BEIERHOLM
VI SKABER BALANCE

# Kim Johansen International Transport A/S

Agenavej 11, 2670 Greve
CVR no. 21 84 08 90

# Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 25.04.23

Niels Gade
Dirigent

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# Group information etc.

## The company

Kim Johansen International Transport A/S
Agenavej 11
2670 Greve
Tel.: 43 95 93 00
Registered office: Greve
CVR no.: 21 84 08 90
Financial year: 01.01 - 31.12

## Executive Board

CEO Kim Leidersdorff Johansen
CFO Mikael Kolbe
COO John Prehn Lauritzen

## Board of Directors

Morten Skovfoged Tinggaard, chairman
Niels Gade
CEO Kim Leidersdorff Johansen
John Romedahl
May Wenche Strømsnes
Henrik Vandbæk Mårtensson

## Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

# Group chart

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# Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Kim Johansen International Transport A/S.

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

In our opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.22 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Greve, April 25, 2023

**Executive Board**

| | | |
|---|---|---|
| Kim Leidersdorff Johansen<br>CEO | Mikael Kolbe<br>CFO | John Prehn Lauritzen<br>COO |

**Board of Directors**

| | | |
|---|---|---|
| Morten Skovfoged Tinggaard<br>Chairman | Niels Gade | Kim Leidersdorff Johansen<br>CEO |
| John Romedahl | May Wenche Strømsnes | Henrik Vandbæk Mårtensson |

# Independent auditor’s report

**To the Shareholder of Kim Johansen International Transport A/S**

## Opinion

We have audited the consolidated financial statements and parent company financial statements of Kim Johansen International Transport A/S for the financial year 01.01.22 - 31.12.22, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing 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 consolidated financial statements and parent company financial statements” section of our report. We are independent of the group and the company 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 regarding the management’s review

Management is responsible for management’s review.

Our opinion on the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements, our responsibility is to read management’s review and, in doing so, consider whether management’s review is materially inconsistent with the consolidated financial statements or parent company 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, we conclude that management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management's review.

**Management's responsibility for the consolidated financial statements and parent company financial statements**

The 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. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company 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 International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company 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 per-formance 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.

Slagelse, April 25, 2023

**Beierholm**

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jens Jørgen Bay Simonsen

State Authorized Public Accountant
MNE-no. mne11503

## GROUPS FINANCIAL HIGHLIGHTS

### Key figures

| Figures in DKK '000 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| *Profit/loss* | | | | | |
| Revenue | 624,715 | 594,405 | 466,093 | 530,784 | 495,916 |
| Gross profit | 68,334 | 65,887 | 59,298 | 53,813 | 43,696 |
| Index | 156 | 151 | 136 | 123 | 100 |
| EBITA | 31,162 | 44,209 | 31,957 | 30,426 | 26,414 |
| Index | 118 | 167 | 121 | 115 | 100 |
| Profit before net financials | 14,632 | 22,457 | 12,616 | 10,139 | 2,921 |
| Index | 501 | 769 | 432 | 347 | 100 |
| Total net financials | 573 | 225 | 730 | -28 | -964 |
| Profit for the year | 11,714 | 18,814 | 10,164 | 7,446 | 1,281 |
| *Balance* | | | | | |
| Total assets | 204,284 | 205,996 | 188,813 | 203,195 | 212,044 |
| Investments in property, plant and equipment | 21,601 | 17,120 | 7,498 | 15,693 | 17,154 |
| Equity | 62,895 | 59,221 | 43,801 | 36,540 | 29,605 |
| Invested capital including goodwill | 63,738 | 82,214 | 70,844 | 93,830 | 97,980 |
| Index | 65 | 84 | 72 | 96 | 100 |
| Interest-bearing debt | 843 | 22,992 | 31,784 | 59,092 | 81,442 |
| Index | 1 | 28 | 39 | 73 | 100 |

### Ratios

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| *Profitability* | | | | | |
| Return on equity | 19.2% | 36.5% | 25.3% | 22.5% | 4.4% |
| Gross margin | 10.9% | 11.1% | 12.7% | 10.1% | 8.8% |
| Return on invested capital | 22.5% | 32.6% | 9.9% | 10.8% | 3.0% |
| Profit margin | 2.3% | 3.8% | 2.7% | 1.9% | 0.6% |
| Net margin (%) | 1.9% | 3.0% | 2.2% | 1.4% | 0.3% |

**Ratios** - continued -

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| *Equity ratio* | | | | | |
| Solvency ratio | 30.8% | 28.7% | 23.2% | 18.0% | 14.0% |
| Financial gearing | 0.0 | 0.4 | 0.7 | 1.6 | 2.8 |

*Ratios definitions*

| | |
|---|---|
| Return on equity: | $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$ |
| Gross margin: | $\frac{\text{Gross result x 100}}{\text{Revenue}}$ |
| Return on invested capital: | $\frac{\text{EBITA x 100}}{\text{Avg. invested capital excl. goodwill}}$ |
| EBITA: | Operating profit plus amortisation and im-pairment losses on goodwill. |
| Invested capital excl. goodwill: | Sum of intangible operating assets and property, plant and equipment (excl. goodwill) as well as net working capital. |
| Profit margin: | $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$ |
| Solvency ratio: | $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$ |

## Primary activities

We provide time sensitive and efficient international transport solutions with respect for the environment and road safety. We are striving for a market leading position within air cargo trucking in Europe while also strengthening our position within time sensitive transport solutions.

## Development in activities and financial affairs

Profit before tax for the year 2022 totals DKK 15,2m and profit after tax for the year 2022 totals DKK 11,7m. The equity on December 31st, 2022 totals DKK 62,9m. The cashflows for the year 2022 total DKK 15,8m.

The overall financial performance of the year 2022 is in line with the growth strategy and the ambitious expectations from the Management.

The war in Ukraine and the increasing inflation during 2022 are external topics with impact on our Group as well as the international transportation business in general with consequences like high (fuel) costs, shortage of resources, increasing of interests and an uncertainty about the future.

Furthermore, the financial result is positively affected by sale of equipment with DKK 6,7m because the market for used equipment has been favorable. This also impacts positively on the cashflows.

## Outlook

With a strong foundation, we will focus on continuing our growth strategy and at the same time invest in further development of our digital platform as well as in strengthening our organization.

A potential recession or significant decrease of overall activity in the European international transportation business during 2023 will have a potentially negative impact on our Group.

However, based on our knowledge now and our constantly focus to adjust to the market conditions, we expect an activity level in the range of DKK 650-680m along with financial results before tax in the range of DKK 20-25m and positive cashflows in 2023 in the range of DKK 10-15m.

## Financial risks

*Foreign currency risks*

The Group is not considered to be exposed to special risks aside from those assessed as ordinary for this industry.

Further, the Group is not considered particularly exposed to financial risks as most of its revenue, purchases and funding are in Danish kroner or Euro. However, a part of the cost is paid in PLN and RON. The main part of this has been secured by forward exchange contracts.

The Group's interest-bearing liabilities are carrying a mix of fixed and variable interests.

## Corporate social responsibility

KJTG has established comprehensive CSR policies that encompass the following categories: Environment and Climate, Staff Conditions, Labor and Human Rights, Anti-corruption practices, Business Ethics, and Diversity. These policies are documented and published on our website at https://kim-johansen.com/did-you-know/CSR-policies.

To enhance transparency and provide a detailed overview of our CSR practices and outline our future goals, we have developed and published a CSR Report. The most recent CSR report, covering the years 2020 and 2021, was released in June 2022. We have plans to publish a joint report for 2022 and 2023 in June 2024.

The main values of KJTG are Teamwork, Respect, Flexibility and Responsibility and the mission statement is: "We provide time sensitive and efficient transport solutions with respect for the environment and road safety."

Environment and Climate
As part of our commitment to the environment and sustainability, our organization has implemented a robust environmental policy. Our primary objective is to comply with relevant environmental standards while raising awareness among our internal and external stakeholders about the importance of environmental stewardship.

Our external environmental policies are rooted in the careful selection of reliable partners and suppliers who share our environmental values. This ensures that the quality, environmental performance, and reliability of our equipment are aligned with our commitment to responsible environmental practices.

As of the end of 2022, the average age of our trucks was 2.6 years. Throughout the year, we replaced 119 trucks with 63 new units, and during the latter half of 2022, we commenced testing a new type of truck that has shown a significant improvement in performance. Consequently, we have ordered an additional 50 of these trucks to join our fleet in the first half of 2023. Besides this, 1/3 of our truck fleet will be exchanged with new units of the most modern and technologically updated trucks during 2023.

Our fleet has been compliant with EURO6 emissions standards for many years, with consistent improvements in vehicle performance year after year. As a testament to our sustainability efforts, the group's GHG (greenhouse gas) index in 2022 was 4% lower compared to 2021.

Our internal environmental policy at KJTG is based on acquiring knowledge, developing skills, and raising employee awareness to ensure responsible environmental practices throughout our operations.

As part of our commitment to resource optimization, we place great emphasis on conscientious fleet management. Our experienced planners work diligently to minimize instances of unproductive and inefficient driving and strive to keep our fleet on the road as close to 24/7 as possible.

In 2022, our focus continued to be on improving the driving practices of our drivers. We provided eco-driving training to 170 new drivers and conducted ongoing monitoring and analysis of eco-driving scores for our existing drivers. This enabled us to provide them with tools to enhance their eco-driving performance, resulting in 200 drivers improving their eco-driving scores and further highlighting our commitment to promoting sustainable driving behaviors.

In addition to our focus on reducing direct emissions, our environmental policies also include waste management and reduction. We have established recycling programs for paper and waste generated from workshop activities, with agreements in place to ensure proper disposal of waste when recycling is not possible. Furthermore, all used tires are rethreaded and reused by other businesses or recycled into new materials through established agreements. As part of our commitment to sustainable practices, our administrative employees are encouraged to reduce, reuse, and recycle various office supplies, including paper.

Over the past 11 years, KJTG has successfully reduced its greenhouse gas (GHG) emission index by 25%. As part of our ongoing commitment to sustainability, we will continue to embrace the latest technologies, invest in our fleet, and prioritize the knowledge and expertise of our employees.

Looking ahead, our objective for 2026 is to further reduce our GHG emissions by a minimum of an additional 3%. We recognize that sustainability is a core pillar of our business strategy, and we will continue to drive initiatives that align with our values and contribute to a greener, more sustainable transportation industry.

Staff Conditions, Labor and Human Rights

KJTG is committed to respecting human and labor rights in all aspects of activities and operations, in accordance with applicable legislation. Our employees are hired on a contractual basis and entitled to social security benefits. Driving with time-sensitive cargo requires significant efforts from our drivers, who play a critical role in ensuring timely and efficient delivery of goods. These efforts include driving at night and exchanging vehicles on the road.

In 2022 no fatal accidents involving drivers were reported. To prevent accidents, KJTG emphasizes verifying driver adherence to safety precautions and understanding of driving and resting rules through ongoing monitoring and training. This includes mitigating risks associated with drowsy driving by providing training on driving and resting rules to prevent fatigue-related issues. KJTG also has a 24/7 service desk available to provide assistance and guidance to employees, including drivers, further reinforcing our commitment to employee well-being and safety.

In 2022, KJTG launched the "Low Speed Vehicles" project aimed at enhancing safety, increasing fuel efficiency, and promoting environmental sustainability. As part of this project, a maximum speed limit of 82 km/h was implemented for a segment of our fleet, allowing drivers more time to react to unexpected situations on the road and improving safety outcomes.

The use of safety equipment and adherence to safety guidelines is mandatory for all employees, including guidelines outlined in driver and workshop manuals provided by the Group. Furthermore, all drivers undergo training in ADR (Accord Dangereux Routier) and security protocols to ensure competency in handling hazardous materials and maintaining security measures. KJTG provides training to inexperienced drivers to ensure they possess a comprehensive understanding and knowledge of their responsibilities.

KJTG places a high emphasis on providing proper conditions for rest, with approximately 30 apartment and hotel hubs located across Europe to facilitate mandated rest periods and maintain optimal levels of alertness while on the road. The Group is committed to ongoing renovations and improvements of its facilities, including recent construction of separate bathrooms for male and female drivers at the main hub in Greve, Denmark to promote gender equality and create a safe and inclusive work environment. Construction of a gym for drivers at the main hub in Greve, Denmark will commence in 2023 to promote a healthy and active lifestyle.

Over the past few years, KJTG has transitioned from regular mobile phones to smartphones for all drivers, providing more flexibility in communication, documentation, and information exchange. In 2022, driver smartphones were successfully used to meet EU mobility package requirements. KJTG is currently developing a driver app that will offer convenient access to instructions, information, documentation, and support, as well as feature informative videos to enhance knowledge and expertise, streamlining communication and resource access for drivers.

Anti-corruption Practices and Business Ethics

KJTG upholds high ethical standards and promotes anti-corruption practices in its business operations. Strict policies are in place to prevent acceptance or offering of bribes, theft, fraud, and anti-competitive behaviors by employees. Any breaches of these rules are taken seriously and reported to the authorities when relevant. In 2022, training on business ethics, anti-competitive behaviors, and anti-bribery practices was provided to 170 new drivers as part of their introduction training, in line with our commitment to promoting a culture of ethical conduct among our employees to maintain integrity and ensure compliance with legal and regulatory requirements.

During December 2021, KJTG also implemented an internal whistleblower scheme.

## Gender diversity

*Target figures for the supreme management body*

At KJTG, we are committed to providing equal opportunities to all our employees and candidates, without any discrimination based on gender, race, age, sexual orientation, or any other factors.

As of the end of 2022, the gender ratio for the Board of Directors at KJTG stands at 80% men and 20% women, respectively. We believe that a diverse and inclusive Board, with more equal (60/40) participation of men and women, brings valuable perspectives, insights, and experiences that contribute to better decision-making and overall organizational performance. This goal will be in focus during coming replacements and is set to be achieved in 2026.

As of the end of 2022, the gender ratio in our Management group at KJTG is currently 81% men and 19% women, based on a total Management group of 16 (last year 80% men and 20% women). We are committed to obtaining a ratio of 60/40, which is set to be achieved in 2026.

*Policy to increase the share of the underrepresented gender at other management levels*

To increase the share of the underrepresented gender at a management level, focus has been set to encourage all employees and potential employees to strive for any career goal despite their gender and to offer equal opportunities for the candidates with right competences.

## Data ethics

Since the implementation of the European Union's General Data Protection Regulation (GDPR) in May 2018, the responsible use of personal data has been an integral part of KJTG's operations. We are committed to continuously working on procedures, policies, and practices to promote awareness and achieve transparency in the handling and erasure of personal and intercompany data.

To comply with GDPR requirements, KJTG has established and implemented an internal IT-Security Policy and a Policy for the deletion and storage of personal data. These policies provide clear guidelines and procedures for handling personal data in a secure and compliant manner. They outline the steps to be followed by our employees and stakeholders to protect personal data and ensure its proper storage and deletion in accordance with GDPR regulations.

# Income statement

| Note | | Group 2022 DKK '000 | Group 2021 DKK '000 | Parent 2022 DKK '000 | Parent 2021 DKK '000 |
|---|---|---|---|---|---|
| 2 | **Revenue** | **624,715** | **594,405** | **499,897** | **465,650** |
| | Production costs | -556,381 | -528,518 | -472,490 | -435,425 |
| | Administration costs | -55,970 | -51,853 | -24,778 | -24,771 |
| | Other operating income | 2,268 | 8,424 | 8,676 | 10,272 |
| | Other operating expenses | 0 | 0 | -5,405 | -6,582 |
| | **Operating profit** | **14,632** | **22,458** | **5,900** | **9,144** |
| 5 | Income from equity investments in group enterprises | 0 | 0 | 5,950 | 10,675 |
| 6 | Financial income | 2,330 | 1,725 | 2,735 | 2,334 |
| 7 | Financial expenses | -1,757 | -1,500 | -1,024 | -950 |
| | **Profit before tax** | **15,205** | **22,683** | **13,561** | **21,203** |
| | Tax on profit for the year | -3,491 | -3,869 | -1,847 | -2,389 |
| | **Profit for the year** | **11,714** | **18,814** | **11,714** | **18,814** |

8 Proposed appropriation account

# Balance sheet

## ASSETS

| Note | | Group | | Parent | |
|---|---|---|---|---|---|
| | | 31.12.22 DKK '000 | 31.12.21 DKK '000 | 31.12.22 DKK '000 | 31.12.21 DKK '000 |
| | Completed development projects | 311 | 666 | 155 | 463 |
| | Goodwill | 183 | 450 | 0 | 0 |
| | Development projects in progress | 1,867 | 0 | 1,867 | 0 |
| 9 | **Total intangible assets** | **2,361** | **1,116** | **2,022** | **463** |
| | Plant and machinery | 36,984 | 44,918 | 28,469 | 29,560 |
| | Other fixtures and fittings, tools and equipment | 4,207 | 4,408 | 3,609 | 4,063 |
| 10 | **Total property, plant and equipment** | **41,191** | **49,326** | **32,078** | **33,623** |
| 11 | Equity investments in group enterprises | 0 | 0 | 35,600 | 34,754 |
| 12 | Receivables from group enterprises | 1,100 | 2,202 | 9,262 | 12,650 |
| 11 | Equity investments in associates | 63 | 63 | 63 | 63 |
| 11 | Other investments | 4,035 | 3,105 | 4,035 | 3,105 |
| 12 | Deposits | 3,360 | 4,962 | 2,163 | 2,163 |
| | **Total investments** | **8,558** | **10,332** | **51,123** | **52,735** |
| | **Total non-current assets** | **52,110** | **60,774** | **85,223** | **86,821** |
| | Raw materials and consumables | 4,426 | 4,609 | 1,816 | 2,359 |
| | **Total inventories** | **4,426** | **4,609** | **1,816** | **2,359** |
| | Trade receivables | 85,751 | 91,875 | 72,373 | 77,846 |
| | Other receivables | 26,240 | 27,290 | 7,319 | 8,373 |
| 13 | Prepayments | 7,571 | 8,878 | 3,225 | 2,464 |
| | **Total receivables** | **119,562** | **128,043** | **82,917** | **88,683** |
| | **Cash** | **28,186** | **12,570** | **12,774** | **584** |
| | **Total current assets** | **152,174** | **145,222** | **97,507** | **91,626** |
| | **Total assets** | **204,284** | **205,996** | **182,730** | **178,447** |

# Balance sheet

## EQUITY AND LIABILITIES

| Note | | Group 31.12.22 DKK '000 | Group 31.12.21 DKK '000 | Parent 31.12.22 DKK '000 | Parent 31.12.21 DKK '000 |
|---|---|---|---|---|---|
| 14 | Share capital | 4,225 | 4,225 | 4,225 | 4,225 |
| | Reserve for net revaluation according to the equity method | 0 | 0 | 13,268 | 12,422 |
| | Reserve for development costs | 0 | 0 | 1,577 | 359 |
| | Foreign currency translation reserve | -293 | -229 | 0 | 0 |
| | Cash flow hedging reserve | 459 | 435 | 459 | 435 |
| | Retained earnings | 52,504 | 46,790 | 37,366 | 33,780 |
| | Proposed dividend for the financial year | 6,000 | 8,000 | 6,000 | 8,000 |
| | **Total equity** | **62,895** | **59,221** | **62,895** | **59,221** |
| 15 | Provisions for deferred tax | 5,533 | 5,899 | 6,811 | 6,079 |
| | **Total provisions** | **5,533** | **5,899** | **6,811** | **6,079** |
| 16 | Payables to other credit institutions | 190 | 768 | 190 | 414 |
| 16 | Lease commitments | 8,535 | 14,893 | 6,342 | 9,101 |
| 16 | Other payables | 1,802 | 2,240 | 1,802 | 2,240 |
| | **Total long-term payables** | **10,527** | **17,901** | **8,334** | **11,755** |
| 16 | Short-term part of long-term payables | 12,333 | 11,595 | 9,696 | 7,096 |
| | Payables to other credit institutions | 203 | 192 | 203 | 163 |
| | Trade payables | 80,013 | 78,475 | 64,637 | 59,019 |
| | Payables to group enterprises | 240 | 578 | 18,833 | 22,372 |
| | Payables to associates | 5,692 | 5,985 | 5,692 | 5,985 |
| | Income taxes | 2,936 | 3,754 | 794 | 2,053 |
| | Other payables | 23,912 | 22,396 | 4,835 | 4,704 |
| | **Total short-term payables** | **125,329** | **122,975** | **104,690** | **101,392** |
| | **Total payables** | **135,856** | **140,876** | **113,024** | **113,147** |
| | **Total equity and liabilities** | **204,284** | **205,996** | **182,730** | **178,447** |

17 Fair value information
18 Derivative financial instruments
19 Contingent liabilities
20 Charges and security
21 Related parties

| Figures in DKK '000 | Share capital | Reserve for net revaluation according to the equity method | Reserve for development costs | Foreign currency translation reserve | Cash flow hedging reserve | Retained earnings | Proposed dividend for the financial year | Total equity |
|---|---|---|---|---|---|---|---|---|
| Group: | | | | | | | | |
| Statement of changes in equity for 01.01.22 - 31.12.22 | | | | | | | | |
| Balance as at 01.01.22 | 4,225 | 0 | 0 | -229 | 435 | 46,790 | 8,000 | 59,221 |
| Foreign currency translation adjustment of foreign enterprises | 0 | 0 | 0 | -64 | 0 | 0 | 0 | -64 |
| Fair value adjustment of hedging instruments | 0 | 0 | 0 | 0 | 587 | 0 | 0 | 587 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 | -8,000 | -8,000 |
| Other changes in equity | 0 | 0 | 0 | 0 | -434 | 0 | 0 | -434 |
| Tax on changes in equity | 0 | 0 | 0 | 0 | -129 | 0 | 0 | -129 |
| Net profit/loss for the year | 0 | 0 | 0 | 0 | 0 | 5,714 | 6,000 | 11,714 |
| Balance as at 31.12.22 | 4,225 | 0 | 0 | -293 | 459 | 52,504 | 6,000 | 62,895 |

| Figures in DKK '000 | Share capital | Reserve for net revaluation according to the equity method | Reserve for development costs | Foreign currency translation reserve | Cash flow hedging reserve | Retained earnings | Proposed dividend for the financial year | Total equity |
|---|---|---|---|---|---|---|---|---|
| Parent: | | | | | | | | |
| Statement of changes in equity for 01.01.22 - 31.12.22 | | | | | | | | |
| Balance as at 01.01.22 | 4,225 | 12,422 | 359 | 0 | 435 | 33,780 | 8,000 | 59,221 |
| Foreign currency translation adjustment of foreign enterprises | 0 | -64 | 0 | 0 | 0 | 0 | 0 | -64 |
| Total depreciation, amortisation, impairment losses and write-downs during the year | 0 | 0 | -392 | 0 | 0 | 392 | 0 | 0 |
| Distributed dividend from group enterprises | 0 | -5,040 | 0 | 0 | 0 | 5,040 | 0 | 0 |
| Fair value adjustment of hedging instruments | 0 | 0 | 0 | 0 | 587 | 0 | 0 | 587 |
| Dividend paid | 0 | 0 | 0 | 0 | 0 | 0 | -8,000 | -8,000 |
| Other changes in equity | 0 | 0 | 1,953 | 0 | -434 | -1,953 | 0 | -434 |
| Tax on changes in equity | 0 | 0 | -343 | 0 | -129 | 343 | 0 | -129 |
| Net profit/loss for the year | 0 | 5,950 | 0 | 0 | 0 | -236 | 6,000 | 11,714 |
| Balance as at 31.12.22 | 4,225 | 13,268 | 1,577 | 0 | 459 | 37,366 | 6,000 | 62,895 |

# Consolidated cash flow statement

| Note | | Group 2022 DKK '000 | Group 2021 DKK '000 |
|---|---|---|---|
| | **Profit for the year** | **11,714** | **18,814** |
| 22 | Adjustments | 13,608 | 25,396 |
| | Change in working capital: | | |
| | Inventories | 183 | -2,242 |
| | Receivables | 8,515 | -31,891 |
| | Trade payables | 4,944 | 15,893 |
| | Other payables relating to operating activities | 0 | 2,681 |
| | **Cash flows from operating activities before net financials** | **38,964** | **28,651** |
| | Interest income and similar income received | 2,329 | 1,725 |
| | Interest expenses and similar expenses paid | -1,715 | -1,500 |
| | Income tax paid | -4,738 | -3,609 |
| | **Cash flows from operating activities** | **34,840** | **25,267** |
| | Purchase of intangible assets | -1,950 | -429 |
| | Purchase of property, plant and equipment | -20,900 | -17,120 |
| | Sale of property, plant and equipment | 18,718 | 2,286 |
| | Purchase of securities and equity investments | -1,205 | -3,838 |
| | Sale of securities and equity investments | 265 | 243 |
| | **Cash flows from investing activities** | **-5,072** | **-18,858** |
| | Dividend paid | -8,000 | -4,000 |
| | Arrangement of payables to credit institutions | 11,531 | 13,439 |
| | Repayment of payables to credit institutions | -2,728 | -4,530 |
| | Repayment of lease commitments | -15,235 | -24,345 |
| | Arrangement of payables to group entreprises | 1,102 | 12,643 |
| | Repayment of payables to group entreprises | -338 | -2,022 |
| | Arrangement of payables to associates | -293 | 884 |
| | **Cash flows from financing activities** | **-13,961** | **-7,931** |
| | **Total cash flows for the year** | **15,807** | **-1,522** |
| | Cash, beginning of year | 12,571 | 13,984 |
| | Short-term payables to credit institutions, beginning of year | -192 | -83 |
| | **Cash, end of year** | **28,186** | **12,379** |
| | Cash, end of year, comprises: | | |
| | Cash | 28,186 | 12,571 |
| | Short-term payables to credit institutions | 0 | -192 |
| | **Total** | **28,186** | **12,379** |

## 1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

| | | Group | | Parent | |
|---|---|---|---|---|---|
| Special items: | Recognised in the income statement in: | 2022 DKK '000 | 2021 DKK '000 | 2022 DKK '000 | 2021 DKK '000 |
| COVID-19 compensations | Other operating income | 0 | 4,247 | 0 | 0 |
| Badwill | Other operation income | 0 | 2,007 | 0 | 0 |
| Total | | 0 | 6,254 | 0 | 0 |

The Group's activities in 2021 were directly impacted by the outburst of COVID-19 virus. As a result, the Group applied for compensation under relevant aid schemes in countries, where the Group operates, primarily relating to salary and capacity costs compensation. Received compensation, where Management estimates that the risk of repayment is minimal, was recognized in other operating income in 2021.

In 2021 the Group purchased activities, including client contracts, employees, plant and machinery, entered leasing agreements, etc. in Slovakia from a former competitor. Management treated the purchase as a business combination. As described in accounting policies in the section "business combinations", the Group applied the acquisition method. In this regard, negative goodwill (badwill) approx mDKK 2 were recognised in other operating income. In the Parent Financial Statements, badwill is recognised in income from equity investments in group enterprises.

Due to the special nature and material size of the received compensation as well as badwill, both recognized in other operating income, these transactions were presented as special items in the annual report.

| | Group | | Parent | |
|---|---|---|---|---|
| | 2022<br>DKK '000 | 2021<br>DKK '000 | 2022<br>DKK '000 | 2021<br>DKK '000 |

## 2. Revenue

Revenue comprises the following activities:

| | | | | |
|---|---|---|---|---|
| Revenue from transport services | 624,715 | 594,405 | 499,897 | 465,650 |

Revenue comprises the following geographical markets:

| | | | | |
|---|---|---|---|---|
| Denmark | 0 | 16 | 0 | 16 |
| Other countries | 624,715 | 594,389 | 499,897 | 465,634 |
| Total | 624,715 | 594,405 | 499,897 | 465,650 |

## 3. Employee aspects

| | | | | |
|---|---|---|---|---|
| Wages and salaries | 152,764 | 147,847 | 20,439 | 17,524 |
| Pensions | 1,893 | 1,454 | 1,344 | 1,207 |
| Other social security costs | 20,657 | 17,426 | 31 | 21 |
| Total | 175,314 | 166,727 | 21,814 | 18,752 |
| Average number of employees during the year | 721 | 828 | 31 | 29 |

Remuneration for the management:

| | | | | |
|---|---|---|---|---|
| Salaries for the Executive Board | 625 | 0 | 625 | 0 |
| Remuneration for the Board of Directors | 2,090 | 0 | 1,590 | 0 |
| Remuneration for the Executive Board and Board of Directors | 2,715 | 2,041 | 2,215 | 796 |

With reference to Section 98 b of the Annual Accounts Act, information on remuneration for the Executive Board and Board of Directors in 2021 is summarized.

| | Group | | Parent | |
|---|---|---|---|---|
| | 2022 DKK '000 | 2021 DKK '000 | 2022 DKK '000 | 2021 DKK '000 |

## 4. Fees to auditors appointed by the general meeting

| | | | | |
|---|---|---|---|---|
| Statutory audit of the financial statements | 578 | 521 | 374 | 365 |
| Other assurance engagements | 23 | 23 | 0 | 0 |
| Other services | 230 | 206 | 44 | 40 |
| Total | 831 | 750 | 418 | 405 |

Beierholm (member of HLB International) serves as the auditor appointed by the general meeting for Kim Johansen International Transport A/S.

Fee to other auditors comprise fees to the appointed auditors for other group enterprises. Other auditors comprise the following audit firms:
- Deloitte
- Fideta Audit
- Avanta Audit
- HLB Expertus KLF (member of HLB International).
- SIA "Sandra Dzerele un Partneris" (member of HLB International).
- Mandat Audit, s.r.o

## 5. Income from equity investments in group enterprises

| | | | | |
|---|---|---|---|---|
| Share of profit or loss of group enterprises | 0 | 0 | 6,217 | 10,942 |
| Amortisation of goodwill | 0 | 0 | -267 | -267 |
| Total | 0 | 0 | 5,950 | 10,675 |

## 6. Financial income

| | | | | |
|---|---|---|---|---|
| Interest, group enterprises | 59 | 260 | 953 | 1,006 |
| Other financial income | 2,271 | 1,465 | 1,782 | 1,328 |
| Total | 2,330 | 1,725 | 2,735 | 2,334 |

| | Group | | Parent | |
|---|---|---|---|---|
| | 2022 DKK '000 | 2021 DKK '000 | 2022 DKK '000 | 2021 DKK '000 |

## 7. Financial expenses

| | | | | |
|---|---|---|---|---|
| Interest, group enterprises | 0 | 6 | 321 | 442 |
| Other financial expenses | 1,757 | 1,494 | 703 | 508 |
| Total | 1,757 | 1,500 | 1,024 | 950 |

## 8. Proposed appropriation account

| | | | | |
|---|---|---|---|---|
| Reserve for net revaluation according to the equity method | 0 | 0 | 5,950 | 10,675 |
| Proposed dividend for the financial year | 6,000 | 8,000 | 6,000 | 8,000 |
| Retained earnings | 5,714 | 10,814 | -236 | 139 |
| Total | 11,714 | 18,814 | 11,714 | 18,814 |

## 9. Intangible assets

| Figures in DKK '000 | Completed development projects | Goodwill | Development projects in progress |
|---|---|---|---|
| Group: | | | |
| Cost as at 01.01.22 | 2,368 | 1,335 | 0 |
| Additions during the year | 83 | 0 | 1,867 |
| Cost as at 31.12.22 | 2,451 | 1,335 | 1,867 |
| Amortisation and impairment losses as at 01.01.22 | -1,703 | -885 | 0 |
| Amortisation during the year | -437 | -267 | 0 |
| Amortisation and impairment losses as at 31.12.22 | -2,140 | -1,152 | 0 |
| Carrying amount as at 31.12.22 | 311 | 183 | 1,867 |

## 9. Intangible assets - continued -

| Figures in DKK '000 | Completed development projects | Goodwill | Development projects in progress |
|---|---|---|---|
| Parent: | | | |
| Cost as at 01.01.22 | 2,137 | 0 | 0 |
| Additions during the year | 84 | 0 | 1,867 |
| Cost as at 31.12.22 | 2,221 | 0 | 1,867 |
| Amortisation and impairment losses as at 01.01.22 | -1,674 | 0 | 0 |
| Amortisation during the year | -392 | 0 | 0 |
| Amortisation and impairment losses as at 31.12.22 | -2,066 | 0 | 0 |
| Carrying amount as at 31.12.22 | 155 | 0 | 1,867 |

Completed development projects and development projects in progress comprise the development of new internal Transport Management System, ERP-system and automation of processes.

The capitalized costs comprise external costs.

It is Management's assessment that there are no impairment indications regarding completed developments projects and development projects in progress.

## 10. Property, plant and equipment

| Figures in DKK '000 | Leasehold improvements | Plant and machinery | Other fixtures and fittings, tools and equipment |
|---|---|---|---|
| Group: | | | |
| Cost as at 01.01.22 | 1,418 | 153,295 | 18,508 |
| Additions during the year | 0 | 20,132 | 1,469 |
| Disposals during the year | 0 | -57,798 | -63 |
| Cost as at 31.12.22 | 1,418 | 115,629 | 19,914 |
| Depreciation and impairment losses as at 01.01.22 | -1,418 | -108,377 | -14,100 |
| Depreciation during the year | 0 | -14,978 | -1,670 |
| Reversal of depreciation of and impairment losses on disposed assets | 0 | 44,710 | 63 |
| Depreciation and impairment losses as at 31.12.22 | -1,418 | -78,645 | -15,707 |
| Carrying amount as at 31.12.22 | 0 | 36,984 | 4,207 |
| Parent: | | | |
| Cost as at 01.01.22 | 724 | 128,279 | 15,057 |
| Additions during the year | 0 | 18,499 | 985 |
| Disposals during the year | 0 | -47,111 | 0 |
| Cost as at 31.12.22 | 724 | 99,667 | 16,042 |
| Depreciation and impairment losses as at 01.01.22 | -724 | -98,719 | -10,994 |
| Depreciation during the year | 0 | -11,409 | -1,439 |
| Reversal of depreciation of and impairment losses on disposed assets | 0 | 38,930 | 0 |
| Depreciation and impairment losses as at 31.12.22 | -724 | -71,198 | -12,433 |
| Carrying amount as at 31.12.22 | 0 | 28,469 | 3,609 |
| Carrying amount of assets held under finance leases as at 31.12.22 | 0 | 18,172 | 653 |

## 11. Investments

| Figures in DKK '000 | Equity investments in group enterprises | Equity investments in associates | Other investments |
|---|---|---|---|
| Group: | | | |
| Cost as at 01.01.22 | 0 | 63 | 103 |
| Cost as at 31.12.22 | 0 | 63 | 103 |
| Fair value adjustments as at 01.01.22 | 0 | 0 | 3,002 |
| Fair value adjustments during the year | 0 | 0 | 930 |
| Fair value adjustments as at 31.12.22 | 0 | 0 | 3,932 |
| Carrying amount as at 31.12.22 | 0 | 63 | 4,035 |
| Parent: | | | |
| Cost as at 01.01.22 | 22,332 | 63 | 103 |
| Cost as at 31.12.22 | 22,332 | 63 | 103 |
| Revaluations as at 01.01.22 | 13,307 | 0 | 0 |
| Foreign currency translation adjustment of foreign enterprises | -64 | 0 | 0 |
| Net profit/loss from equity investments | 6,217 | 0 | 0 |
| Dividend relating to equity investments | -5,040 | 0 | 0 |
| Revaluations as at 31.12.22 | 14,420 | 0 | 0 |
| Depreciation and impairment losses as at 01.01.22 | -885 | 0 | 0 |
| Amortisation of goodwill | -267 | 0 | 0 |
| Depreciation and impairment losses as at 31.12.22 | -1,152 | 0 | 0 |
| Fair value adjustments as at 01.01.22 | 0 | 0 | 3,002 |
| Fair value adjustments during the year | 0 | 0 | 930 |
| Fair value adjustments as at 31.12.22 | 0 | 0 | 3,932 |
| Carrying amount as at 31.12.22 | 35,600 | 63 | 4,035 |

## 11. Investments - continued -

| Name and registered office: | Ownership interest | Equity DKK'000 | Net profit/loss for the year DKK'000 | Recognised value DKK'000 |
|---|---|---|---|---|
| Subsidiaries: | | | | |
| Kim Johansen Transport SAS, France | 100% | 3,928 | -3,380 | 4,001 |
| Kim Johansen International Transport AS, Norway | 100% | 2,523 | 54 | 2,523 |
| Kim Johansen Transport OÜ, Estonia | 100% | 5,729 | 1,241 | 4,970 |
| Kim Johansen Poland SP. Z.o.o., Poland | 100% | 9,260 | 3,439 | 9,260 |
| Kim Johansen Transport SRL, Romania | 90% | -1,104 | 18 | -931 |
| Kim Johansen International Transport GmbH, Germany | 100% | -172 | -17 | -172 |
| Kim Johansen Transport SIA, Latvia | 100% | 7,740 | 1,589 | 7,035 |
| Kim Johansen Transport s.r.o., Slovakia | 100% | 8,982 | 3,274 | 8,915 |
| Associates: | | | | |
| Partner-Logistic ApS, Glostrup | 50% | 150 | 5 | 63 |

Other investments comprise shares of OK A.m.b.a. The fair value of shares in OK A.m.b.a. is determined as the amount on the shareholder account calculated in accordance with OK A.m.b.a.'s articles of association.

## 12. Other non-current financial assets

| Figures in DKK '000 | Receivables from group enterprises | Deposits |
|---|---|---|
| Group: | | |
| Cost as at 01.01.22 | 2,202 | 4,962 |
| Additions during the year | 1,100 | 266 |
| Disposals during the year | -2,202 | -1,868 |
| Cost as at 31.12.22 | 1,100 | 3,360 |
| Carrying amount as at 31.12.22 | 1,100 | 3,360 |
| Parent: | | |
| Cost as at 01.01.22 | 12,650 | 2,163 |
| Additions during the year | 3,166 | 266 |
| Disposals during the year | -6,554 | -266 |
| Cost as at 31.12.22 | 9,262 | 2,163 |
| Carrying amount as at 31.12.22 | 9,262 | 2,163 |

| | Group | | Parent | |
|---|---|---|---|---|
| | 31.12.22 DKK '000 | 31.12.21 DKK '000 | 31.12.22 DKK '000 | 31.12.21 DKK '000 |
| **13. Prepayments** | | | | |
| Other prepayments | 7,571 | 8,878 | 3,225 | 2,464 |
| Total | 7,571 | 8,878 | 3,225 | 2,464 |

### 14. Share capital

The share capital consists of:

| | Quantity | Total nominal value DKK'000 |
|---|---|---|
| Share class A | 9 | 1,690 |
| Share class B | 15 | 2,535 |
| Total | | 4,225 |

The share capital as of 31.12.2022 consists of:

A shares DKK '000 1,690 are divided in 3 A shares value DKK '000 500 a piece, 1 A share nominel value DKK '000 100 a piece, 1 A share nominel value DKK '000 50 a piece and 4 A shares nominel value DKK '000 10 a piece.

B shares DKK '000 2,535 are divided in 6 B shares nominel value DKK '000 400 a piece, 6 B shares nominel value DKK '000 20 a piece and 3 B shares nominel value DKK '000 5 a piece.

### 15. Deferred tax

| | | | | |
|---|---|---|---|---|
| Deferred tax as at 01.01.22 | 5,899 | 5,563 | 6,079 | 5,887 |
| Deferred tax recognised in the income statement | -366 | 336 | 732 | 192 |
| Deferred tax as at 31.12.22 | 5,533 | 5,899 | 6,811 | 6,079 |
| Deferred tax is recognized in the balance sheet as: | | | | |
| Provisions for deferred tax | 5,533 | 5,899 | 6,811 | 6,079 |
| Deferred tax is distributed as below: | | | | |
| Intangible assets | 445 | 102 | 445 | 102 |
| Property, plant and equipment | 4,826 | 5,240 | 5,201 | 4,891 |
| Inventories | 400 | 519 | 400 | 519 |
| Receivables | 866 | 792 | 0 | 0 |
| Liabilities | -101 | -101 | 765 | 567 |
| Tax losses | -903 | -653 | 0 | 0 |
| Total | 5,533 | 5,899 | 6,811 | 6,079 |

## 16. Long-term payables

| Figures in DKK '000 | Repayment first year | Outstanding debt after 5 years | Total payables at 31.12.22 | Total payables at 31.12.21 |
|---|---|---|---|---|
| Group: | | | | |
| Payables to credit institutions | 210 | 0 | 400 | 1,666 |
| Lease commitments | 11,718 | 604 | 20,253 | 25,590 |
| Other payables | 405 | 0 | 2,207 | 2,240 |
| Total | 12,333 | 604 | 22,860 | 29,496 |
| Parent: | | | | |
| Payables to credit institutions | 210 | 0 | 400 | 604 |
| Lease commitments | 9,486 | 604 | 15,828 | 16,007 |
| Other payables | 0 | 0 | 1,802 | 2,240 |
| Total | 9,696 | 604 | 18,030 | 18,851 |

## 17. Fair value information

| Figures in DKK '000 | Unlisted securities and equity investments | Derivative financial instruments | Total |
|---|---|---|---|
| Group: | | | |
| Fair value as at 31.12.22 | 4,035 | 587 | 4,622 |
| Unrealised changes of fair value recognised in the income statement for the year | 930 | 0 | 930 |
| Unrealised changes of fair value recognised in equity for the year | 0 | 587 | 587 |

The method for fair value measurement of unlisted securities and equity investments is described in note note 11
The method for fair value measurement of derivative financial instruments is based on calculations from counterparties as dedcribed in note 18

## 18. Derivative financial instruments

Group:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The group concludes contracts for the sole purpose of hedging the currency risk on the future payments of production- and capacity costs in foreign currency. At the end of a 2022, a future payment of costs in PLN and RON of approx. 21.620k was secured for a period of up to 6 months. The fair value of the forward exchange contracts amounts to DKK 587k as at 31.12.22, and the unrealised net gain before tax recognised in equity as at 31.12.22 also constitutes DKK 587k. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

Parent:

The Board of Directors lays down the framework for the conclusion of contracts for derivative financial instruments. The group concludes contracts for the sole purpose of hedging the currency risk on the future payments of production- and capacity costs in foreign currency. At the end of a 2022, a future payment of costs in PLN and RON of approx. 21.620k was secured for a period of up to 6 months. The fair value of the forward exchange contracts amounts to DKK 587k as at 31.12.22, and the unrealised net gain before tax recognised in equity as at 31.12.22 also constitutes DKK 587k. Forward exchange contracts are only concluded with counterparties (Danish banks) with a good credit score from a reputable credit rating agency.

## 19. Contingent liabilities

Group:

*Lease commitments*

The group has entered operating lease agreements on trucks, trailers and operating plant etc. for the years 2022-2028. Annual payments for operating leases (2023 amounts) are DKK 51,491k (2022 amounts: DKK 46,301k).

The group has entered other leasing and contractual agreements regarding rental of office and workshop premises as well as parking areas, etc. with terms to maturity of 6-60 months. Annual payments for these operating lease agreements (2023 amounts) are DKK 11,651 (2021 amounts: DKK 12,392k). This includes lease agreements concluded with group enterprises, but the agreements are also specified separately below.

The company has entered lease agreements with group enterprises with terms to maturity of 12 months. The total minimum lease obligation comprises DKK 2,922k (2021: DKK 2,803k).

**19. Contingent liabilities** - continued -

*Recourse guarantee commitments*

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 20.152k at the balance sheet date.

Parent:

*Lease commitments*

The company has entered operating lease agreements on trucks, trailers and operating plant etc. for the years 2022-2028. Annual payments for operating leases (2023 amounts) are DKK 45,775k (2022) amounts: DKK 30.576k).

The company has entered other leasing and contractual agreements regarding rental of office and workshop premises as well as parking areas, etc. with terms to maturity of 6-60 months. Annual payments for these operating lease agreements (2023 amounts) are DKK 9,462k (2022 amounts: DKK 10,340k). This includes lease agreements concluded with group enterprises, but the agreements are also specified separately below.

The company has entered lease agreements with group enterprises with terms to maturity of 12 months. The total minimum lease obligation comprises DKK 2,922k (2021: DKK 2,803k).

*Recourse guarantee commitments*

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is unlimited. The group enterprises' debt to the credit institutions concerned amounts to DKK 20.152k at the balance sheet date.

*Guarantee commitments*

The company has provided a payment guarantee on operating and financial lease agreements in group enterprises. The carrying amount of financial lease debt in group enterprises covered by this guarantee is DKK 1,415k (2021: DKK 4,783k). Annual payments for operating leases in subsidiaries are DKK 7,846k (2021: DKK 9,916k).

*Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group, where Kim Johansen Holding A/S serves as the administration company, and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

## 20. Charges and security

Group:

The group has issued mortgage deeds registered to the mortgagor secured upon plant and machinery. The mortgage deeds registered to the mortgagor are provided as security for debt to credit institutions and for financial leasing liabilities.

The group has provided a company charge of DKK 30,000k (2021: DKK 30,000k) as security for debt to credit institutions. As at 31.12.22, the company charge comprises intangible property rights, property plant and equipment, inventories and trade receivables.

Parent:

The company has issued mortgage deeds registered to the mortgagor secured upon plant and machinery. The mortgage deeds registered to the mortgagor are provided as security for debt to credit institutions and for financial leasing liabilities.

The company has provided a company charge of DKK 30,000k (2021: DKK 30,000k) as security for debt to credit institutions. As at 31.12.22,the company charge comprises intangible property rights, property plant and equipment, inventories and trade receivables.

Furthermore, debt to credit institutions has been secured by deposited shares with a nominal value of NOK 100k in Kim Johansen Norge AS. The carrying amount of nominal NOK 100k shares in Kim Johansen Norge AS is DKK 840k (2021: DKK 870k).

## 21. Related parties

| Controlling influence | Basis of influence |
|---|---|
| Kim Johansen Holding A/S, Greve | Parent company |
| Kim Leidersdorff Johansen, 12 Rue Saint-Etienne, F-60300 Senlis, France | Principal shareholder, owns 100% of the shares in the parent company, Kim Johansen Holding A/S |

## 21. Related parties - continued -

| Transactions | Relation | Group 2022 DKK '000 | Parent 2022 DKK '000 |
|---|---|---|---|
| Sales recognised in production costs | Subsidiaries | 0 | 208,069 |
| Purchases recognised in production costs | Subsidiaries and other group entreprises | 3,279 | 487,384 |
| Sales recognised in administrative costs | Subsidiaries and other group entreprises | 254 | 18,863 |
| Purchases recognised in administrative costs | Subsidiaries and other group entreprises | 0 | 11,284 |
| Other operating income | Subsidiaries | 0 | 7,864 |
| Other financial income | Subsidiaries and other group entreprises | 59 | 953 |
| Other financial costs | Subsidiaries and other group entreprises | 0 | 321 |

Remuneration for the management is specified in note 3. Employee aspects.

| Balances | Group 31.12.22 DKK '000 | Parent 31.12.22 DKK '000 |
|---|---|---|
| Receivables from group enterprises | 1,100 | 9,262 |
| Payables to group enterprises | -1,511 | -18,833 |
| Payables to associates | -5,692 | -5,692 |

Receivables from group companies recognised under current assets and short-term payables to group enterprises consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment. No write-downs have been made on the receivables.

Receivables from associates recognised under current assets and short-term payables to associates consist of balances which are settled on an ongoing basis and in accordance with the company's standard terms of agreement and payment. No write-downs have been made on the receivables.

The company is included in the consolidated financial statements of the parent Kim Johansen Holding A/S, Greve.

## 22. Adjustments for the cash flow statement

| | | |
|---|---|---|
| Depreciation and impairments losses of property, plant and equipment | 10,795 | 21,752 |
| Financial income | -2,329 | -1,725 |
| Financial expenses | 1,651 | 1,500 |
| Tax on profit or loss for the year | 3,491 | 3,869 |
| Total | 13,608 | 25,396 |

## 23. Accounting policies

### GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

The accounting policies have been applied consistently with previous years.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

### BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the

**23. Accounting policies** - continued -

date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

Revaluation of assets and liabilities between book value and fair value has primarilly comprised the difference between market value, based on assessment should similar agreements be enteret with a third party, of similar leasehold and buy back agreements compared to the actual prices in entered agreements.

The tax effect of the above mention reassessments is recognised as deferred tax.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the net assets acquired and the purchase price of the enterprise. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under deferred income in the balance sheet and is reduced as these liabilities are realised. Any remaining negative difference (negative goodwill) is recognised as income in other operating income in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

**CURRENCY**

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange

## 23. Accounting policies - continued -

rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

On recognition of integrated foreign entities, monetary items are translated using the exchange rates applicable at the balance sheet date. Non-monetary items are translated using the exchange rates applicable at the date of acquisition or the date of subsequent revaluation or impairment of the asset. The items in the income statement are translated at the exchange rates applicable at the transaction date, while items derived from non-monetary items are translated at the historical exchange rates for such non-monetary items.

### DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. In the event that the hedged transaction results in the recognition of an asset or a liability, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be included in the cost of the asset or the liability. In the event that the hedged transaction results in the recognition of an income or an expense, the accumulated fair value adjustment of the hedging instrument, which was previously recognised in equity, will be recognised together with the hedged income or expense.

If the hedged transaction is no longer expected to occur, the cash flow hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument is transferred to other net financials in the income statement. If the hedged transaction is still expected to occur, but the criteria for cash flow hedging are no longer met, the hedging treatment is discontinued, and the accumulated fair value adjustment of the hedging instrument remains in equity until the transaction occurs.

**23. Accounting policies** - continued -

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

## LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

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

## INCOME STATEMENT

### Revenue

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

### Production costs

Costs incurred, directly or indirectly, to generate the revenue for the year, including operation of trucks, drivers' wages and salaries and lease of and depreciation, amortisation and impairment losses on trucks, trailers etc., are recognised under production costs.

### Administrative expenses

Expenses incurred during the year for management and administration, including wages and salaries for administrative staff and management as well as office premise expenses, office expenses, bad debts etc. and lease of and depreciation, amortisation and impairment losses on the fixed assets used for administration, are recognised under administrative expenses.

## 23. Accounting policies - continued -

### Other operating income

Other operating income comprises income of a secondary nature in relation to the Group's activities, including reinvoicing of production costs, as well as income from rental agreements with subsidiaries and other external rental agreements, as well as required compensations from COVID-19 aid schemes.

### Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

| | Useful lives, years | Residual value, per cent |
|---|---|---|
| Completed development projects | 3 | 0 |
| Goodwill | 5 | 0 |
| Leasehold improvements | 7 | 0 |
| Plant and machinery | 3-10 | 0-15 |
| Other plant, fixtures and fittings, tools and equipment | 3-10 | 0-15 |

Goodwill is amortised over 5 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

### Other operating expenses

Other operating expenses comprise costs relating to generating other operating income.

### Income from equity investments in group entreprises and associates

For equity investments in equity investments in associates and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associates only the proportionate share of intercompany gains and losses is eliminated.

**23. Accounting policies** - continued -

Dividends from equity investments measured at cost are recognised as income in the financial year in which the dividend is declared.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

### Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

### Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

## BALANCE SHEET

### Intangible assets

*Completed development projects and development projects in progress*

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

**23. Accounting policies** - continued -

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

*Goodwill*

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation and impairment losses' section.

*Gains and losses on the disposal of intangible assets*

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

**Property, plant and equipment**

Property, plant and equipment comprise leasehold improvements, plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

## 23. Accounting policies - continued -

### Equity investments in group entreprises and associates

*Equity investments in group enterprises*

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

*Equity investments in associates*

Equity investments in associates are measured at cost less any impairment in the balance sheet of the parent. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments.

In the consolidated financial statements, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

*Equity method*

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5 years for equity investments in subsidiaries. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

## 23. Accounting policies - continued -

*Gains or losses on disposal of equity investments*

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

### Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

If dividends are distributed on equity investments in associates exceeding the year earnings from the enterprise in question, this is considered an indication of impairment.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed, unless goodwill is included in the carrying amount of equity investments.

### Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence

**23. Accounting policies** - continued -

and the expected development in the selling price.

**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

**Prepayments**

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

**Other investments**

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be determined reliably are measured at cost.

**Cash**

Cash includes deposits in bank accounts as well as operating cash.

**Equity**

The proposed dividend for the financial year is recognised as a separate item in equity.

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with

**23. Accounting policies** - continued -

a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Unrealised foreign currency gains and losses from the translation of the net investment in independent foreign entities are recognised in equity under the foreign currency translation reserve. The reserve is dissolved when the independent foreign entities are disposed of.

Unrealised gains and losses on financial instruments classified as and meeting the criteria for hedging of future cash flows (cash flow hedging) are recognised in equity under the cash flow hedging reserve. The reserve is measured less deferred tax. The reserve is dissolved when the hedged transaction occurs, or it is no longer expected to occur.

### Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

### Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable

**23. Accounting policies** - continued -

on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

## CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.