

LEMAN A/S

Venttrupvej 6
2670 Greve
CVR No. 41955619

Annual report 2024

The Annual General Meeting adopted the
annual report on 09.05.2025

René Bach Larsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2024	11
Balance sheet at 31.12.2024	12
Statement of changes in equity for 2024	14
Notes	15
Accounting policies	22

Entity details

Entity

LEMAN A/S

Ventrupvej 6

2670 Greve

Business Registration No.: 41955619

Date of foundation: 12.12.1972

Registered office: Greve

Financial year: 01.01.2024 - 31.12.2024

Board of Directors

René Bach Larsen, Chairman

Louise Hansen

Christian Ahlm Pape

Executive Board

Jesper Renner Autzen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LEMAN A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Greve, 09.05.2025

Executive Board

Jesper Renner Autzen
Chief Executive Officer

Board of Directors

René Bach Larsen
Chairman

Louise Hansen

Christian Ahlm Pape

Independent auditor's report

To the shareholder of LEMAN A/S

Opinion

We have audited the financial statements of LEMAN A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 09.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Anders Kreiner

State Authorised Public Accountant
Identification No (MNE) mne26765

Management commentary

Financial highlights

	2024	2023	2022	2021	2020
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	1,683,980	1,510,524	1,896,491	1,605,454	1,127,130
Gross profit/loss	218,416	260,449	318,179	260,824	187,085
Operating profit/loss	(27,670)	22,877	81,657	38,635	(12,134)
Net financials	9,303	6,658	(3,730)	(1,057)	8,781
Profit/loss for the year	(54,308)	(50,176)	48,956	27,414	(13,725)
Total assets	683,361	662,378	748,531	674,506	650,751
Investment in intangible assets	0	2,393	7,198	13,505	11,422
Investments in property, plant and equipment	13,206	11,752	1,448	1,543	1,066
Equity	270,571	323,543	378,599	320,647	421,893
Average number of full-time employees	387	383	390	367	373
Ratios					
Gross margin (%)	12.97	17.24	16.78	16.25	16.60
Return on equity (%)	(18.28)	(14.29)	14.00	7.38	(3.16)
Equity ratio (%)	39.59	48.85	50.58	47.54	64.83

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

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

Primary activities

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

Development in activities and finances

The consolidated revenue for 2024 amounted to DKK 1,684 million, an increase of 11% compared to DKK 1,511 million in 2023. Although market volumes remained high throughout the year, freight rates were at historically low levels. This was particularly evident within ocean freight, but both road and airfreight markets were also significantly affected.

In Contract Logistics, warehouse utilisation remained below full capacity throughout the year. Gross profit decreased by 16% to DKK 218 million, compared to DKK 260 million last year. The gross profit margin improved from 17% to 18%, primarily due to a favourable shift in the business mix and a higher share of value-adding services.

Profit before tax ended at a loss of DKK 57.0 million, compared to a loss of DKK 44.0 million in 2023.

The markets for international cargo transportation in which LEMAN operates continued to face significant challenges in 2024, with freight rates remaining at historically low levels. This trend followed the already weak market conditions experienced in 2023, including lower cargo volumes.

While LEMAN was geared to handle higher volumes in 2024, the persistently low rates put pressure on margins across several key markets. This impact was particularly noticeable in our organisations in the US, the UK, and China. Our Nordic organisations were also affected but were better positioned to mitigate the effects of the difficult market environment.

Throughout 2024, the LEMAN organisation once again demonstrated the agility and responsiveness needed to deliver the best possible transport solutions to our customers and international business partners in a volatile market environment.

Sustainability has also become an increasingly important part of our customer dialogue, and we take our responsibility in this area very seriously. Following a significant reduction in our Scope 1 and 2 emissions in previous years, we invested in one of the largest rooftop solar panel installations in the Greater Copenhagen area, with 4,000 square metres of panels installed on top of our warehouse in Greve.

In mid-2024, we opened the first phase of the expansion of our terminal facility in Taulov, Denmark. The second phase was successfully completed and opened in January 2025, further strengthening our capacity and infrastructure in Northern Europe.

Profit/loss for the year in relation to expected developments

The financial result for 2024 was unsatisfactory, reflecting continued market pressure and underutilised organisational and operational capacity in a number of key markets.

Despite this, the Group made significant progress on its strategic priorities. In 2024, we invested a substantial double-digit million amount (DKK) in expanding our presence in new markets, upgrading facilities, strengthening IT infrastructure, and developing our people. Our cash position remains strong, and the Group is well positioned for renewed growth in 2025.

Outlook

The Company will continue to execute a series of growth initiatives and investments to strengthen and expand the capacity and reach of the LEMAN Group despite the poor performance in 2024.

Global freight markets remain weak, and the overall outlook is marked by a high degree of uncertainty. We currently have less visibility into the year ahead than we typically do, and there are no clear indicators that market conditions will improve significantly in the short term.

Ocean freight rates are expected to stay relatively low, and international cargo volumes are only projected to grow slightly – in line with modest global GDP forecasts.

Despite these conditions, LEMAN expects to return to profitability in 2025. We anticipate turnover in the range of DKK 1.5 to 2.0 billion, with a stable gross profit margin.

Use of financial instruments

Financial risks

The Group is only exposed to interest rate fluctuations to a limited extent, as both the equity ratio and overall financial resources are considered very satisfactory. At present, the Group does not use financial instruments to hedge interest rate risk.

Currency risks

The Group conducts purchase and sales transactions in multiple currencies, including DKK, SEK, NOK, EUR, GBP, CNY, TWD, ISK, MXN, VND, USD, and USD-related currencies. Investments have also been made in several of these currencies.

Since 2020, the Group has followed a hedging policy under which exposure to foreign currencies – primarily USD – is partially hedged. Gains and losses from these hedging instruments are recognised as financial items in the income statement, while value adjustments to the hedged assets are booked directly to reserves.

Where possible, currency exposures from sales transactions are offset by matching purchases in the same currencies.

Group relations

LEMAN operates within transportation, freight forwarding, and logistics. With a direct presence in 12 countries and a strong global network of trusted agents, we provide worldwide service coverage.

In addition to the transportation of goods, LEMAN offers a range of value-adding services, including customs clearance, cargo insurance, warehousing, and tailored distribution solutions.

Statutory report on corporate social responsibility

The Company's statutory report on corporate social responsibility, addressing the reporting requirements under section 99(a) of the Danish Financial Statements Act, is included in the Annual Report of LEMAN Holding A/S (CVR: 36700513) for 2024.

Statutory report on the underrepresented gender

	2024	2023	2022
Supreme management body			
Total number of members	3	3	3
Underrepresented gender (%)	33.00	33.00	33.00
Year of expected achievement of target figures	2024	2023	2022
	2024	2023	2022
Other management levels			
Total number of members	7	7	6
Underrepresented gender (%)	43.00	43.00	33.00
Year of expected achievement of target figures	2024	2023	2022

Diversity and gender balance

At LEMAN, we are committed to creating an open, modern, and inspiring workplace where colleagues can develop their full potential. Through a transparent structure, we aim to ensure balanced representation of women and men across all levels of management.

We actively work to foster diversity and to encourage and develop more female leaders in a traditionally male-dominated industry. By the end of 2024, women accounted for 33% of our Board of Directors (one out of three members) and 43% of our Senior Management Team (three out of seven members).

Our commitment to equal opportunities is embedded in our Employee Manual and guides our ongoing efforts to promote diversity and inclusion across the organisation.

Statutory report on data ethics policy

The Company's statutory report on the underrepresented gender, addressing the requirements under section 99(b) of the Danish Financial Statements Act, is included in the Annual Report of Leman Holding A/S (CVR: 36700513) for 2024.

Events after the balance sheet date

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

Income statement for 2024

		2024	2023
	Notes	DKK'000	DKK '000
Revenue	2	1,683,980	1,510,524
Other operating income		31,444	76,502
Cost of sales		(1,404,240)	(1,220,997)
Other external expenses		(92,768)	(105,580)
Gross profit/loss		218,416	260,449
Staff costs	3	(229,542)	(222,484)
Depreciation, amortisation and impairment losses	4	(16,544)	(15,088)
Operating profit/loss		(27,670)	22,877
Income from investments in group enterprises		(38,599)	(73,636)
Income from investments in associates		(100)	0
Other financial income	5	10,318	14,910
Other financial expenses	6	(1,015)	(8,252)
Profit/loss before tax		(57,066)	(44,101)
Tax on profit/loss for the year	7	2,758	(6,075)
Profit/loss for the year	8	(54,308)	(50,176)

Balance sheet at 31.12.2024

Assets

		2024	2023
	Notes	DKK'000	DKK'000
Completed development projects	10	31,767	40,134
Goodwill		0	1,119
Intangible assets	9	31,767	41,253
Plant and machinery		4,342	5,749
Other fixtures and fittings, tools and equipment		20,018	12,519
Property, plant and equipment	11	24,360	18,268
Investments in group enterprises		55,911	100,039
Receivables from group enterprises		140,568	94,255
Investments in associates		0	0
Deposits		557	698
Financial assets	12	197,036	194,992
Fixed assets		253,163	254,513
Trade receivables		262,337	213,159
Receivables from group enterprises	13	113,028	15,490
Other receivables		29	1,868
Prepayments	14	8,456	11,402
Receivables		383,850	241,919
Other investments		76	76
Other investments		76	76
Cash		46,272	165,870
Current assets		430,198	407,865
Assets		683,361	662,378

Equity and liabilities

		2024	2023
	Notes	DKK'000	DKK'000
Contributed capital	15	10,000	10,000
Translation reserve		3,506	7,053
Reserve for development expenditure		24,778	31,304
Retained earnings		232,287	275,186
Equity		270,571	323,543
Deferred tax	16	4,709	9,430
Provisions		4,709	9,430
Other payables	17	15,951	15,806
Non-current liabilities other than provisions	18	15,951	15,806
Current portion of non-current liabilities other than provisions	18	345	161
Prepayments received from customers		2,274	0
Trade payables		276,782	216,951
Payables to group enterprises		81,372	52,015
Joint taxation contribution payable		0	8,067
Other payables		31,044	36,025
Deferred income	19	313	380
Current liabilities other than provisions		392,130	313,599
Liabilities other than provisions		408,081	329,405
Equity and liabilities		683,361	662,378
Events after the balance sheet date	1		
Financial instruments	20		
Fair value information	21		
Unrecognised rental and lease commitments	22		
Contingent liabilities	23		
Related parties with controlling interest	24		
Non-arm's length related party transactions	25		
Group relations	26		

Statement of changes in equity for 2024

	Contributed capital DKK'000	Translation reserve DKK'000	Reserve for net revaluation according to the equity method DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000
Equity beginning of year	10,000	7,053	0	31,304	275,186
Exchange rate adjustments	0	(4,547)	4,883	0	0
Tax of entries on equity	0	1,000	0	0	0
Transfer to reserves	0	0	(4,883)	(6,526)	11,409
Profit/loss for the year	0	0	0	0	(54,308)
Equity end of year	10,000	3,506	0	24,778	232,287

	Total DKK'000
Equity beginning of year	323,543
Exchange rate adjustments	336
Tax of entries on equity	1,000
Transfer to reserves	0
Profit/loss for the year	(54,308)
Equity end of year	270,571

Notes

1 Events after the balance sheet date

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

2 Revenue

	2024 DKK'000	2023 DKK'000
Denmark	1,683,980	1,510,524
Total revenue by geographical market	1,683,980	1,510,524
Road & Logistics	1,238,731	1,156,080
Air & sea	445,249	354,444
Total revenue by activity	1,683,980	1,510,524

3 Staff costs

	2024 DKK'000	2023 DKK'000
Wages and salaries	204,502	200,706
Pension costs	19,725	17,624
Other social security costs	5,315	4,154
	229,542	222,484

Average number of full-time employees	387	383
---------------------------------------	-----	-----

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

4 Depreciation, amortisation and impairment losses

	2024 DKK'000	2023 DKK'000
Amortisation of intangible assets	9,486	10,471
Depreciation of property, plant and equipment	7,058	4,617
	16,544	15,088

5 Other financial income

	2024 DKK'000	2023 DKK'000
Financial income from group enterprises	4,991	4,927
Other interest income	2,921	4,613
Exchange rate adjustments	2,406	5,370
	10,318	14,910

In 2024, part of the exchange rate adjustments consisted of unrealised fair value adjustments of 723 thousand (2023: 1,614 thousand) relating to financial instruments.

6 Other financial expenses

	2024 DKK'000	2023 DKK'000
Financial expenses from group enterprises	0	2,094
Other interest expenses	648	75
Exchange rate adjustments	0	5,819
Other financial expenses	367	264
	1,015	8,252

7 Tax on profit/loss for the year

	2024 DKK'000	2023 DKK'000
Current tax	0	6,980
Change in deferred tax	(3,721)	(738)
Adjustment concerning previous years	963	(167)
	(2,758)	6,075

8 Proposed distribution of profit and loss

	2024 DKK'000	2023 DKK'000
Retained earnings	(54,308)	(50,176)
	(54,308)	(50,176)

9 Intangible assets

	Completed development projects DKK'000	Goodwill DKK'000
Cost beginning of year	92,828	31,676
Cost end of year	92,828	31,676
Amortisation and impairment losses beginning of year	(52,694)	(30,557)
Amortisation for the year	(8,367)	(1,119)
Amortisation and impairment losses end of year	(61,061)	(31,676)
Carrying amount end of year	31,767	0

10 Development projects

Completed development projects include the development of the Transport Management System for road activities and the new Transport Management System CargoWise for the AIR/SEA activities, and other supportive IT systems. The development projects are all completed in 2023 and comprise both external consultancy fees and internal labour costs.

11 Property, plant and equipment

	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	17,041	58,640
Additions	0	13,206
Disposals	(347)	0
Cost end of year	16,694	71,846
Depreciation and impairment losses beginning of year	(11,292)	(46,121)
Depreciation for the year	(1,351)	(5,707)
Reversal regarding disposals	291	0
Depreciation and impairment losses end of year	(12,352)	(51,828)
Carrying amount end of year	4,342	20,018

12 Financial assets

	Investments in group enterprises DKK'000	Receivables from group enterprises DKK'000	Investments in associates DKK'000	Deposits DKK'000
Cost beginning of year	185,971	94,255	0	698
Transfers	(40)	0	40	0
Additions	0	52,625	0	0
Disposals	0	(6,312)	0	(141)
Cost end of year	185,931	140,568	40	557
Impairment losses beginning of year	(85,932)	0	0	0
Exchange rate adjustments	329	0	7	0
Share of profit/loss for the year	(38,599)	0	(100)	0
Dividend	(5,905)	0	0	0
Investments with negative equity value depreciated over receivables	0	0	93	0
Other adjustments	87	0	(40)	0
Impairment losses end of year	(130,020)	0	(40)	0
Carrying amount end of year	55,911	140,568	0	557

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

Investments in associates	Registered in	Corporate form	Equity interest %
LEMAN International Transport and logistics SA de CV	Mexico	CV	10.00

13 Receivables from group enterprises

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

14 Prepayments

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

15 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Class A shares	10,000	1	10,000
	10,000		10,000

16 Deferred tax

	2024 DKK'000	2023 DKK'000
Intangible assets	6,990	8,830
Property, plant and equipment	679	670
Receivables	(206)	(70)
Tax losses carried forward	(2,754)	0
Deferred tax	4,709	9,430

	2024 DKK'000	2023 DKK'000
Changes during the year		
Beginning of year	9,430	10,168
Recognised in the income statement	(3,721)	(738)
Recognised directly in equity	(1,000)	0
End of year	4,709	9,430

17 Other payables

	2024 DKK'000	2023 DKK'000
Holiday pay obligation	15,951	15,806
	15,951	15,806

18 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK'000	Due within 12 months 2023 DKK'000	Due after more than 12 months 2024 DKK'000	Outstanding after 5 years 2024 DKK'000
Other payables	345	161	15,951	15,606
	345	161	15,951	15,606

Other payables include the Company's holiday pay obligation. The holiday pay obligation falls due as employees leave the labour market. Consequently, the outstanding debt after five years has been estimated based on when the Company's employees are expected to leave the labour market considering their retirement age.

19 Deferred income

Deferred income relates to revenue cut-off.

20 Financial instruments

All forward exchange contracts expired in the financial year.

21 Fair value information

	Other investments DKK'000
Fair value end of year	76

22 Unrecognised rental and lease commitments

	2024 DKK'000	2023 DKK'000
Liabilities under rental or lease agreements until maturity in total	84,100	95,400

The share of rental and lease commitments falling due within a year amounts to DKK 25,060 thousand (2023: DKK 29,400 thousand).

23 Contingent liabilities

	2024 DKK'000	2023 DKK'000
Recourse and non-recourse guarantee commitments	10,980	11,000
Contingent liabilities	10,980	11,000
Recourse and non-recourse guarantee commitments	18,915	20,000
Contingent liabilities to group enterprises	18,915	20,000

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

24 Related parties with controlling interest

- LEMAN HOLDING A/S, Ventrupvej 6, 2670 Greve owns all shares in LEMAN A/S, thus exercising control.
- La Capite S.A., 10, Rue Nicolas Adames, L-1114 Luxembourg owns all shares in LEMAN HOLDING A/S, thus exercising control.
- Philippe Ziegler, Geneva, Switzerland owns 48% of the shares in La Capite S.A. and is the controlling shareholder of the Company.

25 Non-arm's length related party transactions

Only non-arm's-length related party transactions are disclosed in the annual report. No such transactions were

conducted in the financial year.

26 Group relations

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

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

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

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

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

Non-comparability

The presentation of a few comparative figures has been restated. However, the restatement does neither affect the Company's results nor its equity.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date.

Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised as other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognised in the income statement when the agreed freight forwarding services are considered delivered, and control of the goods has been passed either to the customer or another logistics supplier.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Segment information

Business segments

The primary activities of LEMAN comprise transportation and logistics to and from foreign destinations on behalf of Danish and foreign customers. Business segments are defined by the operational and management structure of LEMAN. The services rendered by the Company comprise road, air&sea and logistics services.

Geographical segments

The LEMAN business is based on transactions in our global network rather than in individual countries or regions. The transportations are arranged through an extended network of cooperation among agents. Revenue is allocated to the geographical areas according to the country in which the customer is invoiced.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales

Cost of sales comprises freight charges and other costs relating to the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the

portion attributable to entries directly in equity.

The Entity is jointly taxed with its Parent and all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is ten years based on acquired market positions and a long-term earnings profile.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights comprise development projects in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under reserve for development costs, which is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs, amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at ten years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are three to ten years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

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

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

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

	Useful life
Plant and machinery	5 years
Other fixtures and fittings, tools and equipment	3-8 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

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

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

Goodwill is the positive difference between cost of the investments and fair value of the assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period used is ten years.

The accounting policies applied of group enterprises are following the accounting policies for the Group.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

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

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

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

The accounting policies applied of associates are following the accounting policies for the Group.

Receivables

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

Prepayments

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

Other investments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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

Operating leases

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

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are

expected to be used under the joint taxation arrangement.

Deferred income

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

Cash flow statement

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