15,500	6,500	15,500
Lease obligations		49,986	59,163	0	0
Long-term debt	13	56,486	74,663	6,500	15,500
Credit institutions	13	11,834	12,840	9,000	9,000
Lease obligations	13	20,000	21,000	0	0
Trade payables		68,312	46,057	20	20
Payables to owners and Management		61	59	63	59
Corporation tax		4,490	3,868	0	0
Other payables		21,991	13,666	340	341
Deferred income	14	160	180	0	0
Short-term debt		126,848	97,670	9,423	9,420
Debt		183,334	172,333	15,923	24,920
Liabilities and equity		241,890	239,964	66,301	81,857
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Fee to auditors appointed at the general meeting	19				
Accounting Policies	20				

Statement of changes in equity

Group

	Share capital	Reserve for development costs	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	0	331	56,556	56,937	10,694	67,631
Extraordinary dividend paid	0	0	0	0	0	-1,800	-1,800
Exchange adjustments relating to foreign entities	0	0	-11	0	-11	-3	-14
Development costs for the year	0	3,450	0	-3,450	0	0	0
Net profit/loss for the year	0	0	0	-6,548	-6,548	-713	-7,261
Equity at 31 December	50	3,450	320	46,558	50,378	8,178	58,556

Statement of changes in equity

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	7,194	49,693	56,937
Exchange adjustments relating to foreign entities	0	-11	0	-11
Other equity movements	0	-7,200	7,200	0
Transfers, reserves	0	4,518	-4,518	0
Net profit/loss for the year	0	-4,501	-2,047	-6,548
Equity at 31 December	50	0	50,328	50,378

Cash flow statement 1 January - 31 December

	Note	Group	
		2024	2023
		TDKK	TDKK
Result of the year		-7,261	667
Adjustments	15	31,875	31,577
Change in working capital	16	11,818	6,315
Cash flow from operations before financial items		36,432	38,559
Financial income		2,565	2,017
Financial expenses		-9,168	-7,219
Cash flows from ordinary activities		29,829	33,357
Corporation tax paid		-4,900	-803
Cash flows from operating activities		24,929	32,554
Purchase of intangible assets		-4,422	0
Purchase of property, plant and equipment		-1,545	-1,601
Fixed asset investments made etc		-2,867	0
Sale of property, plant and equipment		0	340
Sale of fixed asset investments made etc		0	1,404
Cash flows from investing activities		-8,834	143
Repayment of loans from credit institutions		-10,006	-6,884
Reduction of lease obligations		-18,976	-20,691
Other equity entries		6,301	0
Dividend paid		-3,600	-3,000
Cash flows from financing activities		-26,281	-30,575
Change in cash and cash equivalents		-10,186	2,122
Cash and cash equivalents at 1 January		24,595	22,473
Cash and cash equivalents at 31 December		14,409	24,595
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		14,409	24,595
Cash and cash equivalents at 31 December		14,409	24,595

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Geographical segments				
Northern Europe	248,952	227,535	0	0
Western Europe	347,357	333,906	0	0
Eastern Europe	9,433	23,263	0	0
Other	6,540	0	0	0
	612,282	584,704	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
2. Staff				
Wages and salaries	107,675	100,811	0	0
Other social security expenses	0	17	0	0
Other staff expenses	357	42	0	0
	108,032	100,870	0	0

Wages and salaries etc. are recognised in the following items:

Production expenses	77,229	60,294	0	0
Distribution expenses	4,758	6,178	0	0
Administrative expenses	26,045	34,398	0	0
	108,032	100,870	0	0

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	503	521	1	1
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Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
3. Income from investments in subsidiaries		
Share of profits	0	2,378
Share of losses	-2,856	0
Amortisation of goodwill	-2,815	-1,828
	-5,671	550

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
4. Income tax expense				
Current tax for the year	3,954	3,733	0	0
Deferred tax for the year	-5,312	-1,880	0	0
Adjustment of tax concerning previous years	-45	0	0	0
	-1,403	1,853	0	0

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
5. Profit allocation				
Reserve for net revaluation under the equity method	0	0	-4,501	550
Minority interests' share of net profit/loss of subsidiaries	-713	595	0	0
Retained earnings	-6,548	72	-2,047	-478
	-7,261	667	-6,548	72

Notes to the Financial Statements

6. Intangible fixed assets

Group

	Completed development projects	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	0	22,835	0
Additions for the year	3,719	0	703
Cost at 31 December	<u>3,719</u>	<u>22,835</u>	<u>703</u>
Impairment losses and amortisation at 1 January	0	5,912	0
Amortisation for the year	0	2,813	0
Impairment losses and amortisation at 31 December	<u>0</u>	<u>8,725</u>	<u>0</u>
Carrying amount at 31 December	<u>3,719</u>	<u>14,110</u>	<u>703</u>

Development projects in progress relates to customization and implementation of a new group-wide ERP-system. The project is expected to be finalized in Q2 2025.

Completed development projects consists of Design and implementation of 3rd country recruitment and training platform in Hungary and Bulgaria, which is expected to be fully operational in both countries by end of Q2 2025.

7. Property, plant and equipment

Group

	Other fixtures and fittings, tools and equipment
	TDKK
Cost at 1 January	126,916
Additions for the year	31,155
Disposals for the year	<u>-41,928</u>
Cost at 31 December	<u>116,143</u>
Impairment losses and depreciation at 1 January	39,164
Depreciation for the year	22,677
Reversal of impairment and depreciation of sold assets	<u>-19,918</u>
Impairment losses and depreciation at 31 December	<u>41,923</u>
Carrying amount at 31 December	<u>74,220</u>
Including assets under finance leases amounting to	<u>69,942</u>

Notes to the Financial Statements

	Parent company	
	2024	2023
	TDKK	TDKK
8. Investments in subsidiaries		
Cost at 1 January	52,032	52,032
Cost at 31 December	52,032	52,032
Value adjustments at 1 January	7,195	18,323
Net profit/loss for the year	-2,856	2,378
Dividend to the Parent Company	-7,200	-12,000
Other equity movements, net	-11	321
Amortisation of goodwill	-2,815	-1,828
Value adjustments at 31 December	-5,687	7,194
Carrying amount at 31 December	46,345	59,226
Remaining positive difference included in the above carrying amount at	13,637	16,451

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Baton Transport Holding A/S	Slagelse	400 TDKK	80%
Baton Transport A/S	Slagelse	400 TDKK	80%
Baton Transport SP. Z.O.O	Poland	5.000 PLN	80%
Baton Transport Bulgaria EOOD	Bulgaria	50 BGN	80%
Baton Transport GmbH	Germany	50.000 EUR	80%
Baton Transport AB	Sweden	50.000 SEK	80%
Baton Transport Switzerland AG	Switzerland	100.000 CHF	80%
Baton Transport Hungary KFT	Hungary	58.000 THUF	80%
Baton Transport Latvia SIA	Latvia	57.100 EUR	80%

Notes to the Financial Statements

9. Other fixed asset investments

	Group	Parent company
	Other receivables	Other receivables
	TDKK	TDKK
Cost at 1 January	18,530	18,530
Additions for the year	166	166
Disposals for the year	-1,800	-1,800
Cost at 31 December	<u>16,896</u>	<u>16,896</u>
Carrying amount at 31 December	<u>16,896</u>	<u>16,896</u>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
Deferred tax asset at 1 January	3,931	2,051	0	0
Amounts recognised in the income statement for the year	5,312	1,880	0	0
Deferred tax asset at 31 December	<u>9,243</u>	<u>3,931</u>	<u>0</u>	<u>0</u>

The recognized tax asset comprises tax loss carry-forwards expected to be utilized within the next three to five years. Utilization of the deferred tax asset is dependent on the Group succeeding in the strategy which is being implemented and is expected to provide full benefits by 2027. Management currently anticipates that the strategy will result in positive results which will allow the tax asset to be utilized within three to five years.

11. Prepayments

Prepayments consist of prepaid expenses related to rent, leasing, insurance premiums, subscriptions, etc.

12. Share capital

The share capital consists of 50,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

Notes to the Financial Statements

Group		Parent company	
2024	2023	2024	2023
TDKK	TDKK	TDKK	TDKK

13. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Credit institutions

After 5 years	0	0	0	0
Between 1 and 5 years	6,500	15,500	6,500	15,500
Long-term part	6,500	15,500	6,500	15,500
Within 1 year	9,000	9,000	9,000	9,000
Other short-term debt to credit institutions	2,834	3,840	0	0
	18,334	28,340	15,500	24,500

Lease obligations

After 5 years	0	0	0	0
Between 1 and 5 years	49,986	59,163	0	0
Long-term part	49,986	59,163	0	0
Within 1 year	20,000	21,000	0	0
	69,986	80,163	0	0

14. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
15. Cash flow statement - Adjustments		
Financial income	-2,565	-2,017
Financial expenses	9,168	7,219
Depreciation, amortisation and impairment losses, including losses and gains on sales	26,689	24,121
Tax on profit/loss for the year	-1,403	1,853
Exchange adjustments	-14	401
	<u>31,875</u>	<u>31,577</u>

	Group	
	2024	2023
	TDKK	TDKK
16. Cash flow statement - Change in working capital		
Change in inventories	-44	1,753
Change in receivables	-18,699	-2,598
Change in trade payables, etc	30,561	7,160
	<u>11,818</u>	<u>6,315</u>

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations				
Charges and security				
The following assets have been placed as security with				
Company charge of DKK 4 million on unsecured claims/trade receivables, fuel etc, inventories, crew, nonregistered vehicles, intellectual property rights and operating fixtures and equipment at a carrying amount of	39,015	16,239	0	0

Notes to the Financial Statements

	Group		Parent company	
	2024	2023	2024	2023
	TDKK	TDKK	TDKK	TDKK
17. Contingent assets, liabilities and other financial obligations				
Rental and lease obligations				
Obligation to designate buyer, operating leases. Expected residual value on expiry agreement	62,564	23,112	0	0

Other contingent liabilities

The Danish 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 TDKK 0. 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 Group's liability.

The company has provided guarantee of payment to the bank for its subsidiaries.

The company has pledged its assets in the subsidiary as collateral to the bank.

18. Related parties

	Basis
Controlling interest	
Claus Normann Hansen Mühlemattstrasse 25, 6004 Luzern, Schweiz	Majority shareholder

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)(6) of the Danish Financial Statements Act.

Notes to the Financial Statements

	Group	
	2024	2023
	TDKK	TDKK
19. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	693	452
Other assurance engagements	0	18
Tax advisory services	21	446
Non-audit services	190	251
	904	1,167

Notes to the Financial Statements

20. Accounting policies

The Annual Report of Slow Hands ApS for 2024 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 Financial Statements and the Parent Company Financial Statements for 2024 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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Slow Hands ApS, 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.

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.

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Notes to the Financial Statements

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.
- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.
- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may 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.
- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.
- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.
- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Notes to the Financial Statements

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Business acquisitions carried through on or after 1 July 2018

Minority interests are initially measured at their proportionate share of the fair value of the acquired entity's identifiable net assets. In this way, only goodwill related to the Parent Company's share of the entity acquired is recognised.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses 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 information on revenue

Information on geographical segments is based on the Group's risks and returns and its internal financial reporting system.

Income statement

Revenue

Transport services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Production expenses

Production expenses comprise costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

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

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 - 10 years, determined on the basis of Management's experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

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.

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 fixtures and fittings, tools and equipment	3-10 years
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The fixed assets' residual values are determined on average at 36 % of total cost.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments 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

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

Notes to the Financial Statements

The item “Investments in subsidiaries” 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 intercompany 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 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.

Subsidiaries 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.

Other fixed asset investments

Other fixed asset investments consist of deposit

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 and costs of completion. 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.

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 rent, insurance premiums, subscriptions and interest.

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, including the tax base of tax loss carry-forwards, 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.

Notes to the Financial Statements

Financial liabilities

Loans, such as 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.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act, the Parent Company has not prepared a cash flow statement for the Company itself but has only prepared a cash flow statement for the Group.

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.

Financial Highlights

Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$