



ANNUAL REPORT 2020

CYBER-ATTACK AFFECTS BOTTOM LINE

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The transportation and logistics company LEMAN presents a stable turnover of DKK 2.24 billion for 2020, but a massive cyber-attack negatively affects the result for the year.

STABLE TURNOVER IN A DIFFICULT MARKET

After a challenging year marked by great unpredictability, LEMAN now publishes the Group's annual report for 2020. With a turnover of DKK 2.24 billion against DKK 2.27 billion in 2019, LEMAN maintains a stable level of activity; however, slightly affected by corona as well as a reduced revenue in the UK due to Brexit. The Group also presents a loss before tax of DKK 13.8 million compared to a profit of DKK 23.2 million in 2019. The result is a direct consequence of a massive cyber-attack, which hit in the spring of 2020 and resulted in an extraordinary cost of at least DKK 30 million.

"We acknowledge that 2020 does not live up to our expectations," says Thomas Krøyer, CEO of LEMAN Group, and continues: "The cyber-attack in particular hit us hard. That is why we consider 2020 to be a financially lost year. In addition, investments in improved cyber-security, increased digitization and the implementation of a new, global transport management system have also affected the result. However, we are satisfied that LEMAN, after all, achieves a stable turnover, and that we, despite the cyber-attack, were fully operational before the end of 2020."



CREATIVE SOLUTIONS, NEW OFFICES AND A POSITIVE OUTLOOK

In the first half of 2020, the corona crisis also had a negative impact on the Group's activities. However, due to great agility and creativity, activities increased in the second half of the year, and therefore the pandemic has not caused a major impact on the overall activity level. "Our 750 colleagues have made a fantastic effort to keep the business running, and we have had a strong focus on helping our customers," says Thomas Krøyer and elaborates: "During the cyber-attack, all freight forwarding was done with pen and paper to keep our customers from being affected. At the same time, we have continuously developed new products to meet the changing demands for transportation, e.g. an air bridge from China and a new "silk-way" solution of road transportation from Asia. And as a part of our continued growth strategy, we have also opened new branches in both Norway and Greenland."



GROWTH STRATEGY IS STILL ON TRACK

In 2020, LEMAN launched an ambitious business strategy, which the Group is still pursuing despite volatile market conditions. "We expect that the markets will continue to be challenged in 2021, but our strategic direction and strong financial position form a very solid foundation. Our strategic objectives have been pushed in time but are otherwise unchanged. We will continue to create long-term growth through sustainable development and by delivering high-quality services. 2021 has started really positively, with good figures and the opening of 5 new offices in China. Therefore, we are optimistic about 2021 and expect a result that reflects the previous years and our growth ambitions," concludes Thomas Krøyer.

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