Logwin AG

Annual Financial Report 2022

LOGWIN

Key Figures 1 January – 31 December 2022

Earnings position In thousand EUR	2022	2021
Revenues		
Group	2,259,027	1,851,836
Change on 2021	*22.0%*	
Air + Ocean	1,795,995	1,517,017
Change on 2021	*18.4%*	
Solutions	466,313	337,041
Change on 2021	*38.4%*	
Operating Result (EBITA)		
Group	120,121	100,940
Margin	*5.3%*	5.5%
Air + Ocean	140,578	107,966
Margin	*7.8%*	7.1%
Solutions	-3,596	6,123
Margin	*-0.8%*	1.8%
Net result		
Group	73,945	63,510

Financial position In thousand EUR	2022	2021
Operating cash flows	169,556	125,894
Free cash flow	132,948	88,593

Net asset position	31 Dec 2022	31 Dec 2021
Equity ratio	41.6%	35.4%
Net liquidity (in thousand EUR)	281,716	168,363

	31 Dec 2022	31 Dec 2021
Number of employees	4,116	4,087

This document is a translation of the German original annual financial report of Logwin AG for the year ended 31 December 2022 as well as the report by the Réviseur d'Enterprise Agréé thereon. In case of any deviation between the German original version and the translated version the German version is prevail.

Group Management Report

General information on the Logwin Group

Business model

Logwin Group The Logwin Group offers its customers global logistics and transport solutions in its business segments Air + Ocean and Solutions. In doing so, Logwin combines the advantages of an internationally established logistics group with those of a flexible, medium-sized company.

Air + Ocean business segment The Air + Ocean business segment provides worldwide logistics and transport solutions with a focus on intercontinental air and ocean freight, frequently in connection with upstream and downstream value added services. With its global network of group subsidiaries and long-term partners, Logwin is present at the customer's locations and aims to ensure the highest possible standards of quality and security for logistics chains worldwide.

Solutions business segment As a specialist in contract logistics, the Solutions business segment offers individual customer and industry-oriented solutions, particularly in the fashion, retail and consumer goods sector, in the industrial contract logistics including the automotive sector - the solutions range from supply chain management, transportation and warehousing to value added services and complete outsourcing projects.

With customer-specific combinations of individual logistics services, the Logwin Group manages the supply chains between suppliers and consumers, either partially or as a whole. Comprehensive supply chain management, warehousing, value added services and transportation by road, rail, air or ocean freight are the key elements of the services provided by the various entities of the Logwin Group. A worldwide uniform IT infrastructure with its own data centers in Europe and Asia supports globally harmonized processes and simple customer connections in addition to ensuring compliance with steadily rising quality, security and compliance requirements.

Logwin AG is listed on the Frankfurt Stock Exchange. The majority shareholder is DELTON Logistics S.à r.l., Grevenmacher (Luxembourg).

Financial performance management

The Logwin Group controls its financial situation by means of various key performance indicators (KPI) that management believes are relevant for measuring performance of the operations, the financial position and cash flows as well as in decision making. Basically the KPIs are intended to preserve a balance between profitability, an effective use of resources and sufficient liquidity. The monthly, quarterly and annual changes in these indicators are compared with the prior year and the forecast/budget data to assist in making management decisions. Furthermore, several KPIs are also particularly relevant for calculating management remuneration.

Unless defined in the relevant accounting standards, the methods of their calculation are described below in line with the European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures (APM) dated 5 October 2015:

Profitability Revenues – as defined by the applicable standards – are in general a key financial earnings figure and thus also an important measure for the Logwin Group as it reflects the ability of selling products and services on the market. This measurement defined in IFRS is suitable especially in Logwin's transaction-based logistics businesses as well as its use as a starting point for further volume and quantity-analysis. In addition, revenues are an indicator for corporate development (growth) and with some limitations a suitable cash-flow-oriented success factor (pay-sensitivity of revenues).

The operating result before goodwill impairment – EBITA (earnings before interest, taxes and amortization) – measures the operating profitability of the Group and of the individual business segments and is the key performance indicator of profitability of the Logwin Group. EBITA is derived from revenues less cost of sales as well as selling, general and administrative costs. It also includes other operating expenses and income, impairment losses on non-current assets (excluding goodwill) as well as impairments on financial assets measured at amortized cost that are shown separately. In the management's opinion EBITA is most suitable to make Logwin Group's performance illustratable and comparable as it presents the advantage to consistently include the consumption of fixed assets as depreciation is recognized whereas volatile goodwill impairment is excluded.

The net result is another key performance indicator for the Logwin Group and provides a comprehensive measure of the Group's overall performance after interest and income taxes and a transparent basis for comparing overall performance, particularly over time. The net result is calculated based on the income statement and thus is defined by the relevant accounting standards (referred to as "profit or loss" in IAS 1.7).

In addition, gross profit and gross profit margin are further performance measures for assessing Logwin Group's performance. Gross profit is defined as revenues less cost of sales whereas gross profit margin is calculated by dividing gross profit by revenues. Both figures are used to assess the financial strength of the business model as well as the operating profitability over time.

Financial performance Free cash flow is the central key performance indicator for liquidity management in the Logwin Group and its business units. This figure is defined as the sum of the operating cash flows and investing cash flows as determined by the applicable cash flow standard IAS 7 less the repayment of lease liabilities (for the method of calculation we refer to the subtotals in the statement of cash flows). It is targeted at maintaining sufficient liquidity to cover all of the Group's financial obligations from debt repayments and dividends, in addition to operating payment commitments and investments. In particular, free cash flow is regarded as an indicator of how much cash is available at the end of a reporting period for paying dividends or repaying loans and other financial liabilities.

Operating cash flow – a financial indicator of the applicable IAS 7 (referred to as "net cash flow from operating activities" in IAS 7.20) and therefore calculated directly based on the cash flow statement – includes all items that are related directly to operating value creation. It reflects the amount of operating profit converted into cash available for investing and financing activities. Its purpose is to manage and supervise operating liquidity as well as to ensure the generation of cash oriented operational value.

Net asset position The net liquidity and the equity ratio are further key figures applied by the Logwin Group to assess its net asset position. Both measures aim at promoting good financial standing on behalf of good capital market conditions as well as ensuring liquidity. This ensures continued access to the capital market at favorable conditions for the purpose of liquidity management. Net liquidity is calculated as cash and cash equivalents less liabilities from leases and other financial liabilities. Its target is to show how much of the liquid funds would be left if all current liabilities are redeemed.

The equity ratio is calculated by comparing a company's total equity to its total assets and thus provides information regarding the capital structure of a company. The equity ratio shows the proportion of the total assets owned outright by the investors as well as how the company is leveraged with debt.

Non-financial performance indicators, non-financial statement and diversity concept

In addition to the aforementioned financial performance indicators, the number of employees as of the reporting date (absolute headcount, employees includes all persons directly employed by the Logwin Group, who are active for Logwin in Germany or abroad, full or part-time) represents a key non-financial performance indicator. Looking at the number of staff makes it possible to further analyze costs and productivity and provides insights into the use of resources and capacity. In addition, the number of employees provides benchmarks for other quantitative and qualitative personnel metrics.

Please refer to the CSR report and diversity report for information on the non-financial statement, which is to be issued in 2023 for 2022, and the diversity concept to be applied within the Logwin Group. The documents can be downloaded from http://www.logwin-logistics.com/company/overview/corporate-social-responsibility.html.

Research and development

Development activities in the Logwin Group concentrate on service and process innovations. These innovations are generally developed in close collaboration with customers in order to achieve improvements in operational and administrative processes. The specialists in the Tender Management/ Logistics Engineering, Process Management and respective IT departments of the Solutions business segment in particular are entrusted with this type of work for complex contract logistics projects.

Corporate Governance

Members of the Board of Directors and the Executive Committee

Dr. Antonius Wagner (* 1961**)**
Chairman of the Board of Directors and the Executive Committee
Bad Homburg v. d. Höhe (GER)

Sebastian Esser (* 1974)
Deputy Chairman of the Board of Directors and member of the Executive Committee
(Chief Financial Officer)
Großostheim (GER)

Andreas Kurtze (* 1973)
Non-executive member of the Board of Directors
In-house lawyer
Frankfurt am Main (GER)

Hauke Müller (* 1964)
Member of the Executive Committee
Hamburg (GER)

Philippe Prussen (* 1977**)**
Non-executive member of the Board of Directors
Attorney
Luxembourg (LU)

Axel Steiner (* 1973)
Member of the Executive Committee
Großostheim (GER)

The Board of Directors of Logwin AG has adopted a Corporate Governance Charter, which is available on the internet at www.logwin-logistics.com/company/investors/governance.html.

Information in accordance with Article 11 of the Luxembourg Takeover Act dated 19 May 2006

Lit (a): Details on the equity structure of the Logwin Group are included in note 28 on page 75 of the notes to the consolidated financial statements. As of 31 December 2022, there were 2,884,395 fully paid up, no-par registered voting shares issued and admitted for trading on the Frankfurt Stock Exchange. Of these, 5,180 shares were held as treasury shares by Logwin AG as of 31 December 2022 and were therefore subject to the exclusion of voting rights and dividends.

Lit (b): There are no restrictions on the transfer of the shares.

Lit (c): The majority shareholder of Logwin AG is DELTON Logistics S.à r.l., Grevenmacher, Luxembourg. The sole shareholder of DELTON Logistics S.à r.l. is Stefan Quandt. For further details, please refer to notes 1 and 40 on pages 36 and 94 of the notes to the consolidated financial statements.

Lit (d): There are no shares that give the holders any special rights of control.

Lit (e): There are no employee stock ownership schemes in the Logwin Group.

Lit (f): There are no restrictions on voting rights in the Logwin Group.

Lit (g): As of 31 December 2022, Logwin AG is unaware of any understandings with shareholders that restrict the transfer of shares or voting rights in accordance with Directive 2004/109/EC.

Lit (h): Rules governing the appointment and replacement of members of the Board of Directors and changes to the Articles and Memorandum of Association are contained in Articles 8, 16 and 17 of the Articles and Memorandum of Association of Logwin AG and in chapter 8 of the Corporate Governance Charter. Both documents can be downloaded from www.logwin-logistics.com/company/investors/governance.html.
In particular, the following applies:

- The members of the Board of Directors are appointed by the General Meeting of shareholders for a period not exceeding six years. They may be dismissed by the General Meeting at any time. The repeated appointment of a member of the Board of Directors is permitted.
- If a member of the Board of Directors (including executive members of the Board) retires prematurely, the remaining members may co-opt a new member to the Board in accordance with the legal provisions on a provisional basis. Final election will take place when the shareholders next meet for their General Meeting.
- The General Meeting may change the company's Articles and Memorandum of Association at any time, taking into account the legal provisions governing minimum attendance and majority voting.

Lit (i): The powers of the Board of Directors, in particular relating to the empowerment to issue or withdraw shares, are regulated in Articles 5, 8, 9, 10, 11, 18, 19 and 23 of the Articles and Memorandum of Association of Logwin AG and in chapter 3 of the Corporate Governance Charter. Both documents are available at www.logwin-logistics.com/company/investors/governance.html.
In particular, the following applies:

- The Board of Directors is responsible for the management of the company.
- The Board of Directors is vested with the powers to perform all acts of administration and disposal in the interests of the company. The Board of Directors has appointed a committee of directors charged with performing the daily management of the company (hereinafter referred to as "Executive Committee").

- The Board of Directors defines the scope of activity of the Executive Committee and of the individual committees. It also authorizes the procedures that are to be used for the Executive Committee and the individual committees.
- The daily management of the company is performed by the Executive Committee under the supervision of the Board of Directors. The Board of Directors decides on the signatory powers of the members of the Executive Committee.
- The Board of Directors is authorized until 20 May 2024 to increase the company's registered capital by issuing on one or more occasions up to 1,509,105 new no par registered shares with or without an issue premium ("prime d'émission") in exchange for cash and/or non-cash capital contributions.
- The company may repurchase its own shares in accordance with the provisions of the law.

Lit (j): There are finance agreements containing clauses that grant lenders the right to terminate the agreement prematurely in the event that the number of shares held by the majority shareholder of Logwin AG falls below certain thresholds.

Lit (k): There are no agreements between Logwin AG and members of its Board of Directors or other employees that provide for compensation in the event of termination of employment without important reason or in the event of a takeover bid.

Economic report

Overall conditions

Global economy Following a strong start to the year characterized by catch-up effects, global economic expansion was hampered in the course of the fiscal year 2022 by high inflation rates and the ongoing war in Ukraine. Overall, the global economy grew only slightly in the reporting year. The slowdown mainly affected the manufacturing sector and market services. Supply bottlenecks for energy, raw materials and intermediates since the previous year still had a significant impact on industrial production and world trade, particularly in the first half of the year. As supply bottlenecks eased and the situation in the logistics networks relaxed in the second half of the year, existing orders were processed. In view of the global economic slowdown and subdued demand from China, raw material and energy prices fell again moderately in the second half of 2022. The impact of disruptions in global ocean freight operations shifted over the course of the year and lost its effect on customers' supply chains. Fiscal policy measures, particularly in the advanced economies, had a supportive effect on the global economy. This was countered by extensive monetary policy programs to combat high inflation and the pronounced shortage of skilled labor.

In the western economies, economic activity weakened in the past fiscal year. High price increases and significant interest rate hikes by central banks had a negative impact. Economic growth in the euro zone slowed significantly against a background of high inflation, rising interest rates and a weakening global economy, despite the supporting effect of extensive economic stimulus programs, due in particular to the loss of purchasing power by private households and the lack of demand from outside Europe.

The economies of the Asian countries were quite robust in the past fiscal year. In China, a high level of production was achieved again at times, although Chinese production and consumption were impacted in particular at the beginning and end of the year by far-reaching measures to combat the pandemic and the associated social unrest. In Southeast Asia, an exceptionally intense heat wave in the spring disrupted economic performance. In the Latin American countries, economic activity remained on an upward trend.

German (logistics) industry In the fiscal year 2022, the German economy was affected by the general economic downturn, as was the rest of the euro zone. The downwards trend softened towards the year-end against the backdrop of stabilizing prices and reduced supply chain bottlenecks. However, the industry recorded a significant decline in new orders at the end of the year. High energy prices weighed on energy-intensive industries and private purchasing power, while investment was dampened by significant interest rate increases. On the other hand, catch-up effects, particularly in services, made a positive contribution to the development of the German economy.

Competition and market The declining growth rates in global trade over the course of the fiscal year 2022 also impacted the market and competitive environment of the logistics sector. Although the market remained robust into the third quarter, the significant price increases for energy and raw materials led to declining handling volumes and increasing price pressure.

The weak global economy led to a significant decline in ocean freight volumes in 2022 and thus to an easing of global congestion off major ocean freight ports and is reflected in the development of ocean freight rates. These fell massively over the course of the year from their historically high level by the end of the year and were most recently at around pre-crisis levels. The air freight market also showed declining volumes in the fiscal year 2022 compared with the previous year. In this sector, overcapacities led to a significant decline in air freight rates.

The contract logistics market continued to be characterized by high competitive and margin pressure. The positive catch-up effects from the lifting of measures to combat the pandemic were dampened in the course of the year by the economic slowdown and pronounced energy price increases. The continuing shortage of skilled workers and drivers and the scarcity of warehouse space in the face of very strong demand in this area continued to prove problematic.

Business performance

The Logwin Group was once again able to exceed the good results of the previous year in a partly turbulent market environment due to the good business development of the Air + Ocean business segment. Consolidated sales in the 2022 financial year were once again significantly higher than in the previous year. The extraordinarily high freight rates in the first half of the year contributed to the increase in sales, which had a significant impact on the Air + Ocean business segment and the international transportation business of the Solutions business segment. In the second half of the year, the continuous fall in freight rates led to declining sales.

The Air + Ocean business segment recorded a slight decline in ocean and air freight volumes in fiscal year 2022 in line with the market. The historically high freight rates in the first half of the year compensated for the volume declines and form the basis of the pleasing earnings situation. In 2022, the optimization of the newly introduced Transport Management System to increase productivity was also continued.

In the Solutions business segment, the positive sales development in the fiscal year 2022 reflects the high freight rate level and the catch-up effects after the Covid 19 pandemic. The business unit's international transport business made a significant contribution to the increase in sales. The earnings performance of the international activities was also clearly positive in 2022. By contrast, one-off expenses for the termination of loss-making activities in Germany impacted earnings at the Solutions business segment.

in million EUR	**2022**	**2021**	*Absolute change*
Revenue	2,259.0	1,851.8	407.2
EBITA	120.1	100.9	19.2
Net result	73.9	63.5	10.4
Free cash flow	133.0	88.6	44.4
Net liquidity	281.7	168.4	113.3

Earnings position

Revenues The Logwin Group increased its revenues from EUR 1,851.8m in the previous year to EUR 2,259.0m in the financial year 2022, which corresponds to an increase of 22.0%. The significant increase in sales was mainly due to the extraordinarily high freight rates, particularly in the course of the first half of 2022 in the Air + Ocean business segment and in the international transport business of the Solutions business segment.

in million EUR	2022	2021	*Absolute change*
Logwin Group	2,259.0	1,851.8	407.2
thereof Air + Ocean	*1,796.0*	*1,517.0*	*279.0*
thereof Solutions	*466.3*	*337.0*	*129.3*

In addition to the two operating business segments presented, the Logwin Group's sales also include the Other segment, which includes real estate management, central internal services and holding companies.

Air + Ocean
In the fiscal year 2022, the Air + Ocean business segment recorded increased sales of EUR 1,796.0m compared with the previous year (previous year: EUR 1,517.0m). The sales development is mainly attributable to the extraordinarily high freight rates in both sea freight and air freight with declining volumes due to market conditions.

Solutions
At EUR 466.3m, sales of the Solutions business segment in 2022 were significantly higher than the previous year's sales of EUR 337.0m. Sales of the international transport activities developed very positively due to freight rates, with volumes declining slightly. In contract logistics and the German transport activities, sales increases from volume growth were achieved in 2022 compared to the previous year, which was still significantly impacted by the effects of the Covid 19 pandemic.

Gross margin At 8.5%, the Logwin Group's gross margin in fiscal year 2022 was slightly lower than in the previous year (previous year: 8.8%). In the Air + Ocean business segment, the margin showed a pleasing improvement, while it declined significantly in the Solutions business segment due to increased acquisition costs and one-off expenses in connection with the termination of business activities.

Selling, general and administrative costs Selling and administrative expenses increased from EUR 61.7m in the previous year to EUR 70.9m in fiscal 2022. The increase in selling expenses is mainly attributable to higher personnel expenses in both business segments. Administrative expenses increased in the Air + Ocean business segment and in the Other segment, mainly due to non-recurring effects.

Operating result (EBITA) The Logwin Group generated an operating result (EBITA) of EUR 120.1m in the fiscal year 2022, once again significantly exceeding the previous year's result (previous year: EUR 100.9m). The Group's operating margin remained at a pleasing level of 5.3% (previous year: 5.5%).

The earnings trend reflects the significant increase in earnings at the Air + Ocean business segment. The result of the Solutions business segment was negative in the fiscal year due to one-time effects.

in million EUR	2022	2021	*Absolute change*
Logwin Group	120.1	100.9	19.2
Margin	*5.3%*	*5.5%*	*-0.2%*
Air + Ocean	140.6	108.0	32.6
Margin	*7.8%*	*7.1%*	*0.7%*
Solutions	-3.6	6.1	-9.7
Margin	*-0.8%*	*1.8%*	*-2.6%*

In addition to the two operating business segments presented, the Logwin Group's EBITA also include the Other segment, which includes real estate management, central internal services and holding companies.

Air + Ocean

The Air + Ocean business segment achieved a pleasing increase in operating profit (EBITA) to EUR 140.6m in 2022 compared with EUR 108.0m in the previous year. The increase is mainly due to an increase in gross profit in a market environment characterized by special situations. The business area benefited in particular from the global catch-up effects in the first half of the year.

Solutions

The operating result (EBITA) of the Solutions business segment decreased in the reporting year from EUR 6.1m in the previous year to EUR -3.6m. The decline is due in particular to special charges for the termination of loss-making activities in Germany. In addition, expenses in connection with site closures in contract logistics impacted the business unit's earnings. At the same time, the international transport network achieved a pleasing year-on-year increase in its operating result. The business unit's earnings were also boosted by proceeds from an earlier customer insolvency.

Impairment of assets An event-triggered impairment test of the goodwill of the Solutions business segment resulted in an impairment of capitalized goodwill of EUR 11.7m (previous year: EUR 9.0m) due to the significant increase in interest rates. In addition, impairment losses totaling EUR 8.1m (previous year: EUR 1.1m) were recognized on property, plant and equipment and intangible assets in the reporting year due to changes in the intended use.

Financial result and income taxes At EUR -3.8m, the financial result was moderately below the previous year's figure of EUR -3.2m. Income tax expense increased from EUR -25.3m in the previous year to EUR -30.7m, mainly due to the increase in operating profit.

Net result The Logwin Group generated net income for the period of EUR 73.9m in fiscal year 2022, exceeding the previous year's result by EUR 10.4m (previous year: EUR 63.5m).

Financial position

Financial management in the Logwin Group The Logwin Group finances itself mainly from its own funds, leasing and, if necessary, factoring receivables and, to a limited extent, from bank and other loans. The Logwin Group's operating entities are financed mainly from operating cash flows or, if necessary, from intercompany loans.

The Logwin Group's financing liabilities of EUR 82.1m as of 31 December 2022 are slightly higher than in the previous year (previous year: EUR 79.7m) and relate almost exclusively to obligations under rental and lease agreements.

Operating cash flows In fiscal year 2022, the Logwin Group recorded cash inflows from operating activities of EUR169.6m (previous year: EUR 125.9m). This pleasing increase is mainly due to the higher operating result and changes in working capital. Increased tax payments had the opposite effect on operating cash flow.

Investing cash flows The Logwin Group's cash flow from investing activities amounted to EUR -5.8m in the reporting year (previous year: EUR -3.8m). Payments for investments in intangible assets and property, plant and equipment were down on the previous year. In the previous year, investing cash flow included non-recurring cash inflows from the disposal of property, plant and equipment.

Free cash flow After taking into account the repayment of lease liabilities of ERU -30.8m (previous year: EUR -33.5m), the Logwin Group achieved a significant increase in free cash flow from EUR 88.6m in the previous year to EUR 132.9m in 2022.

Financing cash flows The financing cash flow for 2022 of EUR -47.7m (previous year: EUR -44.3m) mainly includes the repayment of lease liabilities of EUR -30.8m (previous year: EUR -33.5m). In addition, the financing cash flow includes the increased distribution to the shareholders of Logwin AG of EUR -17.3m compared with the previous year (previous year: EUR -10.1m).

Net asset position

Total assets The Logwin Group's total assets increased from EUR 797.0m as of the previous year's reporting date to EUR 833.1m as of 31 December 2022. The increase is due to a significant increase in cash and cash equivalents based on the positive business development.

Non-current assets decreased to EUR 182.1m in fiscal 2022 (previous year: EUR 204.7m). The decrease mainly relates to goodwill, which fell from EUR 57.4m as of 31 December 2021, to EUR 45.7m at the end of the reporting year due to an interest rate-related impairment loss. Other intangible assets also contributed to the decrease, falling from EUR 21.0m to EUR 15.5m due to an extraordinary impairment loss on an operational IT system. In addition, non-current assets include property, plant and equipment of EUR 100.2m (previous year: EUR 104.8m), which were reduced among other things due to impairment losses in connection with the termination of business activities. In addition, non-current assets include deferred tax assets of EUR 19.0m (previous year: EUR 20.0m).

The Logwin Group's current assets increased significantly from EUR 592.3m at the end of the previous year to EUR 651.0m as of 31 December 2022. Current assets include a significant increase in cash and cash equivalents compared with the previous year's reporting date of EUR 363.8m (previous year: EUR 248.0m) as well as trade receivables including current contract assets of EUR 248.6m (previous year: EUR 296.3m).

Equity The Logwin Group had equity of EUR 346.4m at the end of the reporting year 2022 compared with EUR 282.5m as of 31 December 2021. The increase in equity primarily reflects the net profit for the period of EUR 73.9m in fiscal year 2022 (previous year: EUR 63.5m). In addition, actuarial gains from the measurement of pension provisions due to the significant increase in the discount rate less corresponding tax effects amounting to EUR 6.9m (previous year: EUR 0.5m) and foreign currency effects amounting to EUR 1.0m (previous year: EUR 4.5m) had a positive impact on consolidated equity. The distribution to the shareholders of Logwin AG in the fiscal year reduced equity by EUR 17.3m (previous year: EUR 10.1m). The equity ratio increased from 35.4 % as of the previous year's reporting date to 41.6 % as of 31 December 2022.

Liabilities Non-current liabilities decreased from EUR 92.9m at the end of the previous year to EUR 82.2m at 31 December 2022, mainly as a result of an interest-related decrease in pension and anniversary obligations and lower deferred tax liabilities. Current liabilities decreased from EUR 421.6m to EUR 404.6m as of 31 December 2022, and mainly include reduced trade accounts payable of EUR 293.0m (previous year: EUR 323.3m).

Cash and net liquidity The Logwin Group's cash and cash equivalents increased significantly to EUR 363.8m as of 31 December 2022, compared with EUR 248.0m at the end of the previous year. Mainly due to the higher cash and cash equivalents, the Group's net liquidity increased from EUR 168.4m at the end of the previous year to EUR 281.7m as of 31 December 2022.

Employees

The Logwin Group employed 4,116 people worldwide as of 31 December 2022, compared with 4,087 employees at the end of the previous year. The Air + Ocean business segment employed 125 more people than in the previous year. The Solutions business segment employed 89 employees fewer than in the previous year, mainly due to site closures and personnel measures in various units and locations.

The number of Logwin Group employees in Germany decreased from 1,631 to 1,589.

	2022	**2021**	*Absolute change*
Logwin Group	4,116	4,087	29
thereof Air + Ocean	*2,909*	*2,784*	*125*
thereof Solutions	*987*	*1,076*	*-89*

Report on the Logwin share

The Logwin Share A total of 22,374 Logwin AG shares were traded on all German stock exchanges in the reporting year. This corresponded to a turnover of EUR 6.0m. The price of the Logwin share fell slightly from 274.00 euros at the beginning of the year to a Xetra closing price of 270.00 euros at the end of the reporting period. The significance of this share price development is very limited due to the low trading volume.

Share buyback program On 10 April 2019, the Annual General Meeting authorized the Board of Directors to decide on the repurchase of treasury shares until 10 April 2024. The share buyback program began on 18 March 2020 and was limited in time until 28 February 2022. By the end of the buyback program, a total of 5,180 shares (previous year: 5,051) had been acquired.

Authorization of capital measures On 10 April 2019, the Extraordinary General Meeting authorized the Board of Directors to increase the share capital by 1,509,105 shares on one or more occasions until 20 May 2024 by issuing new shares with no par value, with or without a premium, against cash and/or non-cash contributions. No use has been made of this authorization to date.

Key figures for the Logwin share

		31 Dec 2022	31 Dec 2021
Closing price (Xetra)	*in EUR*	270.00	274.00
High/low 52 weeks	*in EUR*	308.00/240.00	278.00/147.00
Number of shares	*Units*	2,884,395	2,884,395
– thereof outstanding	*Units*	2,879,215	2,879,344
Market capitalization	*in million EUR*	777.4	788.9

Shareholdings The majority shareholder of Logwin AG is DELTON Logistics S.à r.l., Grevenmacher, Luxembourg. The members of the Board of Directors and the Executive Committee held neither shares nor options to purchase shares in Logwin AG as of 31 December 2022.

Company rating The rating for the Logwin Group (corporate credit rating) by Standard & Poor's has been "BB+" with a stable outlook since April 2019.

Subsequent events report

No reportable events occurred between 31 December 2022 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 28 February 2022.

Overall presentation of risks and opportunities

Risk management system

Objectives and strategy The Logwin Group has established a Group-wide risk management system in order to ensure the proper management of the company and to implement a determined risk policy. This forms a key part of the planning and internal control system and is thus an essential element in managing and controlling the company. The aim of Logwin AG's risk policy is the timely and systematic identification of risks that can lead to a significant adverse deviation from forecasts or targets or may become a risk to the further existence of the company so that such risks can be avoided or their negative effects minimized by initiating prompt countermeasures. The systematic identification and analysis of opportunities is not a component of the Group-wide control and risk management system. Continuous close monitoring of business activities at various levels of management of the Logwin Group ensures that opportunities are identified and exploited.

Structure and process The risk management system is ensured by Group-wide policies and procedures that are set out in risk management guidelines. Risk owners in the business segments and holding companies identify and assess risks that can emerge in their areas. These are then systematically summarized depending on predetermined reporting threshold values and communicated to the relevant management levels in the business segments and to the Executive Committee and the Board of Directors of Logwin AG. Besides regular reporting at specified intervals, immediate reporting procedures for new significant risks play an essential part in the risk management system. Controlling and managing the risks is the responsibility of the risk owners, the relevant management levels in the business segments or the Executive Committee, depending on the degree of authority. These clearly defined processes and responsibilities do not just guarantee that all identified risks are duly addressed, but also ensure that the Executive Committee and the Board of Directors of Logwin AG are informed about all major risks

Control and risk management system for other processes and systems and for the financial reporting process The risk management system was deliberately established as an instrument independent of other processes and systems. However, findings from this system are incorporated into various other processes and systems:

- In particular, thanks to local risk tracking by risk owners, matters relevant to compliance can also be reported and are then monitored by the compliance management system of the Logwin Group.
- In the context of strategic planning, budgeting and forecasting, it is necessary to define how to deal with certain risks within the planning horizon.

Conversely, the findings of other processes and systems must be taken into account in risk management, e.g. by entering issues that are reported through planning (strategic planning, budget or forecast). The internal audit department also performs audits. Depending on the matter at hand, audit findings can also be tracked as risks if necessary.

Besides the risk management guidelines, Group-wide accounting guidelines regulate the financial reporting process as a further feature of the internal control and risk management system. The financial reporting process in the Logwin Group reflects its decentralized organizational structure, i.e. at the business segment level, numerous in part system based reconciliation and plausibility checks are used to monitor the individual Group companies with regard to their reporting preparations (e.g. scheduling and assigning tasks, obtaining balance confirmations, assessing provisions) and also with regard to the preparation of the financial statements. Another element in the internal control system are the letters of representation presented by the management of each subsidiary regarding their annual financial statements. All input and work steps in the consolidation process are documented in the consolidation software, which is used Group-wide. Furthermore, the internal audit department is also involved in monitoring compliance with the accounting guidelines in selected cases.

Risks

Taking into consideration the measures taken or planned, the risks identified across the Group do not – either individually or in interaction with one another – affect the Logwin Group's ability to continue as a going concern. The partial changes in individual opportunities and risks do not have any material impact on the Logwin Group's overall risk profile for the fiscal year 2023, which in the opinion of management will not change significantly compared with the previous year despite the continuing uncertainties and the fact that some areas are affected by the high level of inflation and other macroeconomic developments. The following sections first describe the risks and then the opportunities that could have a significant impact on the Logwin Group's net assets, financial situation and earnings position. Unless otherwise described, these apply to all business segments.

Overview As an international logistics company, the Logwin Group is exposed to macroeconomic or political risks as well as risks arising from its operating business activities, which also include the regulatory environment. Moreover, financial, legal and regulatory as well as other risks could conceivably also affect its business performance. The Logwin Group has – in accordance with legal requirements – set up a comprehensive risk management system. The system's objective is to systematically identify and manage risks early on, which could negatively impact earnings or lead to deviations from the budget, or cast significant doubt on the Group's ability to continue as a going concern. The possibility cannot be excluded that the risk management system could prove to be inadequate or inefficient, and that unrecognized risks or negative developments could materialize in the Group's course of business activities or not be identified quickly enough in order to prevent them from materializing. As a result, the Logwin Group's net assets, financial situation and earnings position may be significantly affected.

Macroeconomic and political risks The performance of the global economy and of world trade is of crucial importance for the demand for logistics services and thus for the business performance of the Logwin Group.

Effects of the Covid 19 pandemic continue to pose potential risks for the Air + Ocean and Solutions business segments. A renewed tightening of public measures to restrict contacts or freedom of movement in certain regions or countries, as well as the closure of individual countries or critical infrastructures to contain the sources of infection or ordered closures of the stationary retail trade in various European countries, including Germany, and possibly a resulting increase in customer insolvencies or changing consumer behavior, could have a significant impact on the net assets, financial situation and earnings position of the Logwin Group.

A renewed intensification of the disruptions to global supply chains observed in the 2022 financial year and the previous year and their impact on the Logwin Group's customers cannot be ruled out and could lead to additional risks in relation to the supply of capacities to provide the Logwin Group's services in the areas of air and sea freight as well as in road transport and intermodal and rail transport. In the medium term, continuing disruptions to logistics chains may result in a decline in demand for logistics services, which could have an additional negative impact on the Logwin Group's net assets, financial situation and earnings position.

In addition, there are significant risks in the global economic development and in particular the economic situation in the euro zone and the Asian economies. In this context, there is a particular risk of a significantly weaker short- and medium-term economic development as a result of significantly increased inflation rates, energy shortages and geopolitical conflicts such as the ongoing Russian war of aggression against Ukraine. The introduction of trade barriers in the short and medium term and efforts to restrict free trade for political reasons could also have a significant negative impact on our net assets, financial position and results of operations.

A worse than forecast economic development in relevant economic regions and economies as well as in economic sectors such as the textile and fashion industry, automotive or certain segments of the wholesale and retail trade would lead to a negative impact on demand for logistics services from the Logwin Group's customers for individual or all operating Logwin units, which could make it necessary for the Logwin Group to take adjustment measures. Similarly, in addition to the significant increase in freight rates, changes in exchange rates could have a significant impact on trade flows and thus on the market size for intercontinental air and ocean freight transportation.

The Logwin Group monitors the relevant macroeconomic developments with the aim of anticipating the effects of negative macroeconomic developments at an early stage and minimizing the impact on its net assets, financial situation and earnings position by managing the relevant exposure and, where possible, making adjustments to its business model.

Incidents with a terrorist background in many parts of the world are often also directed against important traffic and transshipment points in global trade flows. This can lead to short-term disruptions and also to medium-term changes in trade flows due to security considerations of the Logwin Group's customers. These changes in transport volumes as well as the increasing importance of economic embargoes and sanctions in global international relations can have a significant negative impact on the net assets, financial situation and earnings position. The Logwin Group reduces its risks in this regard by diversifying its global activities and managing its customers' transport volumes on a daily basis in order to reduce risk.

Risks arising from operating business activities The business activities of the operating units of the Logwin Group are subject to a variety of risks worldwide. These are explained in more detail in the sections below.

Market and customer risks
The measures to combat the Covid 19 pandemic led to significant short-term disruptions in logistics chains worldwide in fiscal 2022 and again had a profound impact on the various activities of the transport and logistics industry. The tightening of global sanctions against Russia following the Russian

attack on Ukraine did not have a material impact on the Group's net assets, financial situation and earnings position.

Public measures to combat the pandemic and emerging inflation concerns also led to ongoing changes in consumer behavior in fiscal year 2022, making planning for customers and subsequently the activities of the company's own transportation network more difficult. As a result, necessary capacity adjustments and the resulting restructuring of the transport network could have a significant negative impact on the Logwin Group's net assets, financial position and results of operations, above and beyond the provisions that have been made.

The extraordinarily high price increases, particularly for energy and raw materials, in the fiscal year 2022 and presumably in subsequent years in conjunction with significant interest rate increases will lead to increased cost awareness among all market participants. The consequences may also include a review of existing logistics contracts and new tenders. This applies in particular to the business segment Solutions, which is in part highly dependent on individual major customers. There is a risk for the Logwin Group that these customer-related measures could have a negative impact on its earnings situation. Thanks to the quality of its services and cost savings, the Logwin Group believes that it will continue to be in a position to meet the increasing requirements and to hold its own against its competitors.

In various customer contracts, liability or investment risks are transferred to the Logwin Group as a service provider or the agreement of contractual penalties for failure to provide services in accordance with the contract is made a precondition for entering into business relationships. This can give rise to risks that go well beyond statutory warranty risks and could have a significant negative impact on the Logwin Group's net assets, financial situation and earnings position. The Logwin Group minimizes these risks through comprehensive controlling at order and branch level. In addition, any risks are identified at an early stage as part of the risk management process and counteracted without delay.

In the current market situation, there is a risk in the Air + Ocean business segment that the rapid change in capacity bottlenecks will lead to a significant supply overhang, further intensifying competition for customer business and increasing pressure on margins. The Air + Ocean business segment is endeavoring to counter the erosion of margins by providing a high quality of service and making intensive efforts to win new customer business on an ongoing basis. Efforts by carriers and other market participants, particularly in sea freight, to conclude direct transport contracts with smaller end customers are being observed with attention, which poses the risk of volume declines in the relevant submarket.

Procurement risks
Developments in industry-specific costs pose another considerable risk for the Logwin Group’s earnings situation. There is a general risk in this regard that cost increases cannot always be passed on to customers immediately and in full, which could lead to a considerable reduction in earnings. As far as possible, this risk is taken into account through careful contractual arrangements and sufficient diversification with regard to the service providers and suppliers engaged.

A large proportion of the Logwin Group's services are provided through the use of subcontractors. The local and global availability of a diversified supplier market is a prerequisite for providing forwarding services to the Logwin Group's customers at competitive prices. This means that renewed shortages in global air and sea freight capacities cannot be ruled out in the future. In land transportation, the considerable shortage of drivers across Europe and the shortage of vehicles and other transportation equipment intensified further in the reporting year and represent a relevant procurement risk. There is a risk that, due to this shortage of transport capacity, it will no longer be possible to differentiate sufficiently between the services offered and that this will have a significant impact on the net assets, financial position and results of operations of the Logwin Group.

Reduced order volumes as a result of economic developments entail the risk of underutilization of available transport capacities and freight space in both business segments.

An unforeseen rebound in freight rates following the downward trend in the 2022 financial year could also have a significant negative impact on the Logwin Group's earnings situation if higher rates cannot be fully passed on to customers in a timely manner. Furthermore, risks related to logistics real estate that is rented or otherwise held and remaining vacant could have a negative effect on the Logwin Group’s net assets, financial and earnings position. The Logwin Group limits these risks through appropriate contract design and the continuous monitoring of ongoing business activities. Furthermore, established internal processes allow it to react quickly and flexibly to constantly changing circumstances.

There is an increased risk of rising fuel and heating oil prices, particularly in connection with transport services, but also in the maintenance of logistics properties. Despite the current already high price level, there is a risk of a further price increase in the medium term, which could lead to an unforeseen and in some cases very short-term increase in manufacturing costs or procurement costs.

It is also important for the Logwin Group when providing seamless transportation and logistics services at different locations to have properly qualified staff at competitively appropriate conditions. In the event that sufficient appropriate staff are not or only restrictedly available at the company’s locations, the Logwin Group faces the risk of not being able to provide its services as agreed due to increased labor costs, or only in a way that is economically unviable.

This also applies to skilled experts in logistics in addition to the workforce in the commercial area. This could have a negative effect on the Logwin Group’s business performance and profitability in the short, medium or long term. The Logwin Group mitigates this risk with intensive and systematic recruitment activities and various measures for the development and advancement of its employees. In addition, regular health and safety management courses are hosted to help avoid health risks and potential accidents.

Technical risks
The availability and functionality of the IT infrastructure and applications are of crucial importance for the economic performance of the Logwin Group. IT risks arise from the possible failure of operational and administrative IT systems, which could have a significant impact on business operations and pose a threat to the Logwin Group's existence in the event of prolonged interruptions or corresponding scope. To limit IT risks, existing and new threats to the Logwin Group's data security and IT infrastructure are continuously assessed and measures to limit them are implemented on an ongoing basis. In 2022, there was again an increased risk in the area of data and cyber security. Security incidents that have become

known worldwide, including in the area of logistics, show that the risk situation must also continue to be considered high for the Logwin Group. The Logwin Group continuously takes appropriate protective measures to ensure that IT services and functionalities are provided securely. All employees of the Logwin Group are sensitized to cyber security issues through regular training measures.

The failure of technical systems such as automated warehouse technology for high-bay warehouses, forklift trucks and systems or material flow computers can result in liability and warranty risks for the Logwin Group for damage and quality defects in addition to lost sales. The Logwin Group is able to counteract these risks through regular maintenance and continuous improvement of technical equipment and machinery as well as appropriate processes for monitoring them.

Financial risks

Liquidity risks

The business operations of the operating units of the Logwin Group as a logistics provider require it to use loans, factoring and credit-related forms of finance, for example when renting or leasing infrastructure, transport equipment and other technical equipment and facilities over the short to medium term. Continuing restricted access to means of finance and guaranteed credit lines, insufficient availability of suitable receivables that can be sold in the factoring process or a sustained increase in the cost of such financing instruments could lead to considerable risks for liquidity and earnings of the Logwin Group.

The Logwin Group manages liquidity risk by monitoring the current liquidity situation on a daily basis. Liquidity planning is used to determine future cash requirements and regular analysis is carried out to determine whether the Logwin Group is in a position to settle its financial liabilities within the agreed due dates. Furthermore, the Logwin Group limits its liquidity risk by means of strict working capital management and financing through various sources. As of 31 December 2022, the Logwin Group had unused credit lines of EUR 37.8m unchanged from the previous year. In addition, depending on the volume of receivables sold from factoring, the Logwin Group still has a contractually agreed maximum amount of EUR 60.0m available to claim in the 2023 financial year.

Note 36 to the consolidated financial statements on page 93 provides a maturity analysis of the financial liabilities.

Engaging in the transportation business on a global scale requires the possibility of guarantees and collateral being provided by generally recognized guarantors, for example to customs and tax authorities and in the process of handling air and ocean transports world-wide. The Logwin Group will be confronted with liquidity and earnings risks if such established financial instruments are no longer available to the Logwin Group to a sufficient extent, or if the customary mechanisms underlying international financial business transactions fail to work. The risk is reduced by diversification and contractual agreements with leading financial service providers selected according to defined criteria.

Credit risk

There are credit risks arising from relationships with customers and banks, which could have a negative impact on earnings if they were to materialize. Credit risks arising from relationships with customers are minimized by detailed credit assessments and a restrictive allocation of payment terms. Furthermore, in nearly all countries trade credit insurance exists for the majority of customers. Credit risks resulting from relationships with banks (counterparty risk) are counteracted via diversification of banking relationships.

Both business segments are exposed to the risk of increased customer insolvencies due to the current economic situation and the significant price increases, particularly for raw materials and energy. In addition to the immediate effect of potential bad debt losses, this may have a longer-term negative effect on sales and earnings development due to the loss of existing business. The Logwin Group continues to limit the risks arising from bad debts by closely monitoring and restrictively granting payment terms and credit limits. In addition, the consistent hedging of default risks through credit insurance serves to reduce the potentially increased risks from this area.

Allowances are made for possible default risks on trade accounts receivable and other financial assets. Please refer to note 24 on page 71 of the notes to the consolidated financial statements for more information on the extent of loss provisions of trade accounts receivable.

Unless stated otherwise, the carrying amount of financial instruments is their maximum default risk.

Currency risk

The companies of the Logwin Group generate revenues in various currencies in the course of carrying out their worldwide activities and therefore also recognize their assets in non-euro currencies. As a result, the Group is subject to ongoing currency risks. Moreover, between the companies of the Logwin Group there are internal financing balances in foreign currencies.

As a result, a significant risk to earnings and liquidity from the negative effects of exchange rate movements cannot be excluded.

Wherever feasible, the Logwin Group reacts to potential foreign exchange risks affecting liquidity by using hedging instruments. Taking into account hedging activities, a change in the respective functional currency of the group companies by +/– 10% in relation to the US dollar, the main foreign currency of the Logwin Group, as of 31 December 2022 would have an effect on the Group's net result of –/+ EUR 2.8m (prior year: –/+ EUR 1.2m).

Note 35 on page 83 contains a list of forward exchange contracts as of the end of the reporting period.

Since the reporting currency of the Logwin Group is the euro, the company translates the financial statements of the companies with other functional currencies into euros in the consolidated financial statements. These translation-related foreign currency risks are typically not hedged in the Logwin Group. This can create a considerable impact on the presentation of the earnings position and net assets of the Logwin Group. The Logwin Group closely monitors the extent of the possible impact on an ongoing basis.

Interest rate risk

Following a long period of low interest rates, interest rates increased significantly worldwide in the reporting year due to extensive monetary policy measures. Various influencing factors may lead to a further increase in interest rates. As of 31 December 2022, the Group had financial liabilities subject to variable interest rates resulting from lease contracts. The interest rate risks resulting from these contracts are closely monitored on an ongoing basis and tolerated at the current level.

Legal and regulatory risks The Logwin Group performs various customs and VAT-related processes on behalf of its customers as part of its cross-border, international transportation activities. Risks are involved in performing these processes and making the required customs or tax declarations. This applies especially when the Logwin Group is liable for the completeness and accuracy of such declarations, for example, when bearing joint and several liability. Considerable risks to the financial situation and earnings position of the Logwin Group arise in particular in cases where a customer is unable to settle its payment obligations. To limit these risks, these proceedings are handled by appropriately qualified personnel. Furthermore, the internal control and risk management system in place helps to counter possible threats early on.

In an increasingly security-conscious environment, the possibility of the introduction of stricter security measures such as tighter import and export controls and controls in connection with air freight security cannot be excluded. It can be assumed that compliance with international security regulations will lead to increased costs and a growing need for investment in additional security measures, which could have a negative impact on the Logwin Group's financial and earnings situation.

Country-specific risks can result, for example, from inconsistent interpretation, application and abrupt changes to legal, tax and customs regulations. This is not only the case for various emerging countries where the legal system does not yet conform to international standards (or only to a limited extent). It also applies to locally adopted implementing regulations of EU law, whose transposition sometimes differs greatly from country to country. Through the close monitoring of the development of global safety regulations and other legal frameworks, the Logwin Group strives to respond to additional requirements early on and to mitigate or avert the impact of additional expenses by adjusting customer agreements.

In addition, tax law reforms such as, in particular, the OECD project on the international minimum taxation of all large companies ("Pillar 2") adopted by the Council of the EU in December 2022 may lead to an increase in tax rates and thus in the Logwin Group's tax burden in the future. The calculation of the future minimum tax follows detailed special regulations and requires correspondingly extensive data collection for implementation in compliance with the law. In this context, increased risks may arise for the Logwin Group from the interpretation and implementation of the new regulations as part of the implementation of necessary systems and methods.

Moreover, in providing its services and running its own facilities, the Logwin Group is subject to the laws, rules and regulations prevailing in the countries where it operates, such as transportation licenses and occupational health and safety. Conditions and licensing requirements may restrict transportation and logistics activities. For a number of customer projects, the companies of the Logwin Group are dependent upon retaining their current licenses and permits at all times. Losing such authorization could significantly threaten the profitability of the customer projects concerned. The risks arising from this are constantly monitored by the risk owners in order to directly counter potential threats.

The contractually agreed acceptance of risks, principally warranties, indemnification and tax risks, remain in connection with winding up the business operations sold by the Logwin Group. If Logwin Group is held liable, this can have an considerably negative impact on the financial situation and earnings position of the Logwin Group. These risks are contractually limited as far as possible.

The Logwin Group is particularly affected by environmental regulations and requirements in areas where the provision of logistics services involves the handling of potentially hazardous substances, such as the operation of fuel stations. In addition, hazardous goods are handled and stored at various logistics facilities. It is likely that, at least in Germany and the EU, the logistics and transport sector will become the focus of environmental and climate protection-related directives and legislation in the coming years. For example, the EU Taxonomy Regulation to strengthen the EU's environmental goals requires companies to significantly increase the scope of reporting on the sustainability of their business activities. The issue of environmental protection is also becoming increasingly relevant when it comes to awarding contracts on the customer side.

In this respect, there is a risk that the resulting cost increases can only be partially offset by efficiency improvements or passed on to customers in the form of higher prices. This could have significant adverse effects on the Logwin Group's earnings and financial position. Continuous monitoring and systematic reviews by the supervisory bodies and in particular by the Logwin Group's quality management officers ensure that these risks are identified and managed at an early stage.

Other risks The Logwin Group is exposed to the risk of claims for damages resulting from breaches of duty by management. In addition, fraudulent acts such as theft, fraud, embezzlement, misappropriation of funds and corruption harbor a high risk potential and can lead to considerable material and reputational damage. The Logwin Group's internal control system helps to reduce risks in this context. Furthermore, the Logwin Group has defined a Code of Conduct with the aim of promoting the integrity of its employees' behavior and preventing situations that are incompatible with these principles. The Code of Conduct is publicly available on the Logwin Group's website and is also firmly anchored in employees' employment contracts. Information and training events on the Code of Conduct are held on a regular basis. To prevent corruption, the Logwin Group has worked with an external partner to establish an e-learning program with the modules Compliance and Corruption and rolled it out to all employees worldwide. Our employees in 35 countries have now successfully completed 4,776 online training programs on corruption and compliance topics. In addition to the online self-learning modules, a two-hour management workshop on the topic of compliance was designed in webinar format and has already been implemented in an initial leadership program. This will be a fixed component of management development in the Logwin Group in the future.

The Logwin Group takes entrepreneurial risks in order to be able to exploit market opportunities. In the event that these risks materialize, this could have a significant impact on the Logwin Group's net assets, financial situation and earnings position. The capitalized goodwill of EUR 46m as of 31 December 2022 represents a significant individual item of the Logwin Group's non-current assets. As of the balance sheet date, it relates in full to the Air + Ocean business segment. In accordance with the requirements of IAS 36, goodwill is subject to an impairment test. In the event of a sustained significantly weaker than expected development of the business segment Air + Ocean, there is a risk with regard to the consolidated balance sheet that certain assets and also capitalized goodwill will have to be written down ("impairment risk"). Another influencing factor is the current and expected development of interest rates. In the financial year, capitalized goodwill in the business segment Solutions was impaired by EUR 11.7m, mainly as a result of interest rates. A sustained weak or weaker than expected development of individual Logwin companies may also necessitate a write-down of deferred tax assets. A lack of recoverability of non-current assets including rights of use from IFRS 16 could have a negative impact on the Logwin Group's net assets, financial situation and earnings position.

Compliance The Logwin Group attaches great importance to Group-wide compliance with national and international legislation, contractual agreements and the Group’s internal policies. To firmly anchor this principle, the Logwin Group has formulated a Code of Conduct, which is binding for all employees in the Group. This code of conduct specifically defines general behavioral principles, requires employees to understand and comply with the relevant legislation, governs how to deal with business partners and public-sector institutions and sets out guidance on avoiding conflicts of interest. The Board of Directors of Logwin AG has also adopted a Corporate Governance Charter, which is based on the Corporate Governance regulations of the Luxembourg Stock Exchange and sets out requirements for the governance of the Logwin Group and for ensuring compliance with related legislation. The Corporate Governance Charter of Logwin AG has been published on the Logwin Group’s homepage. Please refer to the “Corporate governance” section of this management report.

To monitor compliance with compliance requirements, a compliance officer was appointed. Under the overall responsibility of the Executive Committee, a compliance management system was created that forms the framework for the structured monitoring, assessment, management and tracking of compliance risks on the basis of defined risk fields. Comprehensive and recurring employee training in the form of classroom and online sessions complement the range of measures that is continuously being expanded.

Compliance activities are also supplemented by the work of the internal audit. The focus here is on monitoring compliance with legislation and internal rules in addition to contractual agreements. Together with business segment representatives, the internal audit function carries out audits of selected locations and companies worldwide. External specialists and lawyers are involved in monitoring compliance with national legislation, with a particular emphasis on anti-corruption, compliance with tax and customs legislation, data protection and labor law. Overall, these measures have systematically expanded the Logwin Group’s compliance organization in recent years. Nevertheless, the possibility of infringements against national or international regulations occurring, resulting in risks that could threaten the very existence of the Logwin Group, can never be excluded completely.

Opportunities

Macroeconomic and industry-related opportunities In addition to the risks described above, globalization also opens up potential opportunities for the Logwin Group. With global economic growth set to continue in the long term, the logistics sector will continue to grow in the future. This applies in particular to Asia, where trade flows with other regions and especially within the continent will continue to increase. Furthermore, market opportunities may arise from the growth impulses of other fast-growing countries in regions such as South America or the Middle East.

If the economic environment in the key industrial regions, particularly in China, the USA and Europe, develops better than currently forecast, this may also lead to additional growth impulses, as the economic development of our customers determines their demand for warehousing and transport services. As a result, increasing transport volumes in imports and exports can have a beneficial effect on the development of the Logwin Group.

In addition to the regional impact, growth impulses can also result from individual industries. In particular, positive developments in the automotive, consumer goods and chemical sectors or in plant and mechanical engineering can have a beneficial effect on the Logwin Group's business performance. The booming online trade, which has shown significant growth rates especially since the Covid 19 pandemic, is another opportunity for the Logwin Group. It creates demand for the transportation of goods and thus opens up great growth potential for the national and international transportation business.

Opportunities from operating activities Potential opportunities arise from the use of the possibilities offered by technological progress. Digital transformation opens up new networking opportunities with the Logwin Group's customers and suppliers. In this way, market opportunities can be seized quickly and the competitiveness can be strengthened, especially in a challenging and dynamic environment. In addition, the increasing level of technology in operational processes offers various opportunities for optimization. The increased use of modern, networked IT systems, in which the Logwin Group has invested more in recent years, enables not only efficiency gains but also improved operational quality, increased cost efficiency and shorter response times to deviations. Opportunities continue to arise from the ongoing increase in productivity and cost transparency as well as the exploitation of synergy effects, which are therefore the focus of management's efforts within the Logwin Group.

The trend towards outsourcing logistics services continues. Supply chains are becoming more complex, more international, but also more prone to disruption, as the disruptions in the global supply chains of the last two reporting years show. Customers therefore want stable and integrated logistics solutions and seek the support of specialized service providers. If the trend continues, this could result in further growth opportunities for the Logwin Group.

On the procurement side, there are opportunities primarily due to a positive price development contrary to underlying expectations, e.g. of purchased transport services, but also of fuel or heating oil prices.

Other opportunities Other opportunities may arise from acquisitions or the streamlining of activities. By constantly reviewing existing business and monitoring potential acquisition targets, the Logwin Group attempts to identify opportunities at an early stage and, after carefully weighing up the risks, to take advantage of such opportunities. Opportunities for the Logwin Group's earnings situation also arise from possible positive effects of foreign currency relations or changes in interest rates.

Outlook

All statements made in the forecast report are still subject to a high degree of uncertainty due to the imponderability of further developments in various regions of the world and the continued possibility of disruptions in international supply chains worldwide.

Economic forecast In line with leading economic forecasts, the Logwin Group expects the global economy to grow slightly in 2023. The eurozone and the German economy are expected to contract slightly in this period. Slight growth is expected for China, as well as for the USA. All forecasts for overall economic development assume that the Covid 19 pandemic and the current difficulties in international supply chains will no longer have a noticeable dampening effect on growth. The planning assumptions do not take into account possible worsening of the impact of Russia's war against Ukraine or effects on trade relations or other global escalations of international conflicts, including further trade embargoes or punitive tariffs.

On the other hand, global inflation expectations and the development of price increases in the various economic sectors such as food, production, raw materials and energy, and services are considered to be of considerable importance for the assessment of further overall economic developments. Accordingly, the development of the interest rate environment in response to measured and expected price increases will have a considerable influence on the economic development to be expected in the forecast period. In line with the leading forecasting institutes, the Logwin Group expects the momentum of interest rate increases to weaken over the course of the year, inflation and inflation expectations to weaken and economic growth to recover as a result.

The development of individual sub-sectors of German consumption, in particular the textile and clothing industry, as well as the development of economic sectors that are strongly import and export-related, such as the automotive industry, will be of key importance for the Logwin Group.

The possibility of significant overriding risk factors having a negative impact on the Logwin Group's business development is considered realistic and is reflected in the assessment of future business development. These risk factors continue to include uncertainty about the further development of the Covid 19 pandemic as well as the continuing noticeable impairment of the economy due to ongoing supply bottlenecks and material shortages in various sectors of the economy, despite a partial easing of the situation. Additional risks relating to economic development arise from persistently higher inflation and the associated potential restrictive monetary policy measures for the Logwin Group's customers and overall economic development.

Revenue expectations The Logwin Group anticipates a significant decline in sales in 2023 following the leap in rates in previous periods. This is based on the expectation of a significant year-on-year decline in freight rates overall in all modes of transport, but particularly in ocean freight. Market-related volume declines are also expected in both air and ocean freight, but above all in consumer-related business areas.

Air + Ocean
In the Air + Ocean business segment, freight rate levels are expected to be significantly below the previous year's level for the full year 2023 and demand for transport capacities is expected to be subdued. In the course of the year, margins are expected to decline as a result of the subdued sales development caused by continuing overcapacities. Winning new customers, expanding business with existing customers and securing existing business will form the basis for the business area's continued successful development and will therefore remain the focus of attention. As in previous years, sales in 2023 will depend to a large extent on the development of freight rates and exchange rates, in addition to the expected decline in volumes with existing and new customers.

Solutions
Sales in the Solutions business segment are expected to decline in fiscal year 2023 due to the anticipated development of international transport activities. A termination of the so-called network activity in the German transport network will also contribute to the expected development. The termination of individual contract logistics activities will again have a dampening effect on sales.

Earnings expectations Under the conditions described, the Logwin Group expects a significant weakening of earnings development in the Air + Ocean business segment in 2023 compared to 2022 and consequently a significant decline in operating earnings (EBITA) for the Logwin Group. The net result for the period will also be correspondingly below the level of 2022 in line with the operating result.

Air + Ocean
Following the exceptionally high earnings of the Air + Ocean business segment in the reporting year, it will probably not be possible to maintain this level of earnings in 2023 in the current very challenging market and competitive environment. The forecast assumes tougher competitive conditions in the course of the year compared with the past exceptional market conditions and a corresponding decline in sales and margin levels. Overcapacities in both the air and ocean freight markets are likely to exert additional pressure on operating margins. Earnings will therefore decrease significantly.

Solutions
In the Solutions business area, earnings are expected to increase in 2023 following the special charges in the fiscal year 2022. The development of earnings will depend to a large extent on the result in the area of international transport activities. However, earnings here are expected to decline due to anticipated margin reductions resulting from a normalization of the market situation. By contrast, earnings in the contract logistics activities and the German transport network are expected to exceed the level of 2022. The development of earnings in the German transport network will also depend to a large extent on the possible continuation of transport concepts for customers of the retail network in the second half of 2023.

Liquidity development The Logwin Group expects a sharp decline in the still solid free cash flow in 2023 due to the significantly reduced operating result as well as working capital effects after the partially rate-related effects of previous periods The net liquidity of the Logwin Group will continue to develop in a stable manner due to the planned increased distributions to shareholders.

Employees Due to the expected subdued business developments in the business segment Air + Ocean and the structural changes in the business segment Solutions, the Logwin Group anticipates an overall decrease in the number of employees in the financial year 2023.

Consolidated Financial Statements

Income Statement

In thousand EUR	2022	2021	*Note/Page*
Revenues	2,259,027	1,851,836	*9/59*
Cost of sales	-2,067,144	-1,689,275	*10/60*
Gross profit	**191,883**	**162,561**	
Selling costs	-32,636	-27,613	*10/60*
General and administrative costs	-38,247	-34,064	*10/60*
Other operating income	25,139	9,936	*11/60*
Other operating expenses	-16,805	-8,617	*11/60*
Impairments on assets measured at amortized cost	-1,079	-138	
Operating result before impairments and reversal of impairments of property, plant and equipment and other intangible assets	**128,255**	**102,065**	
Impairment of property, plant and equipment and other intangible assets	-8,134	-3,422	*12/61*
Reversal of impairments of property, plant and equipment	-	2,297	*12/61*
Operating result before goodwill impairment (EBITA)	**120,121**	**100,940**	
Goodwill impairment	-11,665	-8,953	*19/65*
Net result before interest and income taxes (EBIT)	**108,456**	**91,987**	
Finance income	1,454	183	*15/62*
Finance expenses	-5,285	-3,364	*15/62*
Net result before income taxes	**104,625**	**88,806**	
Income taxes	-30,680	-25,296	*16/62*
Net result	**73,945**	**63,510**	
Attributable to:			
Shareholders of Logwin AG	72,247	62,803	
Non-controlling interests	1,698	707	
Earnings per share – basic and diluted (in EUR):			
Net result attributable to the shareholders of Logwin AG	**25.09**	**21.80**	
Weighted average number of shares outstanding	2,879,264	2,880,488	

Statement of Comprehensive Income

In thousand EUR	2022	2021	*Note/page*
Net result	**73,945**	**63,510**	
Gains on currency translation of foreign operations	1,012	4,462	
Other comprehensive income that may be reclassified into profit or loss in future periods	**1,012**	**4,462**	
Remeasurement of the net defined benefit liability	7,636	2,771	*30/77*
Deferred tax from remeasurement of the net defined benefit liability	-710	-2,251	*27/74*
Other comprehensive income that will not be reclassified into profit or loss in future periods	**6,926**	**520**	
Other comprehensive income	**7,938**	**4,982**	
Total comprehensive income	**81,883**	**68,492**	
Attributable to:			
Shareholders of Logwin AG	80,092	67,605	
Non-controlling interests	1,791	887	

Statement of Cash Flows

In thousand EUR	2022	2021	*Note/page*
Net result before income taxes	104,625	88,806	
Financial result	3,831	3,181	*15/62*
Net result before interest and income taxes	**108,456**	**91,987**	
Reconciliation adjustments to operating cash flows:			
Depreciation and amortization	39,973	39,192	*10/60*
Result from disposal of non-current assets	-143	150	*11/60*
Impairment of Goodwill	11,665	8,953	*19/65*
Impairment of property, plant and equipment and other intangible assets	8,134	3,422	*12/61*
Reversal of impairments of property, plant and equipment	-	-2,297	*12/61*
Other	-1,188	3,522	
Income taxes paid	-39,985	-13,232	
Interest paid	-5,095	-3,071	
Interest received	1,454	183	
Changes in working capital, cash effective:			
Change in receivables and contract assets	59,574	-162,564	
Change in payables	-12,619	159,605	
Change in inventories	-670	44	
Operating cash flows	**169,556**	**125,894**	
Capital expenditures in property, plant and equipment and other intangible assets	-6,609	-12,594	
Proceeds from disposals of other business operations and non-current assets held for sale	-	8,100	*17/64*
Proceeds from disposal of non-current assets	784	750	
Other cash flows from investing activities	-14	-29	
Investing cash flows	**-5,839**	**-3,773**	
Net cash flow	**163,717**	**122,121**	
Repayment of current loans and borrowings	1,027	67	*18/64*
Repayment of liabilities from leases	-30,769	-33,528	*18/64*
Distribution to shareholders of Logwin AG	-17,275	-10,083	*28/75*
Distribution to non-controlling interests	-663	-363	
Payments for acquisitions of own shares	-38	-413	
Financing cash flows	**-47,718**	**-44,320**	
Free cash flow (= Net cash flow less repayment of liabilities from leases)	**132,948**	**88,593**	
Effects of exchange rate changes on cash and cash equivalents	-234	1,804	
Changes in cash and cash equivalents	**115,765**	**79,605**	
Cash and cash equivalents at the beginning of the year	248,013	168,408	
Change	115,765	79,605	
Cash and cash equivalents at the end of the period	**363,778**	**248,013**	*26/73*

Balance Sheet

In thousand EUR	31 Dec 2022	31 Dec 2021	Note/page
Assets			
Goodwill	45,701	57,366	19/65
Other intangible assets	15,482	20,979	20/67
Property, plant and equipment	100,193	104,759	21/67
Investments	680	781	
Deferred tax assets	19,022	20,007	27/74
Other non-current assets	1,007	844	
Total non-current assets	**182,085**	**204,736**	
Inventories	2,086	1,411	23/71
Trade accounts receivable	232,388	261,396	24/71
Contract Assets	16,236	34,922	24/71
Income tax receivables	3,153	1,862	
Other receivables and current assets	33,393	44,685	25/73
Cash and cash equivalents	363,778	248,013	26/73
Total current assets	**651,034**	**592,289**	
Total assets	**833,119**	**797,025**	

In thousand EUR	31 Dec 2022	31 Dec 2021	Note/page
Liabilities			
Share capital	131,300	131,300	
Group reserves	213,483	150,666	
Treasury Shares	-838	-800	
Equity attributable to the shareholders of Logwin AG	**343,945**	**281,166**	
Non-controlling interests	2,447	1,319	
Shareholders‘ equity	**346,392**	**282,485**	28/75
Non-current liabilities from leases	54,354	51,631	22/69
Pensions provisions and similar obligations	23,021	31,616	30/77
Other non-current provisions	2,887	3,365	31/81
Deferred tax liabilities	1,893	6,325	27/74
Other non-current liabilities	18	1	34/82
Total non-current liabilities	**82,173**	**92,938**	
Trade accounts payable	292,992	323,257	
Current liabilities from leases	26,598	27,884	22/59
Current loans and borrowings	1,110	135	29/77
Current provisions	9,305	9,470	32/81
Income tax liabilities	8,641	12,794	33/81
Other current liabilities	65,908	48,062	34/82
Total current liabilities	**404,554**	**421,602**	
Total liabilities and shareholders‘ equity	**833,119**	**797,025**	

Statement of Changes in Equity

In thousand EUR	Equity attributable to the		
	Share capital	Additional paid-in capital	Retained earnings
1 January 2021	**131,300**	**175,777**	**-74,726**
Net result			62,803
Other comprehensive income			520
Total comprehensive income			**63,323**
Acquisition of own shares			
Distributions		-10,083	
Attribution of retained earnings to additional paid-in capital		48,947	-48,947
31 December 2021	**131,300**	**214,641**	**-60,350**
1 January 2022	**131,300**	**214,641**	**-60,350**
Net result			72,247
Other comprehensive income			6,926
Total comprehensive income			**79,173**
Acquisition of own shares			
Distributions		-17,275	
31 December 2022	**131,300**	**197,366**	**18,823**

The accompanying notes are an integral part of these consolidated financial statements.

shareholders of Logwin AG				
Accumulated other comprehensive income				
Currency translation reserve	Treasury shares	**Total**	Non-controlling interests	**Total shareholders' equity**
-7,907	**-387**	**224,057**	**795**	**224,852**
		62,803	707	63,510
4,282		4,802	180	4,982
4,282		**67,605**	**887**	**68,492**
	-413	-413		-413
		-10,083	-363	-10,446
		-		-
-3,625	**-800**	**281,166**	**1,319**	**282,485**
-3,625	**-800**	**281,166**	**1,319**	**282,485**
		72,247	1,698	73,945
919		7,845	93	7,938
919		**80,092**	**1,791**	**81,883**
	-38	-38		-38
		-17,275	-663	-17,938
-2,706	**-838**	**343,945**	**2,447**	**346,392**

Notes to the Consolidated Financial Statements as of 31 December 2022

Other Notes

General Information

1 Corporate information

The consolidated financial statements of Logwin AG, Grevenmacher, Luxembourg, ("Logwin AG" or "Logwin") for the financial year as of 31 December 2022, were authorized for issue by resolution of the Board of Directors on 28 February 2023, and under Luxembourg law are still subject to approval by the Annual General Meeting. Logwin AG, 5 an de Längten, L-6776 Grevenmacher, is a limited company incorporated and domiciled in Grevenmacher, Luxembourg, whose shares are publicly traded on the Frankfurt Stock Exchange. The Company belongs to the Prime Standard of Deutsche Börse AG. The majority shareholder is DELTON Logistics S.à r.l., with registered office in Grevenmacher, Luxembourg.

As an integrated logistics service provider, the Logwin Group has a long-standing experience, specialized infrastructure and expertise in various sectors of industry and trade and assumes responsibility for its customers' supply chain management, warehousing, value added services and both local and global freight transportation by road, rail, air and ocean. The principal activities of the business segments Air + Ocean and Solutions are described in note 8 "Segment reporting".

2 Statement of compliance with IFRS

The consolidated financial statements of Logwin AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. All standards of the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRS IC), formerly known as the International Financial Reporting Interpretation Committee (IFRIC) or Standing Interpretation Committee (SIC), whose application is mandatory for financial year 2022, have been applied.

3 Basis of preparation of the financial statements

The financial statements of the subsidiaries are prepared using uniform accounting policies and the same reporting date as the financial statements of the parent company.

The consolidated financial statements have been prepared on a historical cost basis. This excludes derivative financial instruments and other financial instruments that are assigned to the measurement category "financial instruments at fair value through profit or loss". The financial year of the Group corresponds to the calendar year. The consolidated financial statements are presented in euros (EUR). Unless stated otherwise, all figures are shown in thousands of euros (thousand EUR or EUR k). Due to rounding differences, information included in these financial statements may differ slightly from the actual figures by +/– one unit (EUR, % etc.).

4 Consolidation principles

As of 31 December 2022, the number of consolidated companies includes two domestic and 52 foreign companies. They have developed as follows:

	31 Dec 2021	Additions	Disposals	31 Dec 2022
Luxembourg	2	-	-	2
Germany	12	-	-	12
Other countries	39	1	-	40
Total	**53**	**1**	**-**	**54**

The addition relates to the establishment of a new Portuguese company in the Solutions business segment.

Please refer to page 96 et seqq. for a list of shareholdings.

All intragroup balances, transactions, income, expenses, gains and losses are eliminated in full. Subsidiaries are fully consolidated from the time of acquisition, i.e., from the time at which the Group obtains control. They are no longer included in the consolidated financial statements when the parent company loses control over the subsidiary. Non-controlling interests represent the portion of net results and net assets of consolidated companies not held by the Group and are presented separately in the consolidated income statement, in the statement of comprehensive income, in the consolidated statement of changes in equity and within equity in the consolidated balance sheet – separately from the shares attributable to the shareholders of Logwin AG.

5 New accounting provisions

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have published new accounting provisions in recent years. The table below contains the new standards and interpretations that had to be applied for the first time for financial year 2022:

Standard/interpretation			Mandatory adoption (in the EU) for the annual period beginning on or after	Endorsement
Amendment	IFRS 3	Reference to the Conceptual Framework	1 January 2022	Yes
Amendment	IAS 16	Proceeds before intended use	1 January 2022	Yes
Amendment	IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022	Yes
Amendment	various	Annual Improvements 2018-2020	1 January 2022	Yes

The new or amended accounting standards and interpretations mentioned above were applicable for the first time for the current reporting period.

The amendments to IFRS 3 update obsolete references to the Framework without significantly changing the requirements in the standard.

The amendments to IAS 16 require that revenue and expenses relating to items produced that are not in the ordinary course of the entity's activities be presented separately and specify the line item in which the revenue is recognized within the statement of comprehensive income.

The published amendments to IAS 37 clarify that all costs of fulfilling the contract that are directly attributable to the contract should be included in determining whether the contract is onerous.

The new accounting standards, which became mandatory for the first time in the reporting year, did not have any material impact on the consolidated financial statements of Logwin AG.

Furthermore, the IASB and the IFRS IC adopted the new or revised accounting standards presented below, which were not yet mandatory in fiscal year 2022. The Logwin Group did not make use of the option of voluntary early adoption in individual cases in the fiscal year 2022.

Standard / interpretation			**Mandatory adoption (in the EU) for the annual period beginning on or after**	**En-dorse-ment**
Amendment	IAS 1	Classification of Liabilities as Current or Non-current	1 January 2023	No
Amendment	IAS 1, Practice Statement 2	Disclosure of Accounting policies	1 January 2023	No
Amendment	IAS 8	Definition of Accounting Estimates	1 January 2023	No
Amendment	IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	No
New Standard	IFRS 17	Insurance Contracts	1 January 2023	Yes
Amendment	IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023	No

The amendment to IAS 1 clarifies that the classification of liabilities as current or non-current is based on the rights that the entity has at the reporting date.

Further amendments to IAS 1 and Practice Statement 2 are part of the IASB's Disclosure Initiative, which clarifies that future disclosures should be made only about material accounting policies and no longer about significant accounting policies. What is considered material is based on the usefulness of the information for decision-making by the users of the financial statements.

The amendments to IAS 8 include clarifications on the distinction between accounting policies and accounting estimates in order to make it easier for entities to distinguish between them.

The amendments to IAS 12 restrict the so-called "initial recognition exemption".

IFRS 17 sets out the principles relating to recognition, measurement, presentation and disclosures for insurance contracts within the scope of the standard. The objective of IFRS 17 is the provision of relevant information by the reporting entities and thus to lead to a credible presentation of insurance contracts. This information serves as a basis for users of financial statements to assess the impact of insurance contracts on an entity's financial position, financial performance and cash flows.

The new regulations explained and revised above are currently not expected to have any material effects on the future financial statements of the Logwin Group.

6 Significant accounting judgments and estimates

The preparation of the financial statements requires management to make certain estimates and assumptions and hence accounting judgments that affect the amounts of assets and liabilities recognized at the end of the reporting period and the income and expense items for the reporting period. Actual amounts may differ from these estimates, leading to a risk that an adjustment to the carrying amounts of assets or liabilities might be required in subsequent financial years.

Uncertainties exist in connection with the goodwill impairment test that has to be performed at least once a year, since expected future cash flows, sustainable growth rates and an appropriate weighted cost of capital (WACC) must be considered for the discounted cash flow method used for this purpose. The components of the WACC are the risk-free interest rate, the market risk premium, the so-called beta factors, country risk premiums, the spread for the credit risk and the debt ratio. The carrying amount of recognized goodwill as of 31 December 2022 amounted to EUR 45.7m (prior year: EUR 57.4m). Please refer to the explanations in note 19 “Goodwill.”

Additional estimates are required in actuarial calculations of the value of provisions for pensions and similar obligations with regard to the assumptions used. Their carrying amount as of 31 December 2022 is EUR 23.0m (prior year: EUR 31.6m). Please refer to note 30 “Provisions for pensions and similar obligations.”

Estimates also have to be made with regard to the recognition of deferred tax assets and expectations regarding future taxable profits and about how these will be offset against tax loss carryforwards or, where applicable, existing deferred tax liabilities. Their carrying amount at the end of the reporting period is EUR 19.0m (prior year: EUR 20.0m). Please refer to note 27 “Deferred taxes.”

Assumptions also have to be made with regard to the useful life of property, plant and equipment and other intangible assets and their recoverability has to be assessed for accounting purposes. The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists, or annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

Management accounting judgments also include the decision as to whether development costs meet the conditions for capitalization as internally generated intangible assets, in particular software.

A test for the impairment of trade accounts receivable is also necessary. Management must assess to what extent the significant risks and rewards are transferred to the factoring company in order to report receivables sold in the course of factoring appropriately in the balance sheet. Please refer to note 7, "Summary of key performance indicators and significant accounting policies" – under "Factoring" – for information on the reporting of factoring in the consolidated financial statements.

In accounting for leases, the determination of the lease term, the amount of the lease payments and the incremental borrowing rate used as the discount rate may be discretionary and are based on both assumptions and estimates. In particular, the assessment of renewal, termination and purchase options for property leases involves discretionary decisions by management.

In addition, with respect to the recognition of provisions, the Group has to make assumptions regarding the probability and amount of expected outflows of assets.

According to the provisions of IFRS 15, revenue is recognized when a customer obtains control of goods or services. The timing of the transfer of control – at a point of time or over a period of time – is subject to judgment.

7 Summary of key performance indicators and significant accounting policies

Foreign currency translation
The consolidated financial statements are presented in euros, which is Logwin AG's functional currency and the Group's presentation currency.

The assets and liabilities of group companies with a functional currency other than the euro are translated into euros using the mean exchange rate in effect at the reporting date and revenues and expenses are translated at the average rate during the financial year. Exchange rate gains or losses on foreign currency translation are reported as a separate item under shareholders' equity. On disposal of a foreign operation previously included in the scope of consolidation, the cumulative amount reported in equity relating to that particular foreign operation is recognized in profit or loss for the period.

The following table shows the development of the exchange rates of the major currencies used in the consolidated financial statements:

		Average rate		Closing rate	
		2022	2021	31 Dec 2022	31 Dec 2021
1 EUR =					
Australian dollar	AUD	1.5169	1.5750	1.5693	1.5594
Brazilian real	BRL	5.4420	6.3781	5.6386	6.3734
Chinese renminbi	CNY	7.0790	7.6293	7.3582	7.2230
British pound	GBP	0.8527	0.8597	0.8869	0.8393
Hong Kong dollar	HKD	8.2448	9.1938	8.3163	8.8399
Polish zloty	PLN	4.6864	4.5651	4.6808	4.5960
Singapore dollar	SGD	1.4511	1.5893	1.4300	1.5330
Thailand baht	THB	36.8576	37.8373	36.8350	37.8670
US dollar	USD	1.0530	1.1828	1.0666	1.1334
South African rand	ZAR	17.2141	17.4757	18.0986	18.0173

Business combinations

If the Logwin Group has obtained control, the Group recognizes business combinations using the acquisition method. In accordance with IFRS 10 “Consolidated Financial Statements” control exists if a group is subject to changing yields from its involvement in an investee or has a right to these yields and has the ability to influence these yields using its control over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date at which the Group gains control until the date at which it ceases to have control. When it gains control of a subsidiary, the Logwin Group measures all identifiable assets, liabilities and contingent liabilities acquired at their fair values as of the acquisition date in accordance with IFRS 3.

The carrying amount of any non-controlling interests in the acquired company is calculated from the proportionate share held by the minority stakeholders in the fair value of the identifiable assets, liabilities and contingent liabilities. Acquiring additional interests in companies over which control was already achieved as a result of previous transactions (non-controlling interests) is deemed in terms of consolidation theory to be a transfer of equity between groups of shareholders. In this case, the acquisition costs for the additional shares are offset against the non-controlling interests to be derecognized. Any difference is offset against retained earnings without affecting profit or loss.

Goodwill acquired in a business combination is initially measured at cost, which is the excess of the purchase price of the business combination over the Group’s interest in the fair value of the identifiable assets, liabilities and contingent liabilities. Any gains resulting from a purchase at a price below fair value are directly recognized in profit or loss. Transaction costs are immediately recognized in profit or loss.

Revenue recognition

Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. The timing of the transfer of control – at a point of time or over a period of time – is subject to judgment.

Sales from transportation services in the business segments Air + Ocean and Solutions are recognized in accordance with IFRS 15.35 on a time-related basis, as it can be assumed that the customer receives the benefits from the company's services on a continuous basis and receives and uses them at the same time while the services are performed. As a rule, the service obligation is fulfilled while the Logwin Group provides the transport services. As a measure of the degree to which a service has been rendered on a given reporting date, the transport duration already elapsed is used in relation to the expected total duration of the transport (input-oriented method), since it is not practicable to measure the actual distance travelled.

For the provision of transport services in the business segment Air + Ocean, to some extent retrospective discounts are applied, which are based on the sales generated with the customer or the achievement of certain volumes within a defined period, which is generally 12 months. Revenue from services is recognized in the amount of the consideration agreed upon in the contract less the estimated discounts. Revenue is recognized only to the extent that it is highly probable that a significant reversal of the revenue will not be necessary. A provision is recognized for the discounts expected to be granted in respect of the revenues generated up to the end of the respective reporting period. Provisions are recognized for the Group's obligation to compensate for transport damage.

The transport services provided by the business segments Air + Ocean and Solutions generally represent a bundle of services, as the promised services are highly interdependent (IFRS 15.29c) and the Logwin Group provides a significant integration service (IFRS 15.29a), which represents a significant part of the bundle of services. For this reason, the transaction price is not allocated to the promised service components; rather, the transaction price is allocated to the identified service bundle.

Estimates of revenues, costs or contract progress are adjusted when circumstances change. Any resulting increases or decreases in estimated revenues or costs are recognized in profit or loss in the period in which management becomes aware of the circumstances that give rise to the adjustment.

In the case of fixed-price contracts, the customer pays an amount that may be fixed by means of a payment plan. If the services rendered by the Logwin Group exceed the payments received, a contract asset is recognized. If the payments received exceed the services rendered, a contractual liability is recognized.

In accordance with IFRS 15.35, sales of the Solutions business segment from distribution and warehousing must in principal also be recognized over a period of time, as the Logwin Group generally fulfils its performance obligation while the service is being rendered. The Logwin Group recognizes sales in this business segment predominantly in accordance with the simplification rule of IFRS 15.B16 in the amount that the company is permitted to charge the customer, as there is generally a claim to consideration from the customer that directly corresponds to the value of the service already rendered by the company for the customer.

The contracts in the Solutions business segment in connection with warehousing and distribution generally contain several service components which are basically independent, i.e. the customer can use them alone or together with other available resources. However, the Logwin Group provides a significant integration service, so that a bundle of services can generally be assumed.

The Group has no contracts with customers where the period between the transfer of the promised service to the customer and payment by the customer is longer than one year. Accordingly, the promised consideration is not adjusted by the time value of the money.

Entities are required to classify revenue from contracts with customers into categories that reflect the effect of economic factors on the nature, amount, timing and uncertainty of revenue and cash flows. For the Logwin Group, a breakdown of sales by existing segments and geographical regions is considered appropriate for its circumstances.

In the case of business transactions that do not generate sales themselves but are incurred together with the main sales activities, all income and related expenses arising from the same business transaction are netted in accordance with IAS 1.34 if this presentation reflects the content of the business transaction or event; this includes, for example, customs duties passed on.

EBITA

A core measure of earnings for the Logwin Group is EBITA (earnings before interest, taxes and amortization). It is derived from revenues less cost of sales as well as selling, general and administrative costs. It also includes other operating expenses and income and impairment losses on property, plant and equipment and other intangible assets as well as impairments on financial assets measured at amortized cost.

Earnings per share

Earnings per share are calculated as a ratio of the net result for the period attributable to shareholders of Logwin AG to the weighted average number of shares outstanding. Dilution would arise if the result were reduced by potential shares from options and conversion rights. No such rights exist with regard to the shares of Logwin AG.

Free cash flow

Another major control parameter for the Logwin Group is the free cash flow. The free cash flow in the Logwin Group is defined as the sum of the operating cash flows and investing cash flows less the repayment of lease liabilities.

Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired in a business combination is the fair value as of the date of acquisition. Internally generated intangible assets are capitalized provided they meet the criteria for capitalization and the costs incurred exceed the materiality threshold. Otherwise costs are recognized in income in the period in which they are incurred. Subsequent measurement is performed at cost less any accumulated amortization and any accumulated impairment losses.

The amortization period and method and the residual value for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate, and treated as changes in accounting estimates. Amortization of intangible assets with finite useful lives is recognized in the income statement in the expense category consistent with the function of the intangible asset. Capitalized intangible assets are amortized over an economic useful life of between 3 and 10 years. Intangible assets with an indeterminable useful life are at least reviewed for recoverability annually.

Gains and losses arising from the disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement under other operating income or other operating expenses when the asset is disposed of.

Property, plant and equipment

Property, plant and equipment are stated at the cost of acquisition, construction or production less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a straight-line basis, based on an economic useful life of between 10 and 50 years for buildings and 3 to 20 years for machinery, operating and office equipment.

The depreciation period, the depreciation method and the residual value for an item of property, plant and equipment are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate, and treated as changes in accounting estimates. Depreciation of property, plant and equipment is recognized in the income statement in the expense category consistent with the function of the asset.

An item of property, plant and equipment is derecognized upon its disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset is calculated as the difference between the net disposal proceeds and the carrying amount and recognized in the period the item is derecognized under other operating income or other operating expenses.

Impairment of assets

The Group assesses at each reporting date and occasional whether there is an indication that an asset may be impaired (please see also note 6 “Significant accounting judgments and estimates”). An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less cost of disposal and its value in use. The recoverable amount is calculated for each individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or groups of assets. In this case, the recoverable amount may be calculated for the cash-generating unit to which the asset belongs.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. To determine the value in use, the estimated future cash flows from the continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market expectations of the time value of money and the risks specific to the asset. Where impairment losses on property, plant and equipment or intangible assets have a material impact on the earnings position of the Logwin Group, these are reported in a separate item in the income statement. Impairment losses on trade accounts receivable are reported in a separate item in the income statement.

An assessment is made at each reporting date as to whether there is an indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is determined. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized immediately in profit or loss for the period. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Special aspects relating to the impairment of goodwill

Goodwill is tested on the level of the business segments Air + Ocean and Solutions for impairment at least once a year or as necessary. The Logwin Group selected 31 December as the date of its annual goodwill impairment test. An impairment test is performed at any time there is an indication of goodwill impairment.

For the purpose of impairment testing, any goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Logwin Group's cash-generating units, or to the groups of cash-generating units, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units.

Each unit to which goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a business segment determined in accordance with IFRS 8 “Operating Segments”.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. In the Logwin Group, the groups of cash-generating units are the business segments. An impairment loss is recognized in cases where the recoverable amount of the cash-generating unit is less than the carrying amount. Impairment losses on goodwill may not be reversed if the reasons for the impairments cease to exist.

Where part of a cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this way is measured based on the relative values of the fair value associated with the operation disposed of and the recoverable amount of the cash-generating unit retained.

Inventories

Inventories are stated at the lower of cost or net realizable value using the moving average method. Risks resulting from slow-moving items and from the obsolescence of inventories, as well as potential losses from pending supply agreements are reflected by writing down inventory items to their net realizable values.

Income taxes

Income tax receivables and income tax liabilities are calculated in accordance with IAS 12. The amount of current tax receivable or liabilities is the best estimate of the tax amount expected that reflects uncertainty related to current income tax, if any. In addition, deferred tax assets and deferred tax liabilities are reported in the balance sheet. Deferred income taxes result from temporary differences between the carrying amounts stated in the consolidated balance sheet and the taxation base of assets and unused tax loss carryforwards. Any future tax savings or tax charges that are likely to result from these differences are reported as assets or liabilities taking into account uncertainties related to income taxes. Deferred tax assets are only stated to the extent that taxable earnings are likely against which the temporary difference or the loss carry forward can be offset. Where the savings or charges underlying the tax deferrals are recognized in equity, the creation or reversal of deferred taxes is also recognized in equity.

The relevant basis for assessment is valued at the rate of tax likely to be applicable at the time of realization. Country-specific tax rates are always applied for companies included in the consolidation. Thus a corporate tax rate of 15% plus the solidarity surcharge ("Solidaritätszuschlag") of 5.5% on corporate income tax is used to calculate deferred taxes for Germany as well as a local trade tax based on the local multiplier. When deferred tax assets exceed the amount of deferred tax liabilities, their recoverability is evaluated taking the probable development in earnings of the relevant group company into account.

Deferred tax assets and deferred tax liabilities are netted when they refer to income taxes that are then assessed by the same tax authority for the same taxable entity.

Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale or held for distribution if it is highly probable that they will be realized primarily through sale or distribution rather than through continued use.

In general, these assets or the disposal group are recognized at the lower of their carrying amount and fair value less costs to sell.

Intangible assets and property, plant and equipment are then no longer amortized.

Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or an equity instrument of another entity.

Recognition and derecognition

Financial instruments are recognized for the first time on the settlement date. A normal market purchase or sale of financial assets is recognized on the trade date, i.e. the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the contractual obligations have been fulfilled, cancelled or expired.

Valuation
On initial recognition, the Logwin Group measures a financial asset at its transaction price plus - in the case of a financial asset that is not subsequently measured at fair value through profit or loss - the transaction costs directly attributable to the acquisition of this asset. Transaction costs of financial assets measured at fair value are recognized as an expense in profit or loss.

The subsequent measurement of financial assets is based on their classification into one of the categories described below.

Classification of financial assets
The classification of financial assets is based on three categories, which result in different measures of value and different recognition of changes in value. The classification is based both on the contractual cash flows of the instrument and on the business model in which the instrument is held.

The Group determines the classification of its financial assets at initial recognition and reviews this classification at the end of each financial year, whereby a distinction is made between debt instruments and equity instruments as follows.

Debt instruments
The measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Logwin Group classifies its debt instruments into one of the following three measurement categories:

- At amortized cost: Assets which are held to collect the contractual cash flows and for which these cash flows represent exclusively interest and principal payments are measured at amortized cost. Interest income from these financial assets is reported under financial income using the effective interest method. Gains or losses from derecognition are recognized directly in the income statement and - together with the foreign currency gains and losses - are reported under other gains/losses.
- FVOCI: Assets held to collect contractual cash flows and to sell financial assets, where the cash flows are exclusively interest and principal payments, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognized in other comprehensive income, except for impairment gains or losses, interest income and foreign exchange gains or losses that are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the income statement and reported in other gains/losses.
- FVTPL: Assets that do not meet the criteria of the category "measured at amortized cost" or "FVOCI" are classified as at fair value through profit or loss (FVTPL). Gains or losses on a debt instrument subsequently measured at FVTPL are netted against other gains or losses in the period in which they arise.

Equity instruments
The Logwin Group measures all equity instruments held at fair value through profit or loss in the category at fair value through profit or loss (FVTPL).

Changes in the fair value of financial assets at fair value through profit or loss (FVTPL) are recognized in the income statement under other gains/losses.

The following table provides an overview of the various categories:

Financial assets	Subsequent measurement	Changes in value
Financial instruments at fair value through profit or loss (FVTPL)	Fair Value	Realized and unrealized gains and losses are recognized in profit or loss.
Debt instruments at fair value through other comprehensive income (FVOCI with recycling)	Fair Value	Impairment losses, currency translation and effective interest are recognized in profit or loss, other changes in value are recognized directly in equity, recognition or transfer from equity to profit or loss on disposal is recognized in profit or loss (recycling).
Equity instruments at fair value through profit or loss (FVOCI option, without recycling)	Fair Value	Dividends recognized in profit or loss, other changes in value are recognized directly in equity, no recognition or reclassification from equity to profit or loss on disposal (without recycling)
Financial instruments measured at amortized cost	Amortized cost	Recognition of impairment losses, currency translation and effective interest in profit or loss

There were no reclassifications between the applicable measurement categories in accordance with IFRS 9 in the 2022 financial year.

The assessment of the Group's business model was performed for the first time at the date of initial application of IFRS 9 on 1 January 2018 and is reviewed regularly. The assessment as to whether the contractual cash flows from debt securities consist exclusively of principal and interest payments was based on the facts and circumstances at the time the assets were initially recognized.

Classification of financial liabilities
A financial liability is measured at fair value through profit or loss if it is held for trading or designated accordingly upon initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Changes in fair value attributable to changes in the credit risk of the liability are recognized in other comprehensive income. The remaining change in fair value is recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less directly attributable transaction costs. In subsequent measurement, these liabilities are measured at amortized cost using the effective interest method.

Financial liabilities	Subsequent measurement	Changes in value
Held for trading or designated as at fair value through profit or loss on initial recognition	Fair Value	Realized and unrealized gains and losses are recognized in profit or loss
At amortized cost	Amortized cost	Changes in value are recognized in profit or loss immediately

The Group did not designate any financial assets or liabilities at fair value through profit or loss upon initial recognition. No reclassifications were effected between the categories in accordance with IFRS 9 during financial year 2022.

Categories of Financial Assets and Financial Liabilities - Disclosure
The Logwin Group generally holds the following financial instruments:

- Cash and cash equivalents
- Trade accounts receivable and contract assets
- Other receivables and assets
- Financial assets
- Derivative financial instruments
- Trade accounts payable and other financial liabilities as well as contract liabilities
- Leasing liabilities

Cash and cash equivalents
Cash and cash equivalents include bank balances, cash in hand, checks and short-term investments. Cash equivalents are short-term, highly liquid financial investments with an original term of three months or less that can be converted into cash at any time and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortized cost.

Trade accounts receivable
Trade accounts receivable are amounts owed by the customer for services rendered in the ordinary course of business. They are generally payable within a few weeks, contain no significant financing components and are classified as current. The Group holds trade receivables to collect contractual cash flows and subsequently measures them at amortized cost. Due to the short-term nature of the receivables, their carrying amount corresponds to their fair value.

Factoring
The Logwin Group uses a factoring program for major German Group companies. This is a flexible form of financing, i.e. by selling the receivables the factoring company provides a line that Logwin can draw on in whole or in part if required. The receivables from the factoring company resulting from the sale of the receivables are shown in the balance sheet under trade receivables and recognized at amortized cost, insofar as the line is not or only partially drawn. The Logwin Group recognizes the utilization of the factoring line as a reduction in receivables, as essentially all risks and opportunities arising from the receivables are transferred to the factoring company. Accordingly, the cash flow from the utilization of the

line is also reported in the item “Net cash outflow/inflow from the utilization or repayment of the factoring line” within the operating cash flow if a utilization or repayment of a previously made utilization took place in the reporting period. No material payment obligations are to be expected from the ongoing commitment. There are no obligations to repurchase receivables.

Investments

Under investments, the following equity and debt instruments with long-term use are measured at fair value through profit or loss (FVTPL):

- Financial investments in debt securities that are neither measured at amortized cost nor at fair value through other comprehensive income
- Financial instruments in equity instruments for which the entity has elected not to recognize changes in fair value in other comprehensive income.

Other receivables and assets

Other receivables and assets include loans granted, bonds and other receivables with repayment periods of less than one year. The Logwin Group measures its other financial assets at amortized cost if the financial asset is held as part of a business model whose objective is to hold financial assets to collect the contractual cash flows and the terms of the contract result in cash flows that represent only principal and interest payments on the outstanding principal amount. Due to their short-term nature, their carrying amount corresponds to their fair value.

Derivative financial instruments

The Logwin Group uses forward exchange contracts to hedge the risk of a change in the value of corresponding underlying transactions due to changes in market prices. Derivatives are used exclusively for economic hedging purposes and not as speculative investments. Since they do not meet the criteria for hedge accounting, they are classified as “held for trading” for accounting purposes and recognized at fair value through profit or loss, with changes in value recognized in profit or loss. They are presented as current assets or liabilities since they are expected to be settled within 12 months of the end of the reporting period.

Trade payables and other financial liabilities

Trade payables and other liabilities relate to outstanding liabilities for goods and services received by the Logwin Group before the end of the fiscal year. Other financial liabilities relate to borrowings and are initially recognized at fair value less transaction costs incurred and subsequently at amortized cost using the effective interest method. These liabilities are reported as current liabilities unless their settlement is not due within 12 months of the reporting period.

Valuation and recording of expected credit losses

The Logwin Group recognizes an allowance for expected credit losses on investments in debt instruments measured at amortized cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each balance sheet date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The general impairment model provides for three levels that determine the amount of losses to be recognized and the interest received in the future. Under this model, expected losses are recognized at the present value of the expected 12-month credit loss on initial recognition (Level 1). If there is a significant increase in the default risk, the allowance for losses on loans and advances must be increased to the amount of the expected losses for the entire remaining term (Level 2). If there is objective evidence of impairment, interest is recognized on the basis of the net carrying amount (carrying amount less allowance for losses) (Level 3).

For trade receivables and contract assets, the simplified approach of the impairment model is applied, according to which a provision for losses on loans and advances is recognized for all instruments, irrespective of their credit quality, in the amount of the expected losses over the remaining term. Credit risk within each group is segmented by common credit risk characteristics. This is usually based on an external credit risk assessment including expected credit losses. Receivables sold to a factoring company are valued on the basis of the rating of the factoring company unless the purchase limit of the individual customer or the total receivables portfolio has been exceeded. In this case, the individual rating of the customer concerned is used as the basis.

The estimated valuation allowances on cash and cash equivalents and on other financial instruments measured at amortized cost are calculated on the basis of expected losses within twelve months and reflect the short maturities. This is based on the assumption that cash and cash equivalents and other financial instruments measured at amortized cost have a low default risk based on their external rating. Cash and cash equivalents that are classified as investment grade (AAA to BBB-) by Standard & Poor's within the framework of the rating are generally classified as being associated with a low default risk. Changes in default risk are monitored by observing published external credit ratings. The Logwin Group takes into account the probability of default at the time of the initial recognition of assets and the existence of a significant increase in the default risk during all reporting periods. In order to assess whether the default risk has increased significantly, Logwin compares the default risk with respect to the asset on the balance sheet date with the default risk at the time of initial recognition.

The Group regularly monitors the effectiveness of the criteria used to determine whether a significant increase in credit risk has occurred and revises them as necessary to ensure that the criteria are able to detect a significant increase in credit risk before the amount becomes overdue.

Macroeconomic information such as growth rates of gross domestic product or world trade are included as part of the valuation model.

Financial assets are written down if recoverability is no longer expected after an appropriate assessment. An external rating of D is generally used as an indication that the assets are no longer expected to be realizable. In the area of trade receivables, further indicators are overdue by more than 180 days, the initiation of insolvency proceedings or legal action. The amount of the write-down required for these receivables with impaired creditworthiness is determined on the basis of the expected lifetime credit loss.

Financial assets are derecognized when there are no longer reasonable expectations that legal recovery measures will be successful. A discretionary decision is made on a case-by-case basis as to the extent to which settlement of the contract is still probable.

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The Group must have access to the principal or most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Logwin Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Assets and liabilities recorded at fair value must be classified according to the valuation technique applied. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the assets or liability that are not based on observable market data

Transfers between levels of the fair value hierarchy take place at the end of the reporting period.

In the Logwin Group, recognition at fair value applies to financial instruments classified as fair value through profit or loss (FVTPL) and to non-financial assets if they were written down to their fair value less costs to sell after being tested for impairment or due to their classification as "held for sale".

Leases
The Logwin Group has adopted the leasing standard IFRS 16 on 1 January 2019 for the first time. The Group has made use of the simplification option for the initial recognition of the right of use in the amount of the lease liability less existing accruals for rent-free periods. At the date of transition, the Group applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

For contracts entered into since 1 January 2019, it is determined at the conclusion of the contract whether the contract constitutes a lease or contains such a lease. An agreement constitutes or contains a lease if the agreement entitles the holder to exercise control over the use of an identified asset for an agreed period in return for payment. The following criteria are used to assess whether a contract meets this requirement:

- The contract includes the use of an explicitly or implicitly specified, identified asset. The asset must be physically identifiable or substantially comprise the entire capacity of an identifiable asset.
- The Group has the right to exercise control over the use of the identified asset. This is the case when the Group has the power to govern the use of the identified asset and obtain substantially all the economic benefits from its use.

Both criteria must be met over the entire term of the contract. The Logwin Group does not separate the leasing and non-leasing components. The group exercises the option of not recognizing short-term leasing relationships and leasing relationships of low value.

At the inception of a lease, the Group recognizes a right of use asset in the identified asset and the corresponding lease liability.

The right of use is initially measured at cost. These include the value of the leasing liability on initial recognition, leasing payments less leasing incentives received, which were made at or before conclusion of the contract, as well as initial direct costs incurred by the Group and estimated costs of dismantling the leased asset, restoring its location or restoring the leased asset to a contractually agreed condition.

The right of use is subsequently depreciated on a straight-line basis over the lease term or the economic life of the leased asset, whichever is shorter. If it is sufficiently certain that a purchase option will be exercised at the inception of the lease or if the lease provides for a transfer of ownership to the lessee at the end of the lease term, the expected useful life of the leased asset is the useful life of the asset. In addition, the carrying amount of the leased asset is reduced by impairment losses in accordance with IAS 36.

The lease liability is recognized at the inception of the lease at the present value of the future lease payments. If determinable, the present value is calculated using the interest rate on which the lease is based. If this interest rate cannot be easily determined, the Logwin Group's respective incremental borrowing rate is used. As a rule, the Logwin Group uses the incremental borrowing rate to calculate the present value. The leasing installments included in the calculation of the present value comprise the following components:

- fixed lease payments less leasing incentives granted by the lessor for the conclusion of the contract;
- variable lease payments linked to an index or interest rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a call option and lease payments upon exercise of a lease extension option, if the option is already expected to be exercised at that time;
- contractual penalties for the termination of the leasing agreement if at the beginning of the leasing agreement it is already assumed that the lessee will terminate the agreement.

Lease liabilities are subsequently measured at amortized cost using the effective interest method. The lease liability is revalued if there is a change in future lease payments resulting from a change in an index or interest rate, or if there is a reassessment of the exercise of purchase, renewal or termination options, or if there is a change in the assessment of the amounts payable under a residual value guarantee and due to other modifications to the lease that do not result in a new lease. The revaluation results in a corresponding adjustment to the carrying amount of the right of use or, if this is reduced to zero, the excess adjustment amount is recognized in the income statement.

Provisions

Provisions are recognized in accordance with IAS 37 when an obligation is present as a result of a past event and can be reliably assessed and it is likely that an outflow of resources will be required to settle the obligation. They are recognized in the amount of the probable utilization. Provisions with an expected residual term of more than one year are recognized at their present value.

Provisions for pensions and similar obligations

The Logwin Group has both defined benefit and defined contribution plans to meet pension obligations.

Defined benefit plans are reported as a liability according to IAS 19 under “Provisions for pensions and similar obligations”. Pension obligations relate primarily to employees of group companies in Germany and are mainly vested benefits in connection with benefit plans closed in the past. Furthermore, all Austrian employees are entitled under Austrian law prior to 31 December 2002 (“Abfertigung alt”), in the event of retirement or involuntary termination of employment to severance pay ranging from 2 to 12 months of the last monthly salary depending on the period of service.

Defined benefit obligations are measured by independent actuaries in accordance with the projected unit credit method prescribed in IAS 19. Consequently, the present value of the pension obligations expected in connection with possible future benefits becoming payable is recognized as the pension provision for benefit entitlements, if the respective obligation has vested fully or pro rata temporis as of the measurement date on the basis of the pensionable service rendered. Actuarial assumptions in connection with discount rates, mortality rates, future salary and pension trends as well as turnover rates are taken into account when measuring the obligations. The Aon Eurozone Yield Curve is used for the rate setting process. Where there are plan assets, the pension provisions are calculated by netting these assets and the present value of the defined benefit obligation (“funding status”).

If the obligation exceeds the plan assets, the netted amount is referred to as the net liability from defined benefit plans. Remeasurements of the net defined benefit liability (asset) include actuarial gains or losses from the obligation as well as returns on plan assets not included in interest income. They result from differences between the actual development compared to the prior-year assumptions as well as changes in assumptions, and are recognized in equity. The service costs are reported under operating expenses and the amounts resulting from unwinding of the discount on the obligation netted with the interest income from plan assets are included in the financial result. Actuarial reports are prepared each year.

In addition to the defined benefit plans there are also defined contribution plans. These generally include the statutory pension insurance applicable in Germany and some other countries. Contributions paid into these defined contribution plans are recognized as expenses in the financial year.

8 Segment reporting

The classification of segments is made according to the business segments of the Logwin Group. The segment structure reflects the current organizational and management structure of the Logwin Group. This means that reporting is in line with the requirements of IFRS 8.

The Air + Ocean business segment provides worldwide transportation and logistics solutions with a focus on intercontinental air and sea freight, frequently in connection with upstream and downstream value added services. The Air + Ocean business segment draws on an international network that is divided into the three regions Europe Middle East Africa, Americas and Asia. As a specialist in contract logistics, the Solutions business segment offers individual customer and industry-oriented solutions, particularly in the fashion, retail and consumer goods sector, in the industrial contract logistics including the automotive sector - the solutions range from supply chain management, transportation and warehousing to value added services and complete outsourcing projects.

Transactions between the segments are made at “arm’s length”, identical with transactions with third parties. The information on the business segments is reported after consolidation of intrasegment transactions. Transactions between the segments are eliminated in the column “Consolidation”. The result of each segment is measured by management based on operating result before goodwill impairment (EBITA). General expenses and income which cannot be directly allocated to the segments are shown in the “Other” column.

The tables below set forth segment information of the business segments for the periods from 1 January to 31 December 2022 and 2021.

2022 In thousand EUR	Air + Ocean	Solutions	Other	Conso-lidation	Group
External revenues	1,794,259	464,580	188	-	2,259,027
Intersegment revenues	1,736	1,733	1,351	-4,820	-
Revenues	**1,795,995**	**466,313**	**1,539**	**-4,820**	**2,259,027**
Operating result before impairments	**140,578**	**-596**	**-11,727**	**-**	**128,255**
Impairment of property, plant and equipment and other intangible assets	-	-3,000	-5,134	-	-8,134
Operating result before goodwill impairment (EBITA)	**140,578**	**-3,596**	**-16,861**	**-**	**120,121**
Goodwill impairment	-	-11,665	-	-	-11,665
Net result before interest and income taxes (EBIT)	**140,578**	**-15,261**	**-16,861**	**-**	**108,456**
Financial result					-3,831
Net result before income taxes					**104,625**
Income taxes					-30,680
Net result					**73,945**
Segment assets	306,296	103,207	36,906	-	446,409
Unallocated assets					386,710
Total consolidated assets					**833,119**
Segment liabilities	280,124	96,920	17,112	-	394,156
Unallocated liabilities					92,571
Total consolidated liabilities					**486,727**

2021 In thousand EUR	Air + Ocean	Solutions	Other	Conso-lidation	Group
External revenues	1,515,258	335,469	1,109	-	1,851,836
Intersegment revenues	1,759	1,572	1,166	-4,497	-
Revenues	**1,517,017**	**337,041**	**2,275**	**-4,497**	**1,851,836**
Operating result before impairments	**107,966**	**6,123**	**-12,024**	**-**	**102,065**
Impairment and reversal of impairments of property, plant and equipment and other intangible assets	-	-	-1,125	-	-1,125
Operating result before goodwill impairment (EBITA)	**107,966**	**6,123**	**-13,149**	**-**	**100,940**
Goodwill impairment	-	-8,953	-	-	-8,953
Net result before interest and income taxes (EBIT)	**107,966**	**-2,830**	**-13,149**	**-**	**91,987**
Financial result					-3,181
Net result before income taxes					**88,806**
Income taxes					-25,296
Net result	**-**	**-**	**-**	**-**	**63,510**
Segment assets	374,226	114,822	37,259	-	526,307
Unallocated assets					270,718
Total consolidated assets					**797,025**
Segment liabilities	319,077	78,259	18,345	-	415,681
Unallocated liabilities					98,859
Total consolidated liabilities					**514,540**

	Depreciation and amortization		Additions to non-current assets	
In thousand EUR	2022	2021	2022	2021
Air + Ocean	-16,980	-16,455	16,161	12,686
Solutions	-16,911	-16,009	16,431	15,358
Other	-6,082	-6,728	8,443	7,712
Total	**-39,973**	**-39,192**	**41,035**	**35,756**

Additions to non-current assets do not include additions to financial instruments and deferred tax assets.

Information according to geographical areas

The tables below present geographical information on revenues and specific items of non-current assets for financial years 2022 and 2021.

In thousand EUR	2022		2021	
Germany	961,327	43%	827,801	45%
Austria	428,976	19%	283,493	15%
Other EU	263,029	12%	241,559	13%
Asia/Pacific	488,525	22%	406,541	22%
Other	117,170	5%	92,442	5%
Total revenues	**2,259,027**	**101%**	**1,851,836**	**100%**

Revenues from external customers are allocated according to the geographical location of the billing entity. In 2022, 11.2% (prior year: 8.3%) or EUR 253.9m (prior year: EUR 154.5m) of the Logwin Group's total revenues accounts to a customer in the Solutions business segment.

In thousand EUR	31 Dec 2022		31 Dec 2021	
Germany	74,972	65%	82,590	66%
Austria	8,397	7%	9,344	7%
Luxenburg	2,756	2%	2,202	2%
Other EU	16,540	14%	19,153	15%
Asia/Pacific	11,137	10%	11,188	9%
Other	1,873	2%	1,261	1%
Total non-current assets	**115,675**	**100%**	**125,738**	**100%**

Non-current assets are reported by location of the respective assets. They comprise property, plant and equipment and other intangible assets including right of use assets from leases.

Notes to the Income Statement

9 Revenues from contracts with customers

Breakdown of revenues from contracts with customers

The Group primarily generates revenues from the transfer of services for which revenue is recognized on a period basis. Revenues are generated in the following segments and geographical regions:

2022 In thousand EUR	Air + Ocean	Solutions	Other	Group
Germany	785,356	175,783	188	961,327
Austria	158,970	270,006	-	428,976
Other EU	244,238	18,791	-	263,029
Asia/Pacific	488,525	-	-	488,525
Other	117,170	-	-	117,170
Total revenues	**1,794,259**	**464,580**	**188**	**2,259,027**

2021 In thousand EUR	Air + Ocean	Solutions	Other	Group
Germany	671,947	154,745	1,109	827,801
Austria	116,220	167,273	-	283,493
Other EU	228,108	13,451	-	241,559
Asia/Pacific	406,541	-	-	406,541
Other	92,442	-	-	92,442
Total revenues	**1,515,258**	**335,469**	**1,109**	**1,851,836**

Sales to customers in the Air + Ocean segment result from transportation and logistics solutions with a focus on intercontinental air and sea freight, often in connection with upstream and downstream value added services. In the Solutions business segment, revenues result from individual customer and industry-oriented solutions, particularly in the fashion, retail and consumer goods sector, in the industrial contract logistics including the automotive sector - the solutions range from supply chain management, transportation and warehousing to value added services and complete outsourcing projects.

The Group makes use of the practical experience of IFRS 15.121 with regard to the disclosure of the transaction price allocated to the remaining service obligations, as Logwin either generally has a remuneration entitlement that directly corresponds to the value of the service already provided by the company to the customer, or the outstanding service obligation is part of a contract with an expected original term of a maximum of one year.

10 Expenses by nature

In thousand EUR	2022	2021
Purchased services	-1,811,352	-1,466,428
Materials and supplies	-7,208	-5,330
Personnel expenses	-234,639	-205,880
Depreciation and amortization	-39,973	-39,192
Sundry expenses	-44,855	-34,122
Total cost of sales, selling, general and administrative costs	**-2,138,027**	**-1,750,952**

Purchased services mostly comprise transportation services provided by third parties.

11 Other operating income and expense

In thousand EUR	2022	2021
Foreign exchange gains	19,219	8,374
Gains from disposal of non-current assets	454	288
Sundry income	5,466	1,274
Other operating income	**25,139**	**9,936**

Sundry income includes payments from insolvency proceedings in the amount of EUR 3,877k.

In thousand EUR	2022	2021
Foreign exchange losses	-16,404	-8,076
Losses from disposal of non-current assets	-311	-437
Sundry expenses	-90	-104
Other operating expenses	**-16,805**	**-8,617**

Gains and losses from foreign exchange reflect the volume of business activities invoiced in foreign currencies. The net income/expense from foreign exchange gains and losses is as follows:

In thousand EUR	2022	2021
Foreign exchange gains	19,219	8,374
Foreign exchange losses	-16,404	-8,076
Foreign exchange effects, net	**2,815**	**298**

12 Impairment and reversal of impairments of property, plant and equipment and other intangible assets

In the financial year 2022, in connection with the planned termination of the network activities of the Solutions business segment, the net assets affected were subjected to an impairment test based on the determination of a fair value less cost of disposal for the "Network" cash-generating unit. A present value method using input factors from level 3 of the measurement hierarchy was used for this. The observation horizon corresponds to the maximum term of the rights of use from the lease agreements concerned. A term-specific discount rate of 8.5% was used. As a result of the impairment test, impairments of leased land and buildings and leasehold improvements of EUR 4,727k, tools, fixtures, furniture and office equipment of EUR 105k and machinery and equipment of EUR 12k to a recoverable amount of EUR -2,995k were recorded. EUR 3,000k of the impairments related to the Solutions business segment and EUR 1,844k to the Others segment.

In addition, impairment losses of EUR 3,290k (previous year: EUR 3,422k) were recognized in the Other segment on IT systems and software due to changes in expectations of use. In the opposite direction, the reversal of an impairment loss on a logistics property in connection with its disposal was recognized in the Other segment in the amount of EUR 2,216k as well as on associated technical equipment in the amount of EUR 81k.

13 Impairment of goodwill

As of 30 June 2022, the significant increase in interest rates compared with 31 December 2021 represented a so-called "triggering event" for an impairment test of the goodwill allocated to the Solutions business segment in the amount of EUR 11.7m. The result of the impairment test was a recoverable amount of EUR 30.9m, resulting in an impairment of the goodwill allocated to the Solutions business segment. The impairment loss in the reporting period was EUR 11.7m. For further explanations, please refer to Note 19 "Goodwill".

14 Government Grants

Due to the Covid 19 pandemic, government grants in the amount of EUR 227k were recognized in the profit or loss in the reporting year 2022, among other things for short-time work (prior year: EUR 2,200k). In addition, investment grants in the amount of EUR 54k (prior year: EUR 0k) were recognized in profit or loss. Please refer to Note 11 “Other operating income and expense”.

15 Financial result

The following table shows the composition of the financial result for the financial years 2022 and 2021:

In thousand EUR	2022	2021
Finance income	**1,454**	**183**
Interest expenses from bank accounts	-345	-514
Interest expenses from lease liabilities	-2,054	-2,141
Net interest expense from the unwinding of the discount on defined benefit obligations and from the return on plan assets	-301	-132
Other interest expenses	-2,123	-256
Foreign currency effects from intragroup financing	-462	-321
Finance expenses	**-5,285**	**-3,364**
Financial result	**-3,831**	**-3,181**

Other interest expenses include effects from prior periods.

16 Income taxes

Tax expenses for the Logwin Group are as follows:

In thousand EUR	2022	2021
Curent income taxes	-34,884	-22,944
Deferred income taxes	4,204	-2,352
Total income taxes	**-30,680**	**-25,296**

Reconciliation of expected income tax expenses to the tax expenses in the income statement:

In thousand EUR	2022	2021
Net result before income taxes	**104,625**	**88,806**
Expected income taxes (tax rate 28.26%; prior year: 28.26%)	**-29,567**	**-25,097**
Non-deductible goodwill impairment	-3,297	-2,530
Foreign tax rate differential	4,591	3,979
Expenses not deductible for tax purposes	-3,475	-2,440
Tax effects relating to prior periods	-834	-815
Changes in valuation allowances and effects from not recognizing deferred tax assets	3,610	1,713
Effects from the change of tax rates	-1,302	-26
Other taxation effects	-406	-80
Total income tax expenses	**-30,680**	**-25,296**

The weighted tax rate of 28.26% (prior year: 28.26%) used for 2022 corresponds to the tax rate of Logwin AG.

The position “Changes in valuation allowances and effects from not recognizing deferred tax assets” includes effects from deferred taxes not recognized in the prior year in the amount of EUR 5,832k (prior year: EUR 6,608k) and opposite effects from the non-recognition of deferred tax assets in the amount of EUR –2,222k (prior year: EUR –4,973k). At Logwin AG, additional temporarily deductible expenses arose in the reporting year from impairments of investments amounting to EUR 18,700k (prior year: EUR 9,827k), which increased the non-capitalized tax loss carryforwards by the same amount.

Notes to the Statement of Cash Flows

17 Proceeds from disposals of other business operations and non-current assets held for sale

The proceeds from the disposal of other business units and non-current assets held for sale in the fiscal year 2021 result from the sale of a logistics property of the "Other" segment.

In thousand EUR	2021
Consideration received	8,100
Proceeds from disposals of other business operations and non-current assets held for sale	**8,100**

In the fiscal year 2021 assets in the form of property, plant and equipment amounting to EUR 8,100k were disposed of in this connection.

18 Liabilities from financing activities

The following tables show the development of liabilities from financing activities of the Logwin Group which are included in financing cash flows:

In thousand EUR	Loans and borrowings	Liabilities from leases
1 Jan 2022	**135**	**79,515**
Cash effective	1,027	-30,769
Non-cash effective:		
New and renewed lease agreements	-	34,561
Revaluation	-	-2,215
Foreign exchange effects	-52	-140
31 Dec 2022	**1,110**	**80,952**

In thousand EUR	Loans and borrowings	Liabilities from leases
1 Jan 2021	**66**	**90,832**
Cash effective	67	-33,528
Non-cash effective:		
New and renewed lease agreements	-	24,124
Revaluation	-	-2,444
Foreign exchange effects	2	531
31 Dec 2021	**135**	**79,515**

The asset additions of EUR 24,124k (prior year: EUR 37,401k) resulting from new and renewed lease agreements, as well as the associated liabilities, are non-cash effective and therefore not included in the investing cash flows.

Notes to the Balance Sheet

19 Goodwill

Allocation of goodwill to cash-generating units

The business segments are taken to be groups of cash-generating units of the Logwin Group. The goodwill acquired in the course of business combinations has been allocated to the business segments as follows:

In thousand EUR	31 Dec 2022	31 Dec 2021
Air + Ocean	45,701	45,701
Solutions	-	11,665
Goodwill	**45,701**	**57,366**

In thousand EUR	Goodwill
Carrying amount as of 1 Jan 2021	**66,319**
Impairment	-8,953
Carrying amount as of 31 Dec 2021	**57,366**
Acquisition cost	220,076
Accumulated impairment	-162,710
Carrying amount as of 1 Jan 2022	**57,366**
Impairment	-11,665
Carrying amount as of 31 Dec 2022	**45,701**
Acquisition cost	220,076
Accumulated impairment	-174,375

Goodwill impairment testing

The Logwin Group performed its annual goodwill impairment test as of 31 December 2022, as in the previous year. As of 30 June 2022, due to the significant increase in interest rates compared to 31 December 2021, an event-triggert impairment test was carried out on the goodwill allocated to the Solutions business segment in the amount of EUR 11.7m. The risk-free base rate increased from 0.1% to 1.25% in the first half of 2022, with most of the increase occurring in the second quarter. There was no indication of an impairment of the goodwill allocated to the Air + Ocean business segment.

For the purpose of the goodwill impairment test, the recoverable amount of the cash-generating unit was determined on the basis of the calculation of the value in use using cash flow forecasts that are based on a financial plan covering a period of a maximum of five years. The financial plan is based on the business plans of the business segments.

The cash flow forecasts are based on the following underlying assumptions:

- Budgeted revenue growth rates: the anticipated growth rates of the industry, which is relevant for the respective business segment, are used to determine the budgeted revenue growth rates. Overall stable revenue growth was assumed over the coming years.
- Budgeted operating profit margins: the profit margins generated in the preceding years, increased for expected efficiency improvements, are used to determine the budgeted operating profit margins. Allowance was made here for the fact that developments in earnings will also depend on the economic situation. Deviations from planning were analyzed and taken into account where necessary in the form of discounts on the business plans presented. The amount of necessary discounts is reestablished in each case when the impairment test is performed.

Event-related impairment test of the goodwill in the Solutions business segment as of 30 June 2022
Compared to the impairment test carried out at the end of 2021, the discount rate after taxes has increased to 7.3% (31 December 2021: 5.9%). This corresponds to a discount rate of 9.4% before tax (31 December 2021: 7.5%). The long-term EBITA margin for determining perpetual annuity resulted from the application of the planning assumptions, unchanged from the previous year's reporting date, an average EBITA margin for the years 2021 (actual) to 2025 (plan), adjusted for special effects, of 1.6%. A growth rate of 0.75% was also assumed unchanged.

The result of the impairment test was a recoverable amount of EUR 30.9m, meaning that the goodwill allocated to the Solutions business segment had to be written down in full. The resulting impairment loss amounts to EUR 11,665k.

Scheduled goodwill impairment test as of 31 December 2022
The business plan for the Air + Ocean Solutions segment provides for an EBITA margin of 3.7% for the last planning year (previous year: 3.7%). After the detailed planning period, a growth rate of 3.0% was taken into account, unchanged from the previous year. The expected cash flows of the business segment were discounted using a discount rate of 9.7% after tax (previous year: 6.3%), which corresponds to an interest rate of 12.7% before tax (previous year: 8.0%).

The scheduled impairment test as of 31 December 2022 did not result in any impairment. No change in the key assumptions considered possible leads to an impairment. In the previous year, the result of the impairment test as of 31 December 2021 required the recognition of an impairment loss of EUR 8,953k for goodwill in the Solutions business segment.

20 Other intangible assets

Amortization of intangible assets of EUR 50k is included in cost of sales (prior year: EUR 154k). A further EUR 4k (prior year: EUR 4k) relates to selling costs and EUR 2,920k (prior year: EUR 3,529k) to general and administrative costs. The other intangible assets of the Logwin Group do not include any internally generated assets as of 31 December 2022.

In thousand EUR	Software, concessions and other licenses
Acquisition cost	55,272
Accumulated impairment	-32,794
Carrying amount as of 1 Jan 2021	**22,478**
Currency differences	-9
Additions	5,694
Disposals	-75
Amortization	-3,687
Impairments	-3,422
Carrying amount as of 31 Dec 2021	**20,979**
Acquisition cost	59,805
Accumulated amortization and impairment losses	-38,826
Carrying amount as of 1 Jan 2022	**20,979**
Currency differences	-1
Additions	769
Disposals	-1
Amortization	-2,974
Impairments	-3,290
Carrying amount as of 31 Dec 2022	**15,482**
Acquisition cost	57,337
Accumulated amortization and impairment losses	-41,855

The reporting year includes an impairment of 3,290k (prior year: EUR 3,422k). Please refer to the explanations in note 12 “Impairment and reversal of impairments of property, plant and equipment and other intangible assets”.

21 Property, plant and equipment

Cost of sales includes depreciation of property, plant and equipment of EUR 33,108k (prior year: EUR 30,951k), while selling costs include depreciation of property, plant and equipment of EUR 941k (prior year: EUR 871k) and general and administrative costs include depreciation of property, plant and equipment of EUR 3,949k (prior year: EUR 3,683k).

In thousand EUR	Land and buildings	Machinery and equipment	Tools, fixtures, furniture and office equipment	Vehicle fleet	Construction in progress	Total
Acquisition cost	182,340	38,181	44,450	28,979	851	294,801
Accumulated depreciation and impairment losses	-94,387	-31,603	-35,292	-15,335	-	-176,617
Carrying amount as of 1 Jan 2021	**87,953**	**6,578**	**9,158**	**13,644**	**851**	**118,184**
Currency differences	526	6	94	13	-	639
Additions	20,913	435	2,858	4,792	1,064	30,062
Transfers	244	159	176	250	-829	-
Disposals	-9,844	-149	-450	-421	-54	-10,918
Depreciation	-24,837	-910	-3,881	-5,877	-	-35,505
Reversal of impairments	2,216	81	-	-	-	2,297
Carrying amount as of 31 Dec 2021	**77,171**	**6,200**	**7,955**	**12,401**	**1,032**	**104,759**
Thereof rights of use from leases	*65,006*	*189*	*1,575*	*8,283*	-	*75,053*
Acquisition cost	182,277	35,322	43,141	30,030	1,032	291,802
Accumulated depreciation and impairment losses	-105,106	-29,122	-35,186	-17,629	-	-187,043
Carrying amount as of 1 Jan 2022	**77,171**	**6,200**	**7,955**	**12,401**	**1,032**	**104,759**
Currency differences	-83	-8	-1	-21	-	-113
Additions	32,090	470	2,880	3,388	1,438	40,266
Transfers	618	179	30	2	-829	-
Disposals	-1,855	-41	-152	-828	-	-2,876
Depreciation	-26,746	-818	-3,707	-5,728	-	-36,999
Impairment	-4,727	-12	-105	-	-	-4,844
Carrying amount as of 31 Dec 2022	**76,468**	**5,970**	**6,900**	**9,214**	**1,641**	**100,193**
Thereof rights of use from leases	*65,048*	*164*	*1,112*	*5,886*	-	*72,210*
Acquisition cost	205,414	32,641	43,912	29,289	1,641	312,897
Accumulated depreciation and impairment losses	-128,946	-26,671	-37,012	-20,075	-	-212,704

As of 31 December 2022 and 2021, no property, plant and equipment was mortgaged to secure loans.

In the reporting year impairments of EUR 4,844k were recognized. For the prior year a reversal of impairments of EUR 2,297k was reported. Please refer to the explanations in note 12 “Impairment and reversal of impairments of property, plant and equipment and other intangible assets”.

22 Leasing

The Logwin Group leases significant parts of the logistics and office properties it uses. Contracts for logistics properties generally have a term of between 5 and 10 years and office properties generally have a term of between 3 and 6 years. To ensure operational flexibility, many of the contracts contain rental extension, purchase or termination options in favour of the Logwin Group.

For some of the properties, subleases exist that qualify as operating leases.

In addition, a significant portion of the Logwin Group's vehicle fleet is leased. The leasing agreements have essentially terms of between 3 and 6 years and in some cases include rental extension or purchase options in the interest of the Logwin Group.

The right of use assets recognized in the balance sheet are included in property, plant and equipment as of 31 December 2022 and 2021 as follows:

In thousand EUR	31 Dec 2022	31 Dec 2021
Land and building	65,048	65,006
Machinery and equipment	164	189
Tools, fixtures, furniture and office equipment	1,112	1,575
Vehicle fleet	5,886	8,283
Total rights of use	**72,210**	**75,053**

As of 31 December 2022, liabilities from leases in the amount of EUR 80,952k were reported in the balance sheet (prior year: EUR 79,515k).

Maturity analysis

The following cash outflows to service the leasing liabilities are expected in the coming years:

In thousand EUR	31 Dec 2022	31 Dec 2021
Less than 1 year	28,827	28,694
1 to 5 years	49,414	45,282
More than 5 years	9,610	7,823
Total undiscounted lease payments	**87,851**	**81,799**
Present value of lease payments	**80,952**	**79,515**

The present value of lease payments is presented in the balance sheet in the amount of EUR 26,598k (prior year: EUR 27,884k) as current liabilities from leases and in the amount of EUR 54,354k (prior year: EUR 51,631k) as non-current liabilities from leases.

The following presentation was made in the income statement for the 2022 and 2021 financial year:

In thousand EUR	2022	2021
Depreciation on rights of use		
Land and buildings	-25,164	-23,425
Machinery and equipment	-70	-76
Tools, fixtures, furniture and office equipment	-697	-943
Vehicle fleet	-4,710	-4,852
Total depreciation on right of use assets	**-30,641**	**-29,296**
Impairment on rights of use		
Land and buildings	-4,438	-
Machinery and equipment	-12	-
Total impairments on right of use assets	**-4,450**	**-**
Interest expenses from leasing liabilities	**-2,054**	**-2,141**
Expenses relating to short-term leases	**-77**	**-62**
Expenses relating to leases of low-value assets	**-685**	**-644**
Income from subleasing	**3,416**	**2,300**

The following cash outflows resulted from leases recognized as financial liabilities in accordance with IFRS 16 in the reporting year and in the previous year:

In thousand EUR	2022	2021
Repayments of recognized lease liabilities	30,769	33,528
Interest payments on recognized lease liabilities	2,054	2,141
Payments for short-term leases and leases over low-value assets	762	706
Total cash outflows from leases	**33,585**	**36,375**

Extension options in the interest of the Logwin Group, not taken into account in the measurement of lease liabilities may result in future cash outflows of EUR 52,361k (prior year: EUR 45,713k). The prior year's figures were corrected with regard to the amount of future lease payments included for leased assets that were rent-free at the measurement date.

As in the prior year, leases in connection with real estate, which the Logwin Group has already entered into but which have not yet been accounted for as of 31 December 2022, will result in no future cash outflows without taking into account extension or termination options.

23 Inventories

Inventories primarily include packaging material and loading equipment with a value of EUR 2,086k (prior year: EUR 1,411k). No inventories were pledged.

In the reporting period, inventories of EUR 7,108k were recognized as an expense (prior year: EUR 5,330k).

In 2022, the impairment test of inventories resulted in the reversal of impairments in the amount of EUR 223k through profit or loss. In 2021, no need for impairment losses or reversals was identified.

24 Trade accounts receivable and contract assets

In thousand EUR	31 Dec 2022	31 Dec 2021
Trade accounts receivable, gross	**184,352**	**202,143**
Valuation allowance due to the simplified approach	-740	-960
Trade accounts receivable	**183,612**	**201,183**
Less valuation allowance for receivables with impaired creditworthiness	-2,176	-1,127
Trade accounts receivable, net	**181,436**	**200,056**
Trade accounts receivable from factoring	50,952	61,340
Total trade accounts receivable, net including factoring	**232,388**	**261,396**

The Group has recognized the following contract assets:

In thousand EUR	31.12.2022	31.12.2021
Current contract assets from transportation services	16,323	35,108
Expected credit losses on contract assets due to the simplified approach	-87	-186
Contract assets, net	**16,236**	**34,922**

Contract liabilities in the amount of EUR 22,308k (prior year: EUR 37,549k) were offset against unconditional claims for consideration that had not yet fallen due on the balance sheet date due to contractual conditions.

Revenues in the amount of EUR 37,549k were realized in the reporting period from contractual liabilities existing as of 31 December 2021 (prior year: EUR 16,607k).

The following table contains information on credit risk and expected credit losses for trade receivables and contract assets as of 31 December 2022 and 31 December 2021.

In thousand EUR	Corres-ponds to external rating	Gross book value	Estimated loss rate (weighted average)	Estimated value adjustment	Negative credit rating
Low risk	A to AAA	132,325	0.04%	56	no
Medium risk	B to BBB	102,219	0.55%	565	no
Below average	C to CCC	14,908	1.37%	206	no
Loss event	D	2,176	100.00%	2,176	yes
Total		**251,628**		**3,003**	

In thousand EUR	Corres-ponds to external rating	Gross book value	Estimated loss rate (weighted average)	Estimated value adjustment	Negative credit rating
Low risk	A to AAA	123,180	0.04%	53	no
Medium risk	B to BBB	154,309	0.50%	778	no
Below average	C to CCC	19,975	1.57%	315	no
Loss event	D	1,127	100.00%	1,127	yes
total		**298,591**		**2,273**	

The valuation allowances for trade receivables with impaired creditworthiness for which a loss event has occurred have developed as follows based on the expected loss over the entire remaining term:

In thousand EUR	2022	2021
1 January	**-1,127**	**-1,709**
Currency differences	35	-54
Additions	-1,759	-525
Utilization	323	333
Reversals	352	828
31 December	**-2,176**	**-1,127**

The valuation allowances for trade receivables and contract assets with unimpaired creditworthiness under the simplified approach in accordance with IFRS 9 developed as follows:

In thousand EUR	2022	2021
1 January	**-1,146**	**-681**
Currency differences	82	-25
Additions	-163	-507
Reversals	400	67
31 December	**-827**	**-1,146**

As of 31 December 2022, trade accounts receivable not sold to the factoring company in the amount of EUR 113.9m (prior year: EUR 119.9m) were secured by credit insurance. Secured receivables are generally subject to a deductible of 10% (prior year: 10%). The Group does not hold any other collateral or other credit enhancements to cover its credit risk related to its financial assets.

25 Other receivables and current assets

In thousand EUR	31 Dec 2022	31 Dec 2021
Input tax refund	6,368	4,384
Advance payments	22,201	35,202
Derivative financial instruments	3,325	3,826
Miscellaneous receivables and assets	1,499	1,273
Total other receivables and current assets	**33,393**	**44,685**

The miscellaneous receivables and assets as of 31 December 2022 include receivables from billing transport containers totaling EUR 1,106k (prior year: EUR 805k).

Other receivables and current assets are due within one year. In the reporting year, no material impairments of other receivables and current assets have occurred. With the exception of individual deposits required by operational business, other receivables and current assets were not subject to pledging.

26 Cash and cash equivalents

In thousand EUR	31 Dec 2022	31 Dec 2021
Cash	263,124	246,888
Cash equivalents	100,654	1,125
Total cash and cash equivalents	**363,778**	**248,013**

Cash and cash equivalents comprise checks, cash in hand and bank balances as well as cash equivalents with a total maturity of up to three months from the date of acquisition. Cash equivalents include short-term loans to AQTON SE amounting to EUR 100.0m. For further explanations, please refer to Note 41 "Related party transactions".

As of 31 December 2022, cash and cash equivalents include an amount of EUR 1.2m (prior year: EUR 3.2m), which the Logwin Group had at its disposal only after approximately two working days as a result of a settlement agreement.

As of 31 December 2022, cash of EUR 598k served as deposits for bank guaranties and are therefore restricted cash (prior year: EUR 609k).

27 Deferred taxes

Deferred tax assets and liabilities consist of the following:

	31 Dec 2022		31 Dec 2021	
In thousand EUR	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	5,244	62	7,758	-
Property, plant and equipment	196	15,496	166	16,031
Investments	89	26	41	4
Current assets	7,510	930	4,889	3,754
Provisions	4,360	238	5,105	4,807
Liabilities	16,180	5,816	20,264	5,679
Tax loss carry forwards	12,251	-	12,266	-
Valuation allowances	-5,001	-	-5,755	-
Retained earnings of domestic and foreign subsidiaries	-	1,132	-	777
Net amounts	-21,807	-21,807	-24,727	-24,727
Total deferred taxes	**19,022**	**1,893**	**20,007**	**6,325**

In the financial year 2022 the recognized deferred taxes have changed as follows:

In thousand EUR	2022	2021
Deferred taxes, net as of 1 January	**13,682**	**18,229**
Change recognized in profit or loss	4,204	-2,352
Change recognized in other comprehensive income	-710	-2,251
Currency and other differences	-47	56
Deferred taxes, net as of 31 December	**17,129**	**13,682**

The change recognized directly in equity relates to deferred tax effects on remeasurements of the net defined benefit liability in 2022 and in the previous year. In the reporting year, this includes effects from the impairment or reversal of impairments of deferred tax assets in the amount of EUR 1,5m (prior year: -1.4m) recognized directly in equity.

In the reporting year, deferred tax liabilities of EUR 1.1m (prior year: EUR 0.8m) were recognized on temporary differences from retained earnings of domestic and foreign subsidiaries amounting to EUR 42.3m (prior year: EUR 26.4m). No deferred tax liabilities were recognized for temporary differences from retained earnings of domestic and foreign subsidiaries amounting to EUR 17.5m (prior year: EUR 7.9m) as of 31 December 2022, as it is not probable that these will reverse in the foreseeable future. The tax effect on these differences would amount to EUR 1.4m (prior year: 2.7m).

Net deferred tax assets amounting to EUR 4.6m (prior year: EUR 4.1m) have been recognized despite tax losses in the reporting year or in the prior year, as there are substantial indications for their recognition due to non-recurring one-off effects. They were recognized on the basis of planning calculations for the taxable income of the respective companies, as sustained positive operating results are expected within the next five years.

For the following temporary differences and unused tax losses no deferred tax assets have been recognized since it is not probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilized:

In thousand EUR	31 Dec 2022	31 Dec 2021
Tax losses	408,075	397,778
Deductible temporary differences	6,794	11,346
Total	**414,869**	**409,124**

Insofar as a tax assessment has been made, loss carry forwards are reported in accordance with this assessment. If no assessment has yet been made, the calculated value, or the value reported to the tax authorities, is used.

28 Shareholders' equity

Issued capital and authorized capital

As of 31 December 2022, a total of 2,884,395 (prior year: 2,884,395) fully paid-up no-par value registered shares with voting rights had been issued. Of these, 2,879,215 shares were outstanding (prior year: 2,879,344). As of 31 December 2022, 5,180 shares were held as treasury stock by Logwin AG and were therefore subject to the exclusion of voting rights and dividends (prior year: 5,051 shares). Each share represents EUR 45.52 of the share capital (prior year: EUR 45.52). In addition, as of 31 December 2022 Logwin AG had authorized capital totaling EUR 68,700k (prior year: EUR 68,700k), divided into a further 1,509,105 new no-par value shares to be issued (prior year: 1,509,105).

Profit/loss appropriation and capital reserves

The Annual General Meeting of Logwin AG on 8 April 2022 resolved a loss of EUR 12,902k as of 31 December 2021. By resolution of the Annual General Meeting, a distribution of EUR 17,275k (prior year:

EUR 10,083k) was distributed from the capital reserve. This corresponds to an amount of EUR 6.00 per share (previous year: EUR 3.50 per share).

Dividends

The distribution for the financial year 2022 has yet to be decided by the shareholders at the Annual General Meeting on 31 March 2023 and has therefore not yet been recognized as a liability in this financial statements.

Retained earnings

Non-distributable retained earnings

According to Luxembourg law, a company must allocate at least 5% of the net result for the period as stated in the financial statements to a legal reserve until the reserve equals 10% of issued capital of the company. As of 31 December 2022, this reserve in the amount of EUR 13,130k (prior year: EUR 13,130k) is presented in the statement of changes in equity of the Logwin Group as part of the retained earnings. The legal reserve cannot be distributed as a dividend.

Defined benefit plans

Remeasurements of the net defined benefit liability in the form of actuarial gains and losses as well as return on plan assets not included in interest income are recognized in equity and may not be reclassified to profit or loss in future periods. These amounts are recorded in retained earnings and amounted to EUR –8,085 as of 31 December 2022 (prior year: EUR –15,011k). The change of EUR 6,926k compared to the prior year relates completely to the remeasurement of the net defined benefit liability (prior year: EUR –520k) after deduction of the associated deferred taxes.

Accumulated other comprehensive income

Differences from the translation of the financial statements of subsidiaries with a functional currency other than the euro are reported under shareholders' equity as accumulated other comprehensive income. As of 31 December 2022, the accumulated other comprehensive income of EUR –2,706k (prior year: EUR -3,625k) primarily resulted from the translation of the financial statements of subsidiaries. The amounts recognized in equity may need to be reclassified under certain circumstances to profit or loss in future periods.

Treasury shares

The share buyback program resolved by the Board of Directors of Logwin AG on 17 March 2020 was limited in time until 28 February 2022. As of 31 December 2022, the Company held 5,180 shares (prior year: 5,051) with a value of EUR 838k (prior year: EUR 800k). Treasury shares are subject to the exclusion of voting rights and dividends.

29 Loans and borrowings

As of 31 December 2022, the Logwin Group had credit facilities (without guarantee facilities) amounting to EUR 38.8m (prior year: EUR 38.8m), of which EUR 1.1m had been drawn down as of the reporting date (prior year: EUR 0m). Furthermore, depending on the amount of sold receivables, a contractual limit of EUR 60.0m (prior year: EUR 45.0m) was available to the Logwin Group from factoring at the reporting date. As of 31 December 2022 and 2021, the factoring facility was not utilized.

Loans and borrowings reported as of 31 December 2022 totaled EUR 1,110k (prior year: EUR 135k).

The interest rate on the current loans and borrowings were variable and therefore at market level.

30 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are recognized due to plans for commitments for retirement, invalidity and survivors' pensions. The Logwin Group has both defined benefit and defined contribution plans.

Defined contribution plans
Under the defined contribution plans of the Group, payments in a total amount of EUR 780k to private pension insurance schemes were recorded in financial year 2022 (prior year: EUR 659k). In addition, contribution payments of EUR 8,365k (prior year: EUR 8,464k) were made to public pension insurance schemes.

Defined benefit plans
Defined benefit obligations mainly result from (funded and unfunded) pension commitments to employees, mostly of German group companies. The Logwin Group's obligations relate primarily to obligations from vested benefits in connection with benefit plans closed in the past. The benefits payable are mostly lifetime pension payments. In addition, there are legal claims of Austrian employees to severance payments.

A characteristic of the defined benefit obligations is that the Logwin Group grants the promised benefit level and thus bears the financing and longevity risk. If the obligations are partially or fully funded, the financing risk is replaced by the general market risk. As the Logwin Group's plan assets are primarily employer's pension liability insurance policies, direct insurance policies and pension trusts, the volatility of which is comparatively low, the risk is also low.

The net defined benefit liability recognized in the balance sheet is as follows:

In thousand EUR	31 Dec 2022	31 Dec 2021
Present value of the obligation	24,763	33,330
Plan assets	-1,742	-1,714
Net defined benefit liability (funding status)	**23,021**	**31,616**

The development of the net defined benefit liability in the current financial year and in the prior year is described in the following table:

In thousand EUR	2022	2021
Net defined benefit liability as of 1 January	**31,616**	**35,485**
Expense recognized in profit or loss	812	635
Plan contributions and payments, net	-1,659	-1,587
Remeasurements recognized in other comprehensive income	-7,636	-2,771
Settlements	-177	-131
Other changes	65	-15
Net defined benefit liability as of 31 December	**23,021**	**31,616**

Other changes include primarily effects from the currency translation of the net defined benefit liability.

The change in the net defined benefit liability breaks down to the development of the present value of the obligation and the plan assets as follows:

In thousand EUR	2022	2021
Present value of the obligation as of 1 January	**33,330**	**37,188**
Current service cost	481	503
Past service cost	30	-
Interest expenses	316	139
Actuarial gains (-)/losses (+)		
due to changes in demographic assumptions	-23	8
due to changes in financial assumptions	-7,374	-2,085
due to experience adjustments	-217	-673
Payments from company assets	-1,613	-1,539
Payments from plan assets	-36	-102
Settlements	-177	-131
Other changes	46	22
Present value of the obligation as of 31 December	**24,763**	**33,330**

In thousand EUR	2022	2021
Plan assets as of 1 January	**1,714**	**1,703**
Interest income on plan assets	15	7
Return on plan assets not included in interest income	22	21
Contributions by the employer	46	48
Payments from plan assets	-36	-102
Other changes	-19	37
Plan assets as of 31 December	**1,742**	**1,714**

As of 31 December 2022, the plan assets consisted of employer's pension liability insurance policies of EUR 638k (prior year: EUR 668k), pension trusts of EUR 352k (prior year: EUR 353k), direct insurance policies of EUR 266k (prior year: EUR 269k), and other forms of insurance of EUR 486k (prior year: EUR 424k). The expected contributions to plan assets amount to EUR 48k in the following year.

The expenses for defined benefit plans recognized in profit or loss are as follows:

In thousand EUR	2022	2021
Service costs	-511	-503
Net interest expense	-301	-132
Total pension expenses	**-812**	**-635**

In 2022, of the total amount of expenses for defined benefit plans, EUR 444k (prior year: EUR 380k) were included in cost of sales, EUR 43k (prior year: EUR 66k) in selling costs and EUR 24k (prior year: EUR 57k) in general and administrative costs. The net interest expense from unwinding of the discount on the obligation as well as from the return on plan assets of EUR 301k (prior year: EUR 132k) is included in finance expenses.

Actuarial assumptions

The following actuarial assumptions were used to calculate pension provisions and similar obligations:

	31 Dec 2022	31 Dec 2021
Discount rate	3.7%	1.0%
Wage and salary trend	2.5%	2.5%
Pension trend	2.2%	1.9%

As in the previous year, life expectancy in Germany is based on the 2018G mortality tables of Prof. Heubeck.

The wage and salary trends take into account inflation adjustments and career-related salary increases, and are based (similar to the turnover rates) on past experience and expectations for the future.

The pension trends either correspond to the contractually guaranteed pension adjustments or are based on the provisions in place for pension adjustments.

Changes in the principal actuarial assumptions would have had the following effects on defined benefit obligations:

	In thousand EUR	31 Dec 2022	31 Dec 2021
Discount rate	0.5 percentage points higher	-1,103	-1,950
	0.5 percentage points lower	1,210	2,178
Wage and salary trend	0.5 percentage points higher	107	166
	0.5 percentage points lower	-101	-156
Pension trend	0.5 percentage points higher	942	1,654
	0.5 percentage points lower	-869	-1,509
Life expectancy	Decrease in mortality rate by 10%	727	1,237

The sensitivity analyses presented take into account the change of one assumption, with the other assumptions remaining unchanged compared with the original calculation. This means possible correlations between the individual assumptions were not taken into account. The method used to calculate the sensitivities is the same method that is used to determine the present value of the defined benefit obligation.

In order to examine the sensitivity of the present value of the defined benefit obligation to changes in the assumed life expectancy, the mortality rates were lowered by 10% in a comparative calculation, which as in the prior year resulted in an increase in life expectancy of around one year (prior year: one year).

The weighted average duration of the defined benefit obligation based on the present values of the obligation is 10.72 years (prior year: 13.19 years).

The maturity profile of undiscounted payments of the defined benefit obligation is as follows:

In thousand EUR	31 Dec 2022	31 Dec 2021
Payments due within the next financial year	1,727	1,867
Payments due in 2 to 5 years	5,965	5,564
Payments due in 6 to 10 years	6,467	6,639
Payments due in 11 to 15 years	5,899	5,992
Payments due in 16 to 20 years	4,839	4,905
Payments due in more than 20 years	10,138	10,651

31 Other non-current provisions

In thousand EUR	Long-service bonus provisions
1 January 2022	**3,365**
Additions	373
Utilization	-142
Release	-695
Currency differences	-14
31 December 2022	**2,887**

In 2022, the interest portion from unwinding of the discount on the long-service bonus provisions amounted to EUR 17k (prior year: EUR 3k).

32 Current provisions

In thousand EUR	Lawsuits and litigations	Onerous contracts	Warranties	Other	Total current provisions
1 January 2022	**929**	**381**	**2,457**	**5,703**	**9,470**
Additions	577	76	1,236	2,536	4,425
Utilization	-184	-115	-575	-1,367	-2,241
Release	-738	-67	-921	-582	-2,308
Currency differences	-8	-	-5	-28	-41
31 December 2022	**576**	**275**	**2,192**	**6,262**	**9,305**

The provisions recognized for lawsuits and litigations as of 31 December 2022 comprise various litigation risks.

The provisions for warranties primarily include provisions for freight and liability damage from operating activities.

The other current provisions include, among other things, various provisions for various contractual and recourse risks as well as provisions for outstanding invoices and customer bonuses.

33 Income tax liabilities

The recognized liabilities are calculated from accrued income tax expenses for financial year 2022 and prior financial years amounting to EUR 33,509k (prior year: EUR 18,425k), less prepayments total EUR 24,868k (prior year: EUR 5,631k).

34 Other liabilities

In thousand EUR	31 Dec 2022	31 Dec 2021
Liabilities relating to personnel:		
Wages and salaries	38,210	25,060
Social security	1,627	1,626
Accrued vacation	3,734	3,424
Other taxes and levies	7,825	5,684
Advances received from customers	1,941	2,076
Derivative financial instruments	4,802	3,486
Other liabilities, accruals and deferred income	7,769	6,706
Total other current liabilities	**65,908**	**48,062**
Sundry other non-current liabilities	18	1
Total other non-current liabilities	**18**	**1**
Total other liabilities	**65,926**	**48,063**

Other liabilities, accruals and deferred income as of 31 December 2022 include liabilities from billing transport containers totalling EUR 765k (prior year: EUR 757k).

The advances received from customers represent contract liabilities within the definition of IFRS 15. Further contract liabilities of EUR 22,308k were offset against trade receivables (prior year: EUR 37,549k).

The remaining maturities of the financial liabilities included in other liabilities are shown below:

In thousand EUR	Dec 31 2022	Dec 31 2021
Due within 1 year	50,120	35,074
Due 1 to 5 years	18	1
Other financial liabilities	**50,138**	**35,075**

Other Notes

35 Additional information on financial instruments

The following tables provide additional information on the financial instruments held by the Logwin Group. They show the financial assets and liabilities by IFRS 9 measurement category as well as the balance sheet items containing financial instruments with the corresponding carrying amounts and the fair value.

Financial instruments by measurement category according to IFRS 9

In thousand EUR	**Carrying amount 31.12.2022**	Mandatory valuation at fair value in accordance with IFRS 9
Amortized cost	611,627	
Fair value through profit or loss (FVTPL)	11,231	11,231
Financial assets	**622,858**	**11,231**
Amortized cost	339,438	
Fair value through profit or loss (FVTPL)	4,802	4,802
Financial liabilities	**344,240**	**4,802**

In thousand EUR	**Carrying amount 31.12.2021**	Mandatory valuation at fair value in accordance with IFRS 9
Amortized cost	543,155	
Fair value through profit or loss (FVTPL)	12,160	12,160
Financial assets	**555,315**	**12,160**
Amortized cost	354,980	
Fair value through profit or loss (FVTPL)	3,486	3,486
Financial liabilities	**358,466**	**3,486**

Carrying amount and fair values of financial instruments by item of the balance sheet.
The following table reconciles the existing financial instruments to the corresponding items of the balance sheet and shows the respective measurement basis, carrying amount and the fair value as of the reporting date:

In thousand EUR	Measurement category in accordance with IFRS 9	**Carrying amount 31 Dec 2022**	Carrying amount in accordance with IFRS 16	**Fair Value 31 Dec 2022**
Assets				
Investments	FVTPL	**680**	**-**	**680**
	Amortized cost	566	-	566
	n.a.	441	-	
Other non-current assets	**Total**	**1,007**	**-**	
	FVTPL	7,226	-	7,226
	Amortized cost	225,162	-	225,162
Trade accounts receivable	**Total**	**232,388**	**-**	**232,388**
Contract assets	Amortized cost	**16,236**	**-**	**16,236**
	Amortized cost	5,883	-	5,883
	FVTPL	3,325	-	3,325
	n.a.	24,185	-	
Other receivables and current assets	**Total**	**33,393**	**-**	
Cash and cash equivalents	Amortized cost	**363,778**	**-**	**363,778**
Liabilities				
Non-current liabilities from leases	n.a.	**54,354**	**54,354**	**-**
Other non-current liabilities	Amortized cost	**18**	**-**	**18**
Trade accounts payable	Amortized cost	**292,992**	**-**	**292,992**
Current liabilities from leases	n.a.	**26,598**	**26,598**	**-**
Current loans and borrowings	Amortized cost	**1,110**	**-**	**1,110**
	Amortized cost	45,318	-	45,318
	FVTPL	4,802	-	4,802
	n.a.	15,788	-	-
Other current liabilities	**Total**	**65,908**	**-**	**-**

Angaben in TEUR	Measurement category in accordance with IFRS 9	**Carrying amount 31 Dec 2021**	Carrying amount in accordance with IFRS 16	**Fair Value 31 Dec 2021**
Assets			-	
Investments	FVTPL	**781**	-	**781**
	Amortized cost	563	-	563
	n.a.	281	-	
Other non-current assets	**Total**	**844**	-	
	FVTPL	7,553	-	7,553
	Amortized cost	253,843	-	253,843
Trade accounts receivable	**Total**	**261,396**	-	**261,396**
Contract assets	Amortized cost	**34,922**	-	**34,922**
	Amortized cost	5,814	-	5,814
	FVTPL	3,826	-	3,826
	n.a.	35,045	-	
Other receivables and current assets	**Total**	**44,685**	-	
Cash and cash equivalents	Amortized cost	**248,013**	-	**248,013**
Liabilities				
Non-current liabilities from leases	n.a.	**51,631**	**51,631**	-
Other non-current liabilities	Amortized cost	**1**	-	**1**
Trade accounts payable	Amortized cost	**323,257**	-	**323,257**
Current liabilities from leases	n.a.	**27,884**	**27,884**	-
Current loans and borrowings	Amortized cost	**135**	-	**135**
	Amortized cost	31,587	-	31,587
	FVTPL	3,486	-	3,486
	n.a.	12,989	-	-
Other current liabilities	**Total**	**48,062**	-	-

The fair values of financial instruments were determined based on the following methods and assumptions:

For listed securities, the fair value can be determined on the basis of market information available at the balance sheet date in accordance with Level 1. For publicly traded financial instruments, the market value on the balance sheet date represents the fair value of the instrument.

The fair values of derivative financial instruments were determined in accordance with Level 2 of the fair value hierarchy using the quoted prices of the contracting parties and valuation techniques such as the present value method based on currently observable market data. The fair values of the currency derivatives were calculated using the respective spot rate and the yield curves of the respective currency.

The fair values of unlisted equity instruments are generally determined in accordance with Level 3 of the fair value hierarchy. Since not enough information is available to measure fair value or there is a wide range of possible measurements of fair value, the valuation is made in accordance with IFRS 9.B.5.2.3. at cost, which is considered the best estimate of fair value.

The fair values for other loans and borrowings with variable rates of interest were determined on the assumption that agreed rates of interest are equivalent to market interest rates. Consequently, their carrying amounts are deemed to match their fair values. Valuation models are used to calculate the fair values for loans and borrowings with fixed interest rates. The inputs (interest rates) are based on observable market data.

The fair values of trade accounts receivable and payable, other current assets and liabilities that were allocated to the "at amortized cost" category as well as cash and cash equivalents are deemed to match their carrying amounts owing to their short terms.

The following table provides an overview of the classification of the financial assets and financial liabilities of the Logwin Group that were recognized at fair value, in accordance with the fair value hierarchy:

31 Dec 2022 In thousand EUR	Level 1	Level 2	Level 3	**Total**
Assets				
Investments	506	-	174	**680**
Trade accounts receivable	-	-	7,226	**7,226**
Other receivables and current assets	-	3,325	-	**3,325**
Total	**506**	**3,325**	**7,400**	**11,231**
Liabilities				
Other current liabilities	-	4,802	-	**4,802**

31 Dec 2021 In thousand EUR	Level 1	Level 2	Level 3	**Total**
Assets				
Investments	608	-	173	**781**
Trade accounts receivable	-	-	7,553	**7,553**
Other receivables and current assets	-	3,826	-	**3,826**
Total	**608**	**3,826**	**7,726**	**12,160**
Liabilities				
Other current liabilities	-	3,486	-	**3,486**

There were no transfers between Level 1, Level 2 and Level 3 in the reporting year and in the prior year.

Net results from financial instruments by measurement category

In thousand EUR	From interest	From subsequent measurement at Fair value	From subsequent measurement Impairment	Net result 2022
Assets at amortized cost	1,445	-	-1,080	**365**
Assets at FVTPL	1,282	152	-	**1,434**
Liabilities at amortized cost	-3,040	-	-	**-3,040**
Liabilities at FVTPL	-728	158	-	**-570**
Total	**-1,041**	**310**	**-1,080**	**-1,811**

In thousand EUR	From interest	From subsequent measurement at Fair value	From subsequent measurement Impairment	Net result 2021
Assets at amortized cost	170	-	-138	**32**
Assets at FVTPL	-2,380	-26	-	**-2,406**
Liabilities at amortized cost	-930	-	-	**-930**
Liabilities at FVTPL	2,405	-141	-	**2,264**
Total	**-735**	**-167**	**-138**	**-1,040**

Please refer to note 15 “Financial result” for information on interest income and expenses. Gains and losses from subsequent valuation at fair value relate primarily to the valuation of derivative financial instruments held to hedge currency risks. Impairment losses include impairments of receivables.

Financial risks

Liquidity risks

The business operations of the operating units of the Logwin Group as a logistics provider require it to use loans, factoring and credit-related forms of finance, for example when renting or leasing infrastructure, transport equipment and other technical equipment and facilities over the short to medium term. Continuing restricted access to means of finance and guaranteed credit lines, insufficient availability of suitable receivables that can be sold in the factoring process or a sustained increase in the cost of such financing instruments could lead to considerable risks for liquidity and earnings at the Logwin Group.

The Logwin Group manages its liquidity risk by monitoring the current liquidity situation on a daily basis. Liquidity planning is used to determine future requirements and to analyze on a regular basis whether the Logwin Group is in a position to meet its financial liabilities by the agreed maturity dates. The Logwin Group also limits its liquidity risk through strict working capital management and financing from various sources. As of 31 December 2022, the Logwin Group had unused credit facilities of EUR 37.7m (prior year: EUR 38.8m). The Logwin Group can also utilize a contractually agreed maximum amount of EUR 60.0m (prior year: EUR 45.0m) from the factoring facility depending on the volume of receivables sold which was not used during the financial year 2022.

Note 22 to the consolidated financial statements provides a maturity analysis of the lease liabilities.

Engaging in the transportation business on a global scale requires the possibility of guarantees and collateral being provided by generally recognized guarantors, for example to customs and tax authorities and in the process of handling air and ocean transports worldwide. The Logwin Group will be faced with liquidity and earnings risks if such established financial instruments are no longer available to the Logwin Group to a sufficient extent, or if the customary mechanisms underlying international financial business transactions fail to work. The risk is reduced by diversification and contractual agreements with leading financial service providers selected according to defined criteria.

Credit risks

Credit risk is the risk that a counterparty will not meet its contractual obligations and that the Logwin Group will incur financial losses as a result. As of 31 December 2022, the Group's maximum credit risk, excluding collateral held or other credit enhancements, is derived from the carrying amounts of the respective financial assets reported in the consolidated balance sheet as of 31 December 2022. Value adjustments are made for impending default risks. Please refer to Note 24 for the scope of valuation allowances of trade receivables. In contrast, assets that are neither past due nor impaired are fully recoverable.

There are essentially credit risks arising from relationships with customers and banks. Credit risks arising from relationships with customers are minimized by detailed credit assessments and a restrictive allocation of credit periods. Furthermore, in nearly all countries trade credit insurance exists for the majority of customers. Credit risks resulting from relationships with banks (counterparty risk) are counteracted via diversification of banking relationships.

In order to minimize the credit risk, the Logwin Group has developed credit risk classifications in order to categorize exposures according to their degree of default risk. The credit rating information is provided by independent rating agencies where available and, if not available, the Logwin Group uses other publicly available financial information and internally available information of the Group to evaluate its major customers and other debtors. The Group's exposure and the creditworthiness of the counterparties are continuously monitored and the total value of the transactions concluded is allocated to the eligible counterparties.

Currency risks

The companies of the Logwin Group generate revenues in various currencies in the course of carrying out their worldwide activities and therefore also recognize their assets in non- euro currencies. As a result, the Group is subject to ongoing currency risks. Moreover, between the companies of the Logwin Group there are internal financing balances in foreign currencies. As a result, a significant risk to earnings and liquidity from the negative effects of exchange rate movements cannot be excluded.

Wherever feasible, the Logwin Group reacts to potential foreign exchange risks affecting liquidity by using hedging instruments. The Logwin Group's hedging transactions in connection with foreign currency receivables and liabilities reduce the uncertainty of future cash flows from hedged items with regard to the risk of exchange rate fluctuations. Taking into account hedging activities, a change in the respective functional currency of the group companies by +/–10% in relation to the US dollar, the main foreign currency of the Logwin Group, as of 31 December 2022 would have an effect on the Group's net result of –/+ EUR 2.8m (prior year: –/+ EUR 1.2m).

As the euro is the reporting currency of the Logwin Group, the financial statements of the companies are translated into euro, which is the functional currency of the Group, for the purposes of the consolidated financial statements. These translation-related foreign currency risks are not typically hedged in the Logwin Group. This can create a considerable impact on the presentation of the earnings position and net assets of the Logwin Group.

Interest rate risks
Following a long period of low interest rates, interest rates increased significantly worldwide in the reporting year due to extensive monetary policy measures. Various influencing factors may lead to a further increase in interest rates. Increased interest rates can represent an earnings risk for the Logwin Group. As of 31 December 2022, the Group had floating-rate financial liabilities in the form of liabilities from lease agreements. The interest rate risks arising from these contracts are closely monitored on an ongoing basis and tolerated to the current extent.

Market and customer risks
The measures to combat the Covid 19 pandemic led to significant short-term disruptions in logistics chains worldwide in fiscal 2022 and again had a profound impact on the various activities of the transport and logistics industry. The tightening of global sanctions against Russia following the Russian attack on Ukraine did not have a material impact on the Group's net assets, financial situation and earnings position.

Public measures to combat the pandemic and emerging inflation concerns also led to ongoing changes in consumer behavior in fiscal year 2022, making planning for customers and subsequently the activities of the company's own transportation network more difficult. As a result, necessary capacity adjustments and the resulting restructuring of the transport network could have a significant negative impact on the Logwin Group's net assets, financial position and results of operations, above and beyond the provisions that have been made.

The extraordinarily high price increases, particularly for energy and raw materials, in the fiscal year 2022 and presumably in subsequent years in conjunction with significant interest rate increases will lead to increased cost awareness among all market participants. The consequences may also include a review of existing logistics contracts and new tenders. This applies in particular to the business segment Solutions, which is in part highly dependent on individual major customers. There is a risk for the Logwin Group that these customer-related measures could have a negative impact on its earnings situation. Thanks to the quality of its services and cost savings, the Logwin Group believes that it will continue to be in a position to meet the increasing requirements and to hold its own against its competitors.

In various customer contracts, liability or investment risks are transferred to the Logwin Group as a service provider or the agreement of contractual penalties for failure to provide services in accordance with the contract is made a precondition for entering into business relationships. This can give rise to risks that go well beyond statutory warranty risks and could have a significant negative impact on the Logwin Group's net assets, financial situation and earnings position. The Logwin Group minimizes these risks through comprehensive controlling at order and branch level. In addition, any risks are identified at an early stage as part of the risk management process and counteracted without delay.

In the current market situation, there is a risk in the Air + Ocean business segment that the rapid change in capacity bottlenecks will lead to a significant supply overhang, further intensifying competition for customer business and increasing pressure on margins. The Air + Ocean business segment is endeavoring to counter the erosion of margins by providing a high quality of service and making intensive efforts to win new customer business on an ongoing basis. Efforts by carriers and other market participants, particularly in sea freight, to conclude direct transport contracts with smaller end customers are being observed with attention, which poses the risk of volume declines in the relevant submarket.

Maturity analysis of financial liabilities

Next year, cash outflows for the servicing of financial liabilities are expected to amount to EUR 1,110k (prior year: EUR 135k).

Trade accounts payable and derivative financial liabilities existing on the reporting date are due within one year.

The maturity analysis of the leasing liabilities can be found in Note 22.

Forward exchange contracts

As of 31 December 2022, the Logwin Group had various forward exchange contracts to hedge the foreign exchange risk of the operating business and to secure Logwin AG's receivables or liabilities arising from group financing. The forward exchange contracts have a term of less than one year.

The following table shows the major transactions:

Angaben in Tausend	31 Dec 2022		31 Dec 2021	
	Nominal value in foreign currency	Nominal value in euros	Nominal value in foreign currency	Nominal value in euros
Forward exchange contracts to hedge receivables of Logwin AG arising from group financing and the operating activities of group companies				
Sell				
AED	11,740	3,098	12,550	2,947
AUD	18,754	12,319	15,567	9,665
CNY	99,700	14,065	287,540	38,290
COP	-	-	1,300,000	281
CZK	1,700	70	31,300	1,210
GBP	3,900	4,514	16,110	18,892
HKD	208,400	26,389	120,900	13,419
HUF	510,000	1,200	695,000	1,901
MXN	85,545	3,926	-	-
PLN	3,150	665	22,600	4,876
RON	3,200	634	1,550	311
TRY	22,120	1,111	18,900	1,493
USD	32,200	30,832	35,420	30,973
ZAR	12,150	667	-	-
Total	-	**99,490**	-	**124,258**
Forward exchange contracts to hedge receivables of Logwin AG arising from group financing and the operating activities of group companies				
Buy				
AED	21,500	5,661	17,550	4,144
AUD	17,813	11,523	8,672	5,466
CNY	213,080	30,410	456,170	61,090
CZK	16,800	692	33,300	1,312
GBP	4,850	5,607	9,840	11,501
HKD	422,850	52,790	308,150	34,309
HUF	1,030,000	2,476	970,000	2,669
MXN	28,000	1,313	-	-
RON	3,500	699	1,180	237
SGD	1,770	1,259	1,910	1,226
THB	4,100	112	12,000	319
TRY	30,200	1,522	22,400	1,864
TWD	17,000	538	17,000	551
USD	24,457	23,399	31,341	27,438
Total	-	**138,001**	-	**152,126**

The following table compares the fair values and the nominal amounts of the derivative financial instruments:

In thousand EUR	31 Dec 2022		31 Dec 2021	
	Nominal amount	Fair value	Nominal amount	Fair value
Assets				
Forward exchange contracts	102,757	3,325	125,488	3,826
Total	**102,757**	**3,325**	**125,488**	**3,826**
Liabilities				
Forward exchange contracts	134,733	4,802	150,895	3,486
Total	**134,733**	**4,802**	**150,895**	**3,486**

The assets are matched by liabilities from the valuation of the underlying financial transactions. Liabilities from forward exchange transactions are matched by assets from the valuation of the underlying internal financial transactions.

Netting agreements are set out in the master agreements in place with the banks through which derivative financial instruments are concluded. However, these netting agreements only take effect in the event of insolvency. The presentation of the net amount for accounting purposes is therefore not permitted, as there is only a theoretical right of set-off at the end of the reporting period. This would result in a total of EUR 3,325k being able to be offset against the reported liabilities of EUR 4,802k. In the previous year, a total of EUR 3,441k could have been offset against the reported assets of EUR 3,826k.

Capital management

The goal of the Logwin Group's capital management is to preserve its financial stability and maintain an adequate equity level for Logwin AG. It can react to negative changes in the capital structure by adjusting its equity or debt resources in particular through the utilization of existing credit facilities and the factoring facility.

Medium and long-term financial decisions are checked for their impact on the capital structure of the Logwin Group. In addition, short and medium-term changes in the capital structure are systematically monitored by analyzing working capital. In addition to changes in absolute values, a key aspect here is relative changes and changes relative to relevant figures such as revenues.

The following items are covered by capital management:

In thousand EUR	31 Dec 2022	31 Dec 2021
Liabilities from leases	-80,952	-79,515
Loans and borrowings	-1,110	-135
Gross financial debt	**-82,062**	**-79,650**
Cash and cash equivalents	363,778	248,013
Net liquidity	**281,716**	**168,363**
Trade accounts payable	-292,992	-323,257
Other liabilities and provisions	-78,118	-60,898
Trade accounts receivable	232,388	261,396
Contract assets	16,236	34,922
Income tax receivables/liabilities	-5,488	-10,932
Other non-current and current receivables and assets	34,400	45,529
Inventories	2,086	1,411
Working Capital	**-91,488**	**-51,829**
Shareholders' equity	**346,392**	**282,485**

36 Financial commitments

The following table shows all unrecognized financial commitments as of 31 December 2022 and 2021:

In thousand EUR	31 Dec 2022	31 Dec 2021
Due within 1 year	20,569	13,617
Due within 2 to 5 years	11,083	10,581
Due after 5 years	731	3,148
Total	**32,383**	**27,346**

The financial obligations in the financial year and the prior year consist mainly of obligations from service contracts.

37 Contingent liabilities and lawsuits

It can be assumed that the contingent liabilities in respect of bank and other guarantees, letters of comfort and other liabilities arising in the ordinary course of business as of 31 December 2022 will not result in material obligations.

To the extent necessary, provisions are recognized for individual matters that could possibly lead to a claim. Beyond this, no claims are expected.

38 Auditor's fees

The auditor's fees for the financial year covered the following services (amounts excluding out-of-pocket expenses):

In thousand EUR	Auditors of Luxembourg companies		Auditor's network abroad	
	2022	2021	2022	2021
Audit services	190	147	669	681
Other services	1	9	7	30
Total	**191**	**156**	**676**	**711**

39 Key management personnel compensation

The compensation of non-executive members of the Board of Directors and of members of the Executive Committee includes all amounts received from group companies. The fixed portion of the regular compensation also includes other compensation components. In 2022, payments in the amount of EUR 67k (prior year: EUR 72k) were made to a defined contribution pension plan for members of the management.

In thousand EUR	2022	2021
Members of the Executive Committee	2,355	2,385
thereof fixed portion of regular compensation	*1,129*	*1,287*
thereof variable portion of regular compensation	*1,226*	*1,098*
Non-executive members of the Board of Directors (fixed compensation)	120	120

40 Related party transactions

Entities and persons are regarded as related parties if one party has the ability to control the other party or has an interest in the entity that gives it significant influence over the entity, if the party is an associate or if the party is a member of the key personnel of the entity or its parent.

Mr. Stefan Quandt is considered to be a related party to Logwin AG, as he is the sole shareholder of DELTON Logistics S.à r.l., Grevenmacher, which holds a majority interest in Logwin AG. He is also the sole shareholder of DELTON Health AG and AQTON SE, both Bad Homburg, as well as a shareholder and Deputy Chairman of the Supervisory Board of BMW AG, Munich. He is a related party to these companies within the meaning of IAS 24 "Related Party Disclosures".

The Logwin Group generated rental income of EUR 8k from DELTON Logistics S.à r.l. (prior year: EUR 8k). The Logwin Group purchased services from DELTON Logistics S.à r.l. in the amount of EUR 63k (prior year: EUR 38k). In addition, the following supply and service relationships existed with DELTON Health AG, Bad Homburg v.d.H. and its subsidiaries.

In thousand EUR	DELTON Health AG and its subsidiaries 2022	2021
Services provided	664	542
Services received	663	747
Receivables as of 31 December	35	-
Payables as of 31 December	213	136

Furthermore, Logwin AG had entered into a framework agreement with AQTON SE for money market transactions, which was cancelled with effect from 1 April 2022 (31 December 2021: EUR 75.0m). The framework agreement on money market transactions was replaced by a loan agreement with a credit line of up to EUR 120.0m effective 1 April 2022. As of 31 December 2022, Logwin AG had short-term receivables from AQTON SE amounting to 100.0 million euros (31 December 2021: EUR 0.0m). In the reporting period, expenses for custody fees of EUR 31k (prior year: EUR 81k) and interest income of EUR 423k (prior year: EUR 0k) were incurred in connection with these agreements.

In the financial year 2022, the Logwin Group's revenues from companies of the BMW Group amounted to EUR 19,667k (prior year: EUR 19,450k). Receivables from BMW Group amounted to EUR 1,004k as of 31 December 2022 (prior year: EUR 3,362k).

In addition, Logwin Group companies procured vehicles from the BMW Group, predominantly by leasing. This gave rise to expenses for the Logwin Group of EUR 768k in 2022 (prior year: EUR 1,090k). Liabilities to the BMW Group from unpaid lease installments amount to EUR 7k as of 31 December 2022 (prior year: EUR 65k).

The following business relationships applied with associated and affiliated, non-consolidated companies:

In thousand EUR	Associated and affiliated, not consolidated companies 2022	2021
Services provided	2,468	759
Services received	527	488
Receivables as of 31 December	449	422
Payables as of 31 December	241	280

Furthermore, there were transactions between the Logwin Group and members of its Board of Directors. In financial year 2022, these resulted in expenses for the Logwin Group in an amount of EUR 27k (prior year: EUR 43k).

All transactions with related parties were conducted under standard market conditions at arm's length.

41 Events after the reporting period

No reportable events occurred between 31 December 2022 and the preparation of the consolidated financial statements by the Board of Directors of Logwin AG on 28 February 2023.

42 List of shareholdings

The table below lists all companies of the Logwin Group as of 31 December 2022:

	Share of capital
Solutions	
Logwin Solutions Management GmbH, DE-Großostheim	100.00%
Logwin Solutions Holding International GmbH, AT-Salzburg	100.00%
Logwin Solutions Austria GmbH, AT-Salzburg	100.00%
Logwin Solutions International Deutschland GmbH, DE-Großostheim	100.00%
Logwin Solutions Spedition GmbH, DE-Großostheim	100.00%
Logwin Solutions Spain S.A., ES-Madrid	100.00%
LOGWIN Romania S.R.L, RO-Bukarest	100.00%
Logwin Portugal Unipessoal LDA, PT-Porto	100.00%
Logwin Solutions Deutschland GmbH, DE-Großostheim	100.00%
Logwin Solutions Logistik GmbH, DE-Großostheim	100.00%
Air + Ocean	
Logwin Air + Ocean International GmbH, DE-Großostheim	100.00%
Logwin Air + Ocean Deutschland GmbH, DE-Großostheim	100.00%
Logwin Air + Ocean UK Limited, GB-Uxbridge	100.00%
Logwin Air + Ocean Belgium N.V., BE-Antwerpen	100.00%
Logwin Air + Ocean Czech S.r.o., CZ-Prag	100.00%
Logwin Air + Ocean Hungary Kft., HU-Budapest	100.00%
Logwin Air + Ocean The Netherlands B.V., NL-1438 AX Oude Meer	100.00%
Logwin Poland Sp.z.o.o., PL-Piaseczno	100.00%
Logwin Air + Ocean Italy S.r.l., IT-Milano	51.00%
Logwin Air & Ocean Spain S.L., ES-Barcelona	100.00%
Logwin Air + Ocean Austria GmbH, AT-Salzburg	100.00%
Logwin Air and Ocean Lojistik Hizmetleri ve Ticaret Limited Sirketi, TR-Istanbul	100.00%
Logwin Air + Ocean Slovakia s.r.o. SK-Bratislava	100.00%
Logwin Air + Ocean France S.A.S., FR-Villepinte	100.00%
Logwin Air and Ocean South Africa (Pty.) Ltd., ZA-Johannesburg	100.00%
Logwin Air and Ocean Kenya Ltd., KE-Nairobi	60.00%
Logwin Air & Ocean Hong Kong Ltd., HK-Hongkong	100.00%
Logwin Air + Ocean Taiwan Ltd, TW-Taipeh	100.00%
Logwin Air + Ocean Philippines Inc., PH-Paranaque City	100.00%

Logwin Air & Ocean Korea Ltd., KR-Seoul	100.00%
Logwin Air + Ocean China Ltd., CN-Shanghai	100.00%
Logwin Air & Ocean Far East Ltd., HK-Hongkong	100.00%
Logwin Air + Ocean Singapore Pte. Ltd., SG-Singapore	100.00%
Logwin Air & Ocean Vietnam Company Limited , VN-Hochiminh City	100.00%
Logwin Air + Ocean Malaysia Sdn. Bhd., MY-Kuala Lumpur	100.00%
Logwin Air + Ocean (Thailand) Ltd., TH-Bangkok	100.00%
P.T. Logwin Air & Ocean Indonesia, ID-Jakarta	90.00%
Logwin Air & Ocean India Pvt. Ltd., IN-Mumbai	100.00%
Logwin Air & Ocean Australia Pty. Ltd., AU-Alexandria	100.00%
Logwin Air + Ocean Mexico S.A. de C.V., MX-City	100.00%
Logwin Air + Ocean Colombia SAS, CO-Bogota	100.00%
Logwin Air + Ocean Brazil Logística e Despacho Ltda., BR-Sao Paulo	100.00%
Logwin Air + Ocean Chile S.p.A., CL-Santiago	100.00%
Logwin Air + Ocean Perú S.R.L. PE-Lima	100.00%
Logwin Air & Ocean Middle East LLC, AE-Dubai	60.00%
Other	
Logwin AG, LU-Grevenmacher	100.00%
Logwin Holding Immo Aschaffenburg GmbH, DE-Großostheim	100.00%
Logwin Air + Ocean Holding Austria GmbH, AT-Salzburg	100.00%
Logwin Road + Rail Austria GmbH i.L., AT-Salzburg	100.00%
Thiel AS Logistics AG, LU-Grevenmacher	100.00%
Logwin Road + Rail Deutschland GmbH, DE-Großostheim	100.00%
Logwin Holding Aschaffenburg GmbH, DE-Großostheim	100.00%
Logwin Finance GmbH, DE-Großostheim	100.00%
Aschaffenburger Versicherungsmakler GmbH, DE-Großostheim	100.00%
Not consolidated	
Leadway Freight Ltd. HK-Hongkong n.o.	100.00%
Logwin Forwarding Malaysia Sdn. Bhd., MY-Kuala Lumpur	49.00%
Supply Chain International Ltd., NZ-Auckland	33.00%
East West Freight Limited, HK-Hongkong	100.00%
Leadway Container Line Ltd., SG-Singapore	100.00%
Hellmann Beverage Logistics Inc, US-FL-Miami	50.00%
Transcontainer-Universal GmbH & Co. KG, DE-Bremen	0.80%

Investments of the Logwin AG are not consolidated, if the company does not carry out any business operations or if the Group does not exercise any significant influence on the company. Furthermore for investments of minor importance for the consolidated financial statements no consolidation using the at equity method has been carried out.

In the reporting year 2022, the Logwin Group employed an average of 4,121 people (prior year: 4,047).

Declaration by the Board of Directors

The Board of Directors is responsible for the preparation, completeness and accuracy of the consolidated financial statements and the group management report, as well as for all other information provided in the Annual Financial Report.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Pursuant to the provisions of the Luxembourg Commercial Code, the group management report contains an analysis of the net assets, financial situation and earnings position of the Group, as well as further information.

The consolidated financial statements, the group management report and the independent auditor's report were subject to a preliminary audit by the Audit Committee and discussed extensively in a meeting of the Board of Directors together with representatives of the audit firm.

The audit of the consolidated financial statements and the group management report for financial year 2022 did not give rise to any objections. By way of resolution by the Board of Directors, the consolidated financial statements and the group management report were therefore approved for publication.

In line with Luxembourg law, the consolidated financial statements and the group management report must still be approved by the Annual General Meeting.

The Board of Directors of Logwin AG

Grevenmacher (Luxembourg), 28 February 2023

Responsibility statement

"To the best of our knowledge and in accordance with the applicable reporting principles for consolidated financial reporting, the consolidated financial statements give a true and fair view of the net assets, financial situation and earnings position of the Group, and the group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Dr. Antonius Wagner
(Chairman of the Board of Directors)

Sebastian Esser
(Deputy Chairman of the Board of Directors)

To the Shareholders of
Logwin AG, Société Anonyme
5, an de Längten
L-6776 Grevenmacher

This text was drawn up for information purposes only. In case of discrepancies between the German and the English text, the German text shall prevail.

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Logwin AG and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for opinion
We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of goodwill

Please refer to note 7 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Information on the value of goodwill can be found under note 19 to the consolidated financial statements.

a) Why the matter was considered to be one of most significant in the audit
Goodwill amounts to EUR 45.7 million as at 31 December 2022 and thus represents 5.5% of total assets.

Impairment of goodwill is tested at least annually or as determined necessary on the level of the Air & Ocean and Solutions business segments. For this purpose, the carrying amount of the assets is compared with their recoverable amount for the respective business segment. If the carrying amount exceeds the recoverable amount, an impairment loss must be recognised. In this regard, the recoverable amount corresponds to the value in use, which is determined using a valuation model based on the discounted cash flow method. The key date for annual impairment testing is 31 December. Impairment testing of goodwill is complex and based on a range of assumptions which require judgement. These assumptions include the expected business and earnings development of the business segments for the next five years, the assumed long-term growth rates, the discount rate used and the allocation of carrying amounts to the two business segments.

As a result of the impairment tests conducted, the Company established a need for impairment for the Solutions business segment amounting to EUR 11.7 million.

There is a risk for the consolidated financial statements that a negative deviation in the assumptions and estimates underlying the measurement that are described in the notes to the consolidated financial statements could result in valuation falling short of the carrying amounts.

b) How the matter was addressed in the audit
With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the significant assumptions and the calculation model of Logwin AG. For this purpose, we discussed the expected business and earnings development and the assumed long-term growth rates with those responsible for planning. We also reconciled this information with other internally available forecasts, e.g. for tax purposes, and with the approved strategic corporate planning. Furthermore, we evaluated the consistency of assumptions with external market assessments and the market capitalisation of Logwin AG. We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analysing deviations.

Since even small changes to the discount rate can have a significant impact on the results of impairment testing, we compared the assumptions and parameters underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

Based on the valuation model used by Logwin AG, we have verified the methodological approach and the computational accuracy by executing a re-performance of the computation. In order to take account of forecast uncertainty for impairment testing, we investigated the impact of potential changes in the discount rate, earnings performance and the long-term growth rate on the recoverable amount (sensitivity analysis) by calculating alternative scenarios and comparing these with the values stated by the Company.

Finally, we assessed whether the disclosures in the notes on impairment of goodwill were appropriate. This also included an assessment of the appropriateness of disclosures in the notes in accordance with IAS 36.134(f) on sensitivity in the event of a reasonably possible change in key assumptions used for measurement.

Complete recognition and adherence to the accrual basis regarding trade receivables and contract assets and completeness and adherence to the accrual basis regarding trade payables

Please refer to note 7 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Information on trade receivables can be found in note 24 to the consolidated financial statements.

a) Why the matter was considered to be one of most significant in the audit
Trade receivables and contract assets as well as trade payables amount to EUR 248.6 million and EUR 293.0 million respectively as at 31 December 2022 and account for a considerable share of assets and liabilities.

As at 31 December 2022, contract assets amounting to EUR 16.2 million have been disclosed. Furthermore, contract liabilities amounting to EUR 22.3 million were netted with contractual receivables incurred at year end, but due and payable at a later date.

Complete recognition and accrual of trade receivables and contract assets, i.e. revenue from transport services in the Air + Ocean and Solutions business segments, is being performed on a period-basis. This requires estimates concerning the performance status of individual shipments. These estimates are based on historical values and projected values, as well as on contractual arrangements and agreements. Recognition and the determination whether trade receivables are recognised on an accrual basis depends on these Company estimates and assumptions which require judgement. There is a risk that trade receivables have not been accurately recognised on an accrual basis and that contract assets have been determined erroneously.

The complete recognition of trade payables relating to transportation services and the accrual basis recognition of trade payables, consequently the cost of sales from transportation services, also requires estimates concerning the status of service performance of individual shipments and the related costs, which may not yet be invoiced. These estimates are based on historical values and projected values, as well as on contractual arrangements and agreements. Determining that trade payables are recognised in full and according to the accrual basis depends on Company estimates and assumptions which require judgement. There is the risk that trade payables have not been recognised in a sufficient amount and/or that they have not been recognised on an accrual basis.

b) How the matter was addressed in the audit
We assessed the estimates concerning the complete recognition and the appropriate accrual of trade receivables and contract assets as well as the completeness and the appropriate accrual basis recognition of trade payables. In order to do so, we verified, on a sample basis, selected IT systems and internal controls which we identified as relevant in the processes and which are intended to ensure the recognition, the adherence to the accrual basis of accounting and the completeness .

The validation of customer transactions was performed particularly at the level of the main operating companies. The population to be audited was determined by means of a risk-based selection. Using a mathematical-statistical procedure, customer transactions were evaluated on the basis of their contractual basis and the assessments made were verified. Additionally, we obtained balance confirmations for the main operating companies using a mathematical-statistical procedure.

We have verified the determination of the period-based revenue recognition at group level by recalculating the performance level and assessed the underlying shipment data on a sample basis.

The audit of trade payables was also carried out at the level of the main operating companies. For selected companies we have obtained balance confirmations. Additionally, we assessed the actual use of the accruals created in the previous year for outstanding invoices in the financial year. Furthermore, the accruals booked as of 31 December were assessed on the basis of a specific selection of samples. In addition, we checked the complete recording as of the reporting date based on random samples of the trade accounts payable posted in the following year using a mathematical-statistical method.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated report including the consolidated management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the “réviseur d'entreprises agréé” thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Audit Committee for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors is responsible for presenting [and marking up] the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

Our responsibility is to assess whether the consolidated financial statements have been prepared in all material respects with the requirements laid down in the ESEF Regulation.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, 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, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate to the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Shareholders on 08 April 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is eight years.

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement, as published on the Group's website https://www.logwin-logistics.com/company/overview/corporate-governance.html, is the responsibility of the Board of Directors. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the audit opinion is consistent with the additional report to the Audit Committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

We have checked the compliance of the consolidated financial statements of the Group as at 31 December 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to:

- Consolidated financial statements prepared in a valid xHTML format;
- The XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of Logwin AG as at 31 December 2022 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Our audit report only refers to the consolidated financial statements of Logwin AG as at 31 December 2022 prepared and presented in accordance with the requirements laid down in the ESEF Regulation, which is the only authoritative version.

Luxembourg, 28 February 2023

KPMG Audit S.à r.l. Cabinet
de révision agréé

Yves Thorn
Partner