ALPI Danmark A/S

Fastrupdalen 2, DK-7400 Herning

Annual Report for 1 January - 31 December 2021

CVR No 15 12 95 06

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 7 /6 2022

Kjeld Tygesen
Chairman of the General Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of ALPI Danmark A/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2021.

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

Herning, 7 June 2022

Executive Board

Kjeld Amtkær Tygesen

Board of Directors

Ferdinando Paolo Albini
Chairman

Franco Scarpone

Edoardo Albini

Tiit Roosve

Kjeld Amtkær Tygesen

Independent Auditor's Report

To the Shareholders of ALPI Danmark A/S

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of ALPI Danmark A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Trekantområdet, 7 June 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Forthoft Lind	Heidi Bonde
statsautoriseret revisor	statsautoriseret revisor
mne34169	mne42815

Company Information

The Company	ALPI Danmark A/S Fastrupdalen 2 DK-7400 Herning CVR No: 15 12 95 06 Financial period: 1 January - 31 December Incorporated: 1 February 1991 Municipality of reg. office: Herning
Board of Directors	Ferdinando Paolo Albini, Chairman Franco Scarpone Edoardo Albini Tiit Roosve Kjeld Amtkær Tygesen
Executive Board	Kjeld Amtkær Tygesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Financial Highlights

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

	Group				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1.122.958	759.872	807.442	689.660	610.182
Gross profit/loss	162.764	141.263	131.466	114.775	103.605
Profit/loss before financial income and expenses	30.017	17.012	13.324	19.025	15.910
Net financials	-2.816	-2.368	-2.032	-2.127	-2.245
Net profit/loss for the year	20.823	11.336	8.278	13.247	10.376
Balance sheet					
Balance sheet total	343.641	270.050	239.599	247.273	246.466
Equity	90.647	75.895	67.934	60.968	61.221
Cash flows					
Cash flows from:					
including investment in property, plant and equipment	-2.741	-3.205	-4.917	3.087	38.717
Number of employees	258	245	224	185	169
Ratios					
Gross margin	14,5%	18,6%	16,3%	16,6%	17,0%
Profit margin	2,7%	2,2%	1,7%	2,8%	2,6%
Return on assets	8,7%	6,3%	5,6%	7,7%	6,5%
Solvency ratio	26,4%	28,1%	28,4%	24,7%	24,8%
Return on equity	25,0%	15,8%	12,8%	21,7%	18,7%

See the description under accounting policies.

Management's Review

Key activities

The principal activities of the Group and of ALPI Danmark A/S consist of all tasks associated with freight forwarding.

Development in the year

The income statement of the Group for 2021 shows a profit of TDKK 20,823, and at 31 December 2021 the balance sheet of the Group shows equity of TDKK 90,647.

The past year and follow-up on development expectations from last year

The management considers the result as satisfactory in a challenging year where Covid-19 still had great impact on the key business areas and the result.

We experienced an increased demand for our products in the market, but we also had large fluctuations during the year and experienced pressure on the capacity.

The ROAD Division has performed very well and delivers strong results and we are further strengthening and developing current and new markets.

The LOGISTICS Division has successfully focused to improve the utilization of the capacity during the year and strategically support the company's other business areas.

The Air & Sea division (through ALPI Air & Sea A/S) has realized all-time high revenue and profit. The year has been very demanding due to global logistic chains being challenged. However, ALPI Air & Sea managed the challenging market situation very well and therefore reports a very satisfactory financial result.

Operating risks

We expect continued pressure on the capacity and increasing costs. European and national legislation also presents new conditions in the market. In 2022 conflicts in Europe (Ukraine) also adds to disrupt the supply chain and increasing inflation is expected to have an impact on market demands in 2022.

Our business model is very flexible and strong and designed to adapt any significant changes on short notice.

The Coronavirus (COVID-19) continued in 2021 to create new challenges and risks for the company. A number of measures have been taken to ensure the health of employees. In connection with the health risks, the outbreak of viruses has meant uncertainty and instability both politically / socially and for the company. In general, the group and the employees have overcome the difficulties in a good manner.

Management's Review

Foreign exchange risks

As a consequence of the groups operations, investments, and financing, the group is exposed to changes in currency and interest levels. The group is primarily exposed to the Euro with no major currency fluctuations. As such, there are no derivative financial instruments to cover currency risks.

Interest rate risks

In terms of interest, the parent company is financed with a variable-rate loan and the company is therefore financially exposed to interest-rate fluctuations. The company has accepted interest rate risks by raising mortgages loan to finance the properties. The interest risk is covered by means of an interest rate swap.

Targets and expectations for the year ahead

The management is expecting a result for 2022 to be positive and in line with the current year. However, Covid-19, conflicts in Europe and global inflation can still influence the business significantly. The market is still volatile and unpredictable and therefore it is difficult to express a sufficiently reliable expectation of revenue and profit.

Intellectual capital resources

Company staff have great knowledge of the transport and logistics market, which are the company's core activities. Employees' detailed knowledge of forwarding and transport services is vital for the company's market position and future earnings.

Statement of corporate social responsibility

We refer to our description of key activities on page 7.

At ALPI we take our CSR program seriously. Therefore, all our employees are educated on our company stand point and views during their introduction period. The challenge as a company is if a single individual don't apply to general views of our company.

ALPI Danmark A/S takes its social responsibilities seriously and strives to be in compliance with various laws and regulations in this area.

This is manifest, for example, in a significant focus on employing staff with e.g. disabilities and other special needs requirements. The company maintains a great commitment to supporting sports associations for the disabled, both in financial and in practical terms.

The various policies and initiatives formulated are detailed below. ALPI Danmark A/S is subject to an ongoing process where policies in this area are being extended and improved. Also in 2021 enhancements of the policies has been implemented and the company has initiated a Code of Conduct project.

Human rights and employee health and safety

We recognize that there are certain risks regarding violation of human rights and employee health and safety in a global supply akin to our business. At ALPI we therefore have a policy of zero acceptance of child labor or other human right issues. All employees are trained about our policy and consequences during the introduction program at ALPI. Every year we review all our corporate policies with all employees. In 2021 we had no cases of human right issues within ALPI.

ALPI Danmark A/S respects and supports the UN Universal Declaration of Human Rights and requires that this be complied with by employees and subcontractors. Specifically, the company will not tolerate discrimination based on race, age, gender, religion, sexual or political opinion, nationality, pregnancy, or disability. The company refrains from having any, direct or indirect, part in human trafficking, child labour, forced labour, or any other infringements of human rights, whatsoever.

During the year, no infringements of this policy have been noted.

A staff handbook is available in which the company's general rules and policies are laid down, including work routines, duties and rights, safety, working hours, and respect for colleagues and collaboration partners. Induction procedures have been established for each new employee where work routines and the staff handbook are reviewed.

ALPI Danmark A/S has various policies for safeguarding the health, well-being and safety of employees. For example, an obligatory health insurance scheme has been set up, massage is offered, as is the option to seek assistance from a professional stress coach.

Absence due to sickness has remained at an acceptable and very low level throughout the year.

The most significant risks are assessed to be accidents in the warehouse, where goods and cargo is being handled.

External enviroment

The transport industry is one of the largest to emit Co2. Therefore we acknowledge, that we have a role in reducing Co2 emission. In order to apply to the Danish government's requirement of reduced Co2 emission by 2030, we as a provider of transport solutions have to invest in Co2 neutral transport solutions. Unless we will not be able apply to above requirements.

Management's Review

We have continued to work on our initiative ALPI GO GREEN and we have defined selected UN sustainable goals and created baselines based on measured usages. Further we have established targets for 2025 aligned with 2030 ambitions.

The ALPI GO GREEN initiative aims to:

• gaining knowledge and render transport options with a smaller carbon footprint visible - thus being able to inform and guide our customers
• increasing focus on a greener and more sustainable behavior at ALPI, internally and involving the entire organization
• influencing our collaborative partners to increase their focus on measures to reduce carbon footprint
• in collaboration with Aarhus University, we are developing an ALPI CO2-calculator. The carbon footprint will be stated on all invoices on all shipments (however, not courier services)
• measures reducing the carbon footprint of road, sea, air & rail
• measures reducing the carbon footprint at all ALPI locations in Denmark, incl. logistics.

The overall purpose is to make sure that ALPI and its subcontractors focus on the Co2 emission during transportation and as a company.

Currently ALPI Danmark A/S are making measurements on the internal and external usage and we have defined a general baseline for the entire Company and we have set realistic targets as to how much we will reduce our CO2 emission in 2022 and forth.

ALPI Danmark A/S has already taken internal initiatives to reduce the Co2 emission internally by various investment in green solutions and equipment across our offices and terminals.

Statement on gender composition

It is the policy of ALPI Danmark A/S that employees of both genders should have equal opportunities in terms of training, promotion, and representation on advisory councils, in groups, and on executive boards.

Under-representation of women in managerial and board positions is a general problem and the company tries, through encouragement and offers of training, to urge women in the company to apply for positions with management potential.

Target figures and policies for the under-represented sex

The Group has set a goal for the representation on the Board of Directors. Management aims to have the under-represented gender account for at least 20 per cent of the elected members at the annual general election in 2022, at the latest. At present, this share is 0 per cent. The reason that the goal was not reached in 2021 was due to a shortage of the under-represented gender at middle-management level in ALPI Danmark A/S and it has therefore been difficult to find qualified candidates.

Management has set the goal that female middle managers should account for at least 15 per cent. For the year 2021 the gender distribution of middle managers is 20 per cent women and 80 per cent men. Based on the development management has decided to set the goal for next year to 20 per cent.

Management commentary

ALPI Danmark A/S wants its employees to experience an open and objective culture where individual employees can use their competences to the best possible advantage, irrespective of gender. ALPI Danmark A/S would like to emphasize that access to development and career opportunities is open to all employees.

Corruption and bribery

At ALPI we are aware that there are risks regarding corruption and bribery within our field of business, why we have zero policy acceptance for any anticorruption methods. All employees are trained in our policies and consequences during the introduction program at ALPI. Every year we review all our corporate policies with all employees.

ALPI Danmark A/S wants to be a credible and professional company and so tolerates no bribery or corruption in any form, whatsoever. During the year, no such issues have been noted.

Data ethics

ALPI stores a lot of data regarding customers, suppliers and employees, necessary to run the business. We are aware of the importance of safeguarding such data and implementing systems and controls to monitor.

At the moment ALPI does not have a formalized data ethics policy. We are in the process for formalizing our Code of Conduct, and as part of this project we will also formalize guidelines regarding data ethics. Working with these guidelines has been more time consuming than expected. And as we want to include the data ethic politics in our Code of Conduct, we decided to await the finalization of this project. The project will continue and be finalized in 2022.

Own equity investment shares

In the financial year 2021, the company acquired 17 units of its own shares, corresponding to 3 %. The total payment for the shares amounted to TDKK 5,093. The company owns a total of 92 units, corresponding to 18 %. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

Income Statement 1 January - 31 December

	Note	Group 2021 TDKK	Group 2020 TDKK	Parent Company 2021 TDKK	Parent Company 2020 TDKK
Revenue	1	**1.122.958**	**759.872**	**565.664**	**471.507**
Other operating income		1.710	13.335	2.683	16.075
Expenses for consumables		-915.563	-594.973	-446.088	-368.471
Other external expenses		-46.341	-36.971	-29.155	-22.494
Gross profit/loss		**162.764**	**141.263**	**93.104**	**96.617**
Staff expenses	2	-126.373	-117.443	-82.347	-81.229
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-6.374	-6.808	-5.347	-5.948
Profit/loss before financial income and expenses		**30.017**	**17.012**	**5.410**	**9.440**
Income from investments in subsidiaries		0	0	15.736	4.098
Financial income	3	110	133	128	127
Financial expenses	4	-2.926	-2.501	-1.678	-1.332
Profit/loss before tax		**27.201**	**14.644**	**19.596**	**12.333**
Tax on profit/loss for the year	5	-6.378	-3.308	-1.719	-1.917
Net profit/loss for the year		**20.823**	**11.336**	**17.877**	**10.416**

Balance Sheet 31 December

Assets

	Note	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
		TDKK	TDKK	TDKK	TDKK
Goodwill		0	0	0	0
Intangible assets		**0**	**0**	**0**	**0**
Land and buildings		109.716	112.357	109.716	112.357
Other fixtures and fittings, tools and equipment		10.136	11.288	7.846	8.826
Property, plant and equipment	6	**119.852**	**123.645**	**117.562**	**121.183**
Investments in subsidiaries	7	0	0	50.160	30.471
Other investments	8	392	392	392	392
Other receivables	8	48	46	0	0
Fixed asset investments		**440**	**438**	**50.552**	**30.863**
Fixed assets		**120.292**	**124.083**	**168.114**	**152.046**
Trade receivables		130.235	84.598	66.039	49.610
Contract work in progress	9	56.675	25.819	15.846	13.440
Receivables from group enterprises		17.704	7.084	9.402	11.903
Other receivables		3.428	2.509	863	20
Corporation tax		0	0	1.821	0
Prepayments	10	1.344	1.436	507	392
Receivables		**209.386**	**121.446**	**94.478**	**75.365**
Cash at bank and in hand		**13.963**	**24.521**	**388**	**3.253**
Currents assets		**223.349**	**145.967**	**94.866**	**78.618**
Assets		**343.641**	**270.050**	**262.980**	**230.664**

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Share capital	11	500	500	500	500
Reserve for net revaluation under the equity method		0	0	37.871	20.549
Reserve for hedging transactions		-990	-1.867	-990	-1.867
Reserve for exchange rate conversion		207	-96	0	0
Retained earnings		87.859	73.792	50.195	53.147
Equity attributable to shareholders of the Parent Company		**87.576**	**72.329**	**87.576**	**72.329**
Minority interests		3.071	3.566	0	0
Equity		**90.647**	**75.895**	**87.576**	**72.329**
Provision for deferred tax	13	5.365	4.992	5.251	4.867
Provisions		**5.365**	**4.992**	**5.251**	**4.867**
Mortgage loans		37.383	40.081	37.383	40.081
Other payables		0	9.565	0	6.813
Long-term debt	14	**37.383**	**49.646**	**37.383**	**46.894**
Mortgage loans	14	2.707	2.696	2.707	2.696
Credit institutions		59.125	27.993	59.099	27.978
Prepayments received from customers		206	0	0	0
Trade payables		119.800	72.499	50.248	43.758
Payables to group enterprises		4.171	3.152	8.408	8.635
Corporation tax		2.876	3.214	0	1.889
Other payables	14,15	21.361	29.963	12.308	21.618
Short-term debt		**210.246**	**139.517**	**132.770**	**106.574**
Debt		**247.629**	**189.163**	**170.153**	**153.468**
Liabilities and equity		**343.641**	**270.050**	**262.980**	**230.664**
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Balance Sheet 31 December

Liabilities and equity

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Statement of Changes in Equity

Group

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	0	-1.867	-96	73.792	72.329	3.566	75.895
Exchange adjustments	0	0	0	303	0	303	198	501
Cash capital increase	0	0	0	0	0	0	10	10
Cash capital reduction	0	0	0	0	0	0	-2.366	-2.366
Purchase of treasury shares	0	0	0	0	-5.093	-5.093	0	-5.093
Fair value adjustment of hedging instruments, beginning of year	0	0	2.394	0	0	2.394	0	2.394
Fair value adjustment of hedging instruments, end of year	0	0	-1.270	0	0	-1.270	0	-1.270
Tax on adjustment of hedging instruments for the year	0	0	-247	0	0	-247	0	-247
Other equity movements	0	0	0	0	1.283	1.283	-1.283	0
Net profit/loss for the year	0	0	0	0	17.877	17.877	2.946	20.823
Equity at 31 December	**500**	**0**	**-990**	**207**	**87.859**	**87.576**	**3.071**	**90.647**

Statement of Changes in Equity

Parent Company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Reserve for exchange rate conversion	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	20.549	-1.867	0	53.147	72.329	0	72.329
Exchange adjustments	0	303	0	0	0	303	0	303
Purchase of treasury shares	0	0	0	0	-5.093	-5.093	0	-5.093
Fair value adjustment of hedging instruments, beginning of year	0	0	2.394	0	0	2.394	0	2.394
Fair value adjustment of hedging instruments, end of year	0	0	-1.270	0	0	-1.270	0	-1.270
Tax on adjustment of hedging instruments for the year	0	0	-247	0	0	-247	0	-247
Other equity movements	0	1.283	0	0	0	1.283	0	1.283
Net profit/loss for the year	0	15.736	0	0	2.141	17.877	0	17.877
Equity at 31 December	**500**	**37.871**	**-990**	**0**	**50.195**	**87.576**	**0**	**87.576**

Cash Flow Statement 1 January - 31 December

	Note	Group 2021	Group 2020
		TDKK	TDKK
Net profit/loss for the year		20.823	11.336
Adjustments	16	15.966	3.914
Change in working capital	17	-47.916	8.695
Cash flows from operating activities before financial income and expenses		**-11.127**	**23.945**
Financial income		108	133
Financial expenses		-2.920	-2.498
Cash flows from ordinary activities		**-13.939**	**21.580**
Corporation tax paid		-6.589	407
Cash flows from operating activities		**-20.528**	**21.987**
Purchase of property, plant and equipment		-2.741	-3.205
Fixed asset investments made etc		-3	-24
Sale of property, plant and equipment		267	28.924
Cash flows from investing activities		**-2.477**	**25.695**
Repayment of mortgage loans		-2.687	-12.938
Repayment of loans from credit institutions		31.129	-12.023
Repayment of payables to group enterprises		1.019	-1.449
Repayment of other long-term debt		-9.565	0
Raising of other long-term debt		0	6.280
Minority interests		-2.356	-3.031
Purchase of treasury shares		-5.093	0
Cash flows from financing activities		**12.447**	**-23.161**
Change in cash and cash equivalents		**-10.558**	**24.521**
Cash and cash equivalents at 1 January		24.521	0
Cash and cash equivalents at 31 December		**13.963**	**24.521**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		13.963	24.521
Cash and cash equivalents at 31 December		**13.963**	**24.521**

Notes to the Financial Statements

		Group		Parent Company	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
1	**Revenue**				
	Business segments				
	Road	537.578	430.907	532.552	429.755
	Sea	427.450	188.265	0	0
	Air	70.185	55.437	0	0
	Courier	35.905	29.607	0	0
	Warehouse	51.840	55.656	33.112	41.752
		1.122.958	**759.872**	**565.664**	**471.507**

		Group 2021	Group 2020	Parent 2021	Parent 2020
2	**Staff expenses**				
	Wages and salaries	117.059	108.216	75.723	74.469
	Pensions	7.415	7.397	5.335	5.419
	Other social security expenses	1.751	1.796	1.289	1.341
	Other staff expenses	148	34	0	0
		126.373	**117.443**	**82.347**	**81.229**
	Average number of employees	**258**	**245**	**167**	**168**

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

		Group 2021	Group 2020	Parent 2021	Parent 2020
3	**Financial income**				
	Income from fixed asset investments	0	1	0	1
	Interest received from group enterprises	1	49	22	0
	Other financial income	109	83	106	126
		110	**133**	**128**	**127**

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
4 Financial expenses				
Interest paid to group enterprises	0	8	83	49
Other financial expenses	2.635	2.331	1.304	1.121
Exchange adjustments, expenses	291	162	291	162
	2.926	**2.501**	**1.678**	**1.332**
5 Tax on profit/loss for the year				
Current tax for the year	5.450	3.843	781	2.516
Deferred tax for the year	374	-582	384	-646
Adjustment of tax concerning previous years	801	0	801	0
	6.625	**3.261**	**1.966**	**1.870**
which breaks down as follows:				
Tax on profit/loss for the year	6.378	3.308	1.719	1.917
Tax on changes in equity	247	-47	247	-47
	6.625	**3.261**	**1.966**	**1.870**

Notes to the Financial Statements

6 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	TDKK	TDKK	TDKK
Cost at 1 January	122.510	29.281	151.791
Exchange adjustment	0	34	34
Additions for the year	0	2.741	2.741
Disposals for the year	0	-866	-866
Cost at 31 December	122.510	31.190	153.700
Impairment losses and depreciation at 1 January	10.153	17.993	28.146
Exchange adjustment	0	12	12
Depreciation for the year	2.641	3.776	6.417
Reversal of impairment and depreciation of sold assets	0	-727	-727
Impairment losses and depreciation at 31 December	12.794	21.054	33.848
Carrying amount at 31 December	**109.716**	**10.136**	**119.852**

Parent Company

	Land and buildings	Other fixtures and fittings, tools and equipment	Total
	TDKK	TDKK	TDKK
Cost at 1 January	122.510	25.005	147.515
Additions for the year	0	1.866	1.866
Disposals for the year	0	-866	-866
Kostpris at 31 December	122.510	26.005	148.515
Impairment losses and depreciation at 1 January	10.153	16.180	26.333
Depreciation for the year	2.641	2.706	5.347
Reversal of impairment and depreciation of sold assets	0	-727	-727
Impairment losses and depreciation at 31 December	12.794	18.159	30.953
Carrying amount at 31 December	**109.716**	**7.846**	**117.562**

Notes to the Financial Statements

7 Investments in subsidiaries

	Parent Company 2021	Parent Company 2020
	TDKK	TDKK
Cost at 1 January	9.922	6.454
Additions for the year	2.366	3.468
Cost at 31 December	12.288	9.922
Value adjustments at 1 January	20.549	17.163
Exchange adjustment	304	-96
Net profit/loss for the year	15.736	4.098
Other adjustments	1.283	-616
Value adjustments at 31 December	37.872	20.549
Carrying amount at 31 December	**50.160**	**30.471**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
ALPI AIR & SEA A/S	Herning, DK	98%
- ALPI International Logistics (Shanghai)	China	51%
ALPI Norway AS	Norway	57%

8 Other fixed asset investments

	Group		Parent Company
	Other investments	Other receiv-ables	Other investments
	TDKK	TDKK	TDKK
Cost at 1 January	393	45	392
Additions for the year	0	3	0
Cost at 31 December	393	48	392
Revaluations at 1 January	-1	0	0
Revaluations at 31 December	-1	0	0
Carrying amount at 31 December	**392**	**48**	**392**

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

9 Contract work in progress

Selling price of work in progress	56.675	25.819	15.846	13.440
	56.675	**25.819**	**15.846**	**13.440**

10 Prepayments

Prepayments consist of prepaid cost of administration and other cost.

11 Share capital

In the financial year 2021, the company acquired 17 units of its own shares, corresponding to 3 %. The total payment for the shares amounted to TDKK 5,093. The company owns a total of 92 units, corresponding to 18 %. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

12 Distribution of profit

Reserve for net revaluation under the equity method	0	0	15.736	0
Transfer to/from reserves in accordance with the Articles of Association	0	0	0	4.098
Minority interests' share of net profit/loss of subsidiaries	2.946	920	0	0
Retained earnings	17.877	10.416	2.141	6.318
	20.823	**11.336**	**17.877**	**10.416**

Notes to the Financial Statements

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

13 Provision for deferred tax

Provision for deferred tax at 1 January	4.992	5.574	4.867	5.513
Amounts recognised in the income statement for the year	378	-582	384	-646
Provision for deferred tax at 31 December	**5.365**	**4.992**	**5.251**	**4.867**

14 Long-term debt

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

The debt falls due for payment as specified below:

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Mortgage loans				
After 5 years	26.655	29.375	26.655	29.375
Between 1 and 5 years	10.728	10.706	10.728	10.706
Long-term part	37.383	40.081	37.383	40.081
Within 1 year	2.707	2.696	2.707	2.696
	40.090	**42.777**	**40.090**	**42.777**
Other payables				
Between 1 and 5 years	0	9.565	0	6.813
Long-term part	0	9.565	0	6.813
Other short-term payables	21.360	29.964	12.308	21.618
	21.360	**39.529**	**12.308**	**28.431**

Notes to the Financial Statements

15 Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swap have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Liabilities	1.270	2.394	1.270	2.394

The Group hedges interest rate risks by means of interest rate swaps, whereby variable interest payments are converted to fixed interest payments.

The interest rate swap agreement expires on December 28, 2028.

The interest rate swap agreement ensures a fixed interest rate of 0.99%.

The fair value is calculated on the basis of fair value level 2. That is, on the basis of the market's sales values for similar contracts.

The fair value of derivative financial instruments at the balance sheet date is:

Group and Parent Company

	Value adjust-ment, income statement	Value adjust-ment, equity	Fair value at 31 December
	TDKK	TDKK	TDKK
Rate swap	0	1.124	1.270

Notes to the Financial Statements

	Group	
	2021	2020
	TDKK	TDKK

16 Cash flow statement - adjustments

	2021 TDKK	2020 TDKK
Financial income	-110	-133
Financial expenses	2.926	2.501
Depreciation including losses and gains on sales	6.245	-1.631
Tax on profit/loss for the year	6.378	3.308
Other adjustments	527	-131
	15.966	**3.914**

17 Cash flow statement - change in working capital

	2021 TDKK	2020 TDKK
Change in receivables	-87.940	-31.078
Change in trade payables, etc	38.900	39.988
Fair value adjustments of hedging instruments	1.124	-215
	-47.916	**8.695**

	Group		Parent Company	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK

18 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:
Land and buildings with a carrying amout of TDKK 109,717.

The following assets have been placed as security with bankers:
Owner's mortgages TDKK 176 that provide a charge on land and buildings with a carrying amount of TDKK 109,717.

Rental and lease obligations

	Group 2021	Group 2020	Parent Company 2021	Parent Company 2020
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	5.988	5.099	5.021	4.199
Between 1 and 5 years	7.822	4.637	7.267	4.091
	13.810	**9.736**	**12.288**	**8.290**
Lease obligations, non-cancellability period until July 2024	17.975	24.070	15.336	20.694

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

19 Related parties

	Basis
Controlling interest	
Albini & Pitigliani SPA, Viale G. Marconi 46, 59100 Prato, Italy	Majority shareholder

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The consolidated financial statements can be requested here: www.registroimprese.it/en

20 Fee to auditors appointed at the general meeting

	Group	
	2021	2020
	TDKK	TDKK
PricewaterhouseCoopers		
Audit fee	248	292
Tax advisory services	15	162
Other services	2	30
	265	**484**
Other		
Audit fee	43	38
Tax advisory services	0	4
Other services	0	23
	43	**65**
	308	**549**

21 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

22 Accounting Policies

The Annual Report of ALPI Danmark A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2021 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, ALPI Danmark A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

22 Accounting Policies (continued)

Minority interests

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

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

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Notes to the Financial Statements

22 Accounting Policies (continued)

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Business segments

Information on business segments is based on the Group´s risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

Income Statement

Revenue

Revenue from the delivery of services is recognised in the income statement to the extent that the services in question have been performed and the revenue can be measured reliably and is expected to be received.

Shipping services are typically characterised by a short execution period. Income is recognised over time as work is performed, since control of the work is transferred to the customer on a continuous basis.

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

Expenses for consumables

Expenses for consumables include costs incurred to achieve net revenue for the year. The costs include settlement for hauliers, etc. as well as other direct costs.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as the Company’s administration, etc.

Notes to the Financial Statements

22 Accounting Policies (continued)

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation

Depreciation comprise of depreciation of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment

Notes to the Financial Statements

22 Accounting Policies (continued)

are recognised in cost over the period of construction.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	15-100	years
Other fixtures and fittings, tools and equipment	3-10	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

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

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

22 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of other investments.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables.

Contract work in progress

Work in progress comprises in-progress shipping activities and includes services that have yet to be settled with customers or suppliers at 31 December. Revenue which has not been settled and vendor invoices which have yet to be received are estimated and recognised according to the recognition criteria for a sale transaction.

Prepayments

Prepayments comprise prepaid expenses concerning administration and other cost.

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the de-

Notes to the Financial Statements

22 Accounting Policies (continued)

ferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Cash Flow Statement

The cash flow statement shows the Group´s cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group´s cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Notes to the Financial Statements

22 Accounting Policies (continued)

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand”.

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$