ALPI Danmark A/S

Fastrupdalen 2, DK-7400 Herning

Annual Report for 2022

CVR No. 15 12 95 06

The Annual Report was presented and adopted at the Annual General Meeting of the company on 16/5 2023

Kjeld Tygesen
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Consolidated Financial Statements and Parent Company Financial Statements of ALPI Danmark A/S for the financial year 1 January - 31 December 2022.

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 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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

Herning, 16 May 2023

Executive Board

Kjeld Amtkær Tygesen

Board of Directors

Ferdinando Paolo Albini Chairman	Kjeld Amtkær Tygesen	Edoardo Albini
Franco Scarpone	Tiit Roosve	

Independent Auditor's report

To the shareholder 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 2022 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 2022 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 2022, 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 Financial 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.

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

Independent Auditor's report

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 Group´s and the Parent Company´s internal control.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group´s and the Parent Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Parent 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.

Independent Auditor's report

Trekantområdet, 16 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

Heidi Bonde
State Authorised Public Accountant
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 Kjeld Amtkær Tygesen Edoardo Albini Franco Scarpone Tiit Roosve
Executive board	Kjeld Amtkær Tygesen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Revenue	1,400,804	1,122,958	759,872	807,442	689,660
Gross profit/loss	206,648	162,764	141,263	131,466	114,775
Profit/loss before financial income and expenses	56,646	30,017	17,012	13,324	19,025
Profit/loss of financial income and expenses	2,324	-2,816	-2,368	-2,032	-2,127
Net profit/loss	46,792	20,823	11,336	8,278	13,247
Balance sheet					
Balance sheet total	326,302	343,641	270,049	239,599	247,273
Investment in property, plant and equipment	2,504	2,741	3,205	4,917	-3,087
Equity	139,015	90,647	75,895	67,934	60,968
Number of employees	270	258	245	224	185
Ratios					
Gross margin	14.8%	14.5%	18.6%	16.3%	16.6%
Profit margin	4.0%	2.7%	2.2%	1.7%	2.8%
Return on assets	17.4%	8.7%	6.3%	5.6%	7.7%
Solvency ratio	42.6%	26.4%	28.1%	28.4%	24.7%
Return on equity	40.7%	25.0%	15.8%	12.8%	21.7%

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 2022 shows a profit of TDKK 46,792, and at 31 December 2022 the balance sheet of the Group shows positive equity of TDKK 139,015.

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

The result of the Group is 50% better than expected, primarily due to the extraordinary market situation within the transport sector in 2022.

The management considers the group result as very satisfactory. 2022 was a challenging year, primarily caused by disruption in supply chains, conflict in Ukraine and high inflation/energy prices. On the other hand, the company managed to navigate successfully through these demanding market conditions, and therefore can report an all-time high result – better than the expectations presented in last years annual report.

The disruption in supply chains led to greater demand for flexible and taylormade solutions which reflects our strengths in our core business. We also had large fluctuations during the year and capacity shortages during the year.

The ROAD Division has performed very well in a volatile market and delivered good results.

The LOGISTICS Division has successfully continued it's focus to align the segments and volumes in the terminals and warehouses to support the other business areas.

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

Operating risks

European and national legislation continues to present new conditions in the market. We also expect a rapid development to meet market demands in the sustainable transition in our industry. 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 2023.

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

Foreign exchange risks

As a consequence of the group's 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 group's operations are financed with a variable-rate loan and the group is therefore financially exposed to interest-rate fluctuations. The parent 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.

Management's review

Targets and expectations for the year ahead

The management expects a profit for 2023, but lower than 2022 due to the macro economy and an expected less demand in the market. We expect that the continued difficult market conditions, lower demand, surplus in resources and supply etc. will lead to a decrease in profit with 50% compared to 2022.

Intellectual capital resources

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

Statement of corporate social responsibility

ALPI has for the first time issued a CSR report for 2022. The report includes the company's obligation to report on corporate social responsibility in accordance with the Danish Financial Statements Act § 99a. Below we have highlighted the key points from the report.

The full report is available on our website:
https://www.alpi.dk/media/529086/alpi_csr_rapport_uk-2022.pdf

Environment

The transport industry is one of the largest to emit CO2. Therefore, we acknowledge, that we have a key role in reducing Co2 emission. In order to apply to the Danish government's requirement of reduced CO2 emission by 2030, we have to invest in transport solutions with no or less CO2 emissions.

We have continued to work on our initiative ALPI GO GREEN and we have defined selected UN sustainable development 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 have developed a CO2-calculator. The carbon footprint is stated on all invoices on road transports. For air and sea shipments the carbon footprint is submitted to customers upon request.
•implement measures reducing the carbon footprint from road, sea, air & rail transports.
•implement measures reducing the carbon footprint at all ALPI locations in Denmark.

The overall purpose is to make sure that ALPI and its subcontractors focus on the CO2 emission during transportation and as a company.

ALPI Danmark A/S has already taken initiatives to reduce the CO2 emission internally by various investments in green solutions and equipment across our offices and terminals. Examples:

•Development of the "CO2 calculator" enabling ALPI to report the CO2 emission to our customers on all carried out transports.
•Implementing solutions in our warehouses and offices, causing all our locations in Denmark to be CO2 neutral.
•Usage of LNG trucks has reduced CO2 emissions by 68 tons.

The results are in line with the expectations and goals setup by the management for 2022.

Social

Management's review

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 introduced and trained in our policy and consequences during the introduction program at ALPI. In 2022 we had no cases of human right issues.

ALPI 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. 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 partners. Introduction procedures have been established for each new employee where work routines and the staff handbook is presented.

It is important to help young people get a good start in the labor market, which is why we have a large intake of trainees every year. Out of a total staff of 245, we currently have 22 trainees.

Corporate social responsibility is a key value for the Group. Therefore, all our employees are introduced to the ALPI policies, High5 program, strategy etc. We also focus on employing staff with e.g. disabilities and other special needs.

The company also maintains a great local commitment in supporting activities for disabled, both in financial and in practical terms. In 2022 ALPI has continued the engagement in "FCM Samfund" – an organization helping young people with different difficulties back on track in life. ALPI also supports "Lykkeliga" and "Special Olympics" – sports for young people and adults with disabilities.

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. In 2022 we recorded 1 accident – same level as last year.

The management recognizes the importance of good working conditions, and will in the years to come continue to apply resources to enhance the working environment.

Governance

In 2022, we continued developing policies that outline ALPI's core values, rules and guidelines for responsible business conduct. These include, among others:

• Supplier Code of Conduct
• CSR policy
• Whistleblowing policy
• Data ethics policy
• Policy for women in management

In 2022 a comprehensive risk analysis and assessment was carried out to map areas of high risk and to plan mitigating actions.

At the end of 2023, the Danish whistleblower directive will enter into force, but we have chosen to establish an internal whistleblower scheme from the start of 2023. The policy will be introduced to all employees in early 2023.

At ALPI we are aware that there are risks regarding corruption and bribery within our field of business, why we have zero acceptance policy 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.

Management's review

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. The target is to have the under-represented gender account for at least 20 per cent of the elected members at the annual general election in 2026, at the latest. In 2022 the target has not been met, as no changes was required in the board. At present, the underrepresented gender share is still 0 per cent.

Management has set the goal that female middle managers should account for at least 22 per cent by the end of 2026. For 2022 the gender distribution of middle managers is 18 per cent women and 82 per cent men.

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 would like to emphasize that access to development and career opportunities is open to all employees, however specific initiatives have been designed to encourage women to follow carrier opportunities in ALPI.

Statement on data ethics

As part of conducting the daily operations, ALPI receives and submits a lot of data to and from customers, suppliers and other operational stakeholders, such as customs and other governmental bodies. ALPI only records and stores data necessary to provide it’s services in the most cost effective way or to comply with requirements according to legislation. This also applies for data regarding employees.

ALPI has implemented a data ethics policy, which have been introduced to all employees. The policy underlines the right for individuals to control data submitted to ALPI. ALPI only stores and uses data which is deemed relevant and necessary to conduct the operations of the business. The data ethics policy is aligned with the GDPR policy.

Own equity investment shares

The company owns a total of 92 units, corresponding to 18 %. These shares are held as treasury shares. No transactions took place during 2022.

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 2022	Group 2021	Parent company 2022	Parent company 2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	1,400,804	1,122,958	664,577	565,664
Other operating income		2,453	1,710	1,473	2,683
Cost of goods sold		-1,145,493	-915,563	-514,953	-446,088
Other external expenses		-51,116	-46,341	-30,557	-29,155
Gross profit		**206,648**	**162,764**	**120,540**	**93,104**
Staff expenses	2	-141,682	-126,373	-91,076	-82,347
Depreciation and impairment losses of property, plant and equipment		-6,676	-6,374	-5,490	-5,347
Other operating expenses		-1,644	0	0	0
Profit/loss before financial income and expenses		**56,646**	**30,017**	**23,974**	**5,410**
Income from investments in subsidiaries		0	0	25,063	15,736
Financial income	3	3,883	110	2,351	128
Financial expenses	4	-1,559	-2,926	-1,723	-1,678
Profit/loss before tax		**58,970**	**27,201**	**49,665**	**19,596**
Tax on profit/loss for the year	5	-12,178	-6,378	-5,011	-1,719
Net profit/loss for the year	6	**46,792**	**20,823**	**44,654**	**17,877**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Land and buildings		107,147	109,716	107,147	109,716
Other fixtures and fittings, tools and equipment		8,537	10,136	6,387	7,846
Property, plant and equipment	7	**115,684**	**119,852**	**113,534**	**117,562**
Investments in subsidiaries	8	0	0	60,353	50,160
Other investments	9	11	392	11	392
Other receivables	9	46	48	0	0
Fixed asset investments		**57**	**440**	**60,364**	**50,552**
Fixed assets		**115,741**	**120,292**	**173,898**	**168,114**
Trade receivables		119,339	130,235	69,927	66,039
Contract work in progress	10	34,601	56,675	17,404	15,846
Receivables from group enterprises		12,298	17,704	8,074	9,402
Other receivables	11	9,120	3,428	3,604	863
Corporation tax		0	0	6,237	1,821
Prepayments	12	3,598	1,344	2,344	507
Receivables		**178,956**	**209,386**	**107,590**	**94,478**
Cash at bank and in hand		**31,605**	**13,963**	**1,170**	**388**
Current assets		**210,561**	**223,349**	**108,760**	**94,866**
Assets		**326,302**	**343,641**	**282,658**	**262,980**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2022 TDKK	Group 2021 TDKK	Parent company 2022 TDKK	Parent company 2021 TDKK
Share capital	13	500	500	500	500
Reserve for net revaluation under the equity method		0	0	48,065	37,871
Reserve for hedging transactions		2,165	-990	2,165	-990
Reserve for exchange rate conversion		37	207	0	0
Retained earnings		132,513	87,859	84,485	50,195
Equity attributable to shareholders of the Parent Company		**135,215**	**87,576**	**135,215**	**87,576**
Minority interests		3,800	3,071	0	0
Equity		**139,015**	**90,647**	**135,215**	**87,576**
Provision for deferred tax	14	5,588	5,365	5,461	5,251
Provisions		**5,588**	**5,365**	**5,461**	**5,251**
Mortgage loans		35,306	37,383	35,306	37,383
Long-term debt	15	**35,306**	**37,383**	**35,306**	**37,383**
Mortgage loans	15	2,203	2,707	2,203	2,707
Credit institutions		20,013	59,125	19,959	59,099
Prepayments received from customers		88	206	0	0
Trade payables		98,601	119,800	56,462	50,248
Payables to group enterprises		4,758	4,171	15,910	8,408
Corporation tax		823	2,876	0	0
Other payables	11	19,907	21,361	12,142	12,308
Short-term debt		**146,393**	**210,246**	**106,676**	**132,770**
Debt		**181,699**	**247,629**	**141,982**	**170,153**
Liabilities and equity		**326,302**	**343,641**	**282,658**	**262,980**

Balance sheet 31 December

Statement of changes in equity

Group

	Share capital	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
Equity at 1 January	500	-990	207	87,859	87,576	3,071	90,647
Exchange adjustments	0	0	-170	0	-170	-119	-289
Ordinary dividend paid	0	0	0	0	0	-1,290	-1,290
Fair value adjustment of hedging instruments, beginning of year	0	1,270	0	0	1,270	0	1,270
Fair value adjustment of hedging instruments, end of year	0	2,775	0	0	2,775	0	2,775
Tax on adjustment of hedging instruments for the year	0	-890	0	0	-890	0	-890
Net profit/loss for the year	0	0	0	44,654	44,654	2,138	46,792
Equity at 31 December	**500**	**2,165**	**37**	**132,513**	**135,215**	**3,800**	**139,015**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for hedging transactions	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	500	37,871	-990	50,195	87,576	0	87,576
Exchange adjustments	0	-170	0	0	-170	0	-170
Fair value adjustment of hedging instruments, beginning of year	0	0	1,270	0	1,270	0	1,270
Fair value adjustment of hedging instruments, end of year	0	0	2,775	0	2,775	0	2,775
Tax on adjustment of hedging instruments for the year	0	0	-890	0	-890	0	-890
Net profit/loss for the year	0	10,364	0	34,290	44,654	0	44,654
Equity at 31 December	**500**	**48,065**	**2,165**	**84,485**	**135,215**	**0**	**135,215**

Cash flow statement 1 January - 31 December

		Group	
	Note	2022	2021
		TDKK	TDKK
Result of the year		46,792	20,823
Adjustments	17	16,241	15,966
Change in working capital	18	11,704	-47,916
Cash flow from operations before financial items		**74,737**	**-11,127**
Financial income		2,373	108
Financial expenses		-1,559	-2,920
Cash flows from ordinary activities		**75,551**	**-13,939**
Corporation tax paid		-14,898	-6,589
Cash flows from operating activities		**60,653**	**-20,528**
Purchase of property, plant and equipment		-2,508	-2,741
Fixed asset investments made etc		383	-3
Sale of property, plant and equipment		0	267
Cash flows from investing activities		**-2,125**	**-2,477**
Repayment of mortgage loans		-2,581	-2,687
Repayment of loans from credit institutions		-39,112	31,129
Repayment of payables to group enterprises		587	1,019
Repayment of other long-term debt		0	-9,565
Purchase of treasury shares		0	-5,093
Cash capital reduction		0	-2,356
Dividend paid		-1,290	0
Cash flows from financing activities		**-42,396**	**12,447**
Change in cash and cash equivalents		**16,132**	**-10,558**
Cash and cash equivalents at 1 January		13,963	24,521
Exchange adjustment of current asset investments		1,510	0
Cash and cash equivalents at 31 December		**31,605**	**13,963**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		31,605	13,963
Cash and cash equivalents at 31 December		**31,605**	**13,963**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1. Revenue				
Business segments				
Road	629,687	537,578	615,593	532,552
Sea	584,903	427,450	0	0
Air	80,699	70,185	0	0
Courier	32,279	35,905	0	0
Warehouse	73,235	51,840	48,984	33,112
	1,400,804	**1,122,958**	**664,577**	**565,664**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
2. Staff Expenses				
Wages and salaries	129,439	117,059	83,715	75,723
Pensions	8,961	7,415	6,007	5,335
Other social security expenses	3,163	1,751	1,354	1,289
Other staff expenses	119	148	0	0
	141,682	**126,373**	**91,076**	**82,347**

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

Average number of employees	**270**	**258**	**170**	**167**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3. Financial income				
Interest received from group enterprises	218	1	232	22
Other financial income	3,665	109	2,119	106
	3,883	**110**	**2,351**	**128**

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
4. Financial expenses				
Interest paid to group enterprises	0	0	293	83
Other financial expenses	1,226	2,635	1,097	1,304
Exchange adjustments, expenses	333	291	333	291
	1,559	**2,926**	**1,723**	**1,678**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
5. Income tax expense				
Current tax for the year	12,845	5,450	5,691	781
Deferred tax for the year	223	374	210	384
Adjustment of tax concerning previous years	0	801	0	801
	13,068	**6,625**	**5,901**	**1,966**
thus distributed:				
Income tax expense	12,178	6,378	5,011	1,719
Tax on equity movements	890	247	890	247
	13,068	**6,625**	**5,901**	**1,966**

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
6. Profit allocation				
Reserve for net revaluation under the equity method	0	0	10,364	15,736
Minority interests' share of net profit/loss of subsidiaries	2,138	2,946	0	0
Retained earnings	44,654	17,877	34,290	2,141
	46,792	**20,823**	**44,654**	**17,877**

Notes to the Financial Statements

7. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	122,510	31,191
Exchange adjustment	0	-18
Additions for the year	72	2,432
Cost at 31 December	122,582	33,605
Impairment losses and depreciation at 1 January	12,794	21,054
Exchange adjustment	0	-21
Depreciation for the year	2,641	4,035
Impairment losses and depreciation at 31 December	15,435	25,068
Carrying amount at 31 December	**107,147**	**8,537**

Parent company

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	122,510	26,005
Additions for the year	72	1,387
Cost at 31 December	122,582	27,392
Impairment losses and depreciation at 1 January	12,794	18,159
Depreciation for the year	2,641	2,846
Impairment losses and depreciation at 31 December	15,435	21,005
Carrying amount at 31 December	**107,147**	**6,387**

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK

8. Investments in subsidiaries

	2022 TDKK	2021 TDKK
Cost at 1 January	12,288	9,922
Additions for the year	0	2,366
Cost at 31 December	12,288	12,288
Value adjustments at 1 January	37,872	20,549
Exchange adjustment	-170	304
Net profit/loss for the year	25,063	15,736
Dividend to the Parent Company	-14,700	0
Other adjustments	0	1,283
Value adjustments at 31 December	48,065	37,872
Carrying amount at 31 December	**60,353**	**50,160**

Investments in subsidiaries are specified as follows:

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

Notes to the Financial Statements

9. Other fixed asset investments

Group

	Other investments	Other receivables
	TDKK	TDKK
Cost at 1 January	392	48
Disposals for the year	-381	-2
Cost at 31 December	11	46
Carrying amount at 31 December	**11**	**46**

Parent company

	Other investments
	TDKK
Cost at 1 January	392
Disposals for the year	-381
Cost at 31 December	11
Carrying amount at 31 December	**11**

	Group		**Parent company**	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

10. Contract work in progress

Selling price of work in progress	34,601	56,675	17,404	15,846
	34,601	**56,675**	**17,404**	**15,846**

Notes to the Financial Statements

11. Derivative financial instruments

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

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Assets	2,775	0	2,775	0
Liabilities	0	1,270	0	1,270

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 adjustment, equity	Fair value at 31. December
	TDKK	TDKK
Rate swap	4,045	2,775

12. Prepayments

Prepayments consist of prepaid cost of administration and other cost.

13. Share capital

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.

Notes to the Financial Statements

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
14. Provision for deferred tax				
Deferred tax liabilities at 1 January	5,365	5,574	5,251	4,867
Amounts recognised in the income statement for the year	375	374	210	384
Deferred tax liabilities at 31 December	**5,588**	**5,365**	**5,461**	**5,251**

15. 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		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	25,911	26,655	25,911	26,655
Between 1 and 5 years	9,395	10,728	9,395	10,728
Long-term part	35,306	37,383	35,306	37,383
Within 1 year	2,203	2,707	2,203	2,707
	37,509	**40,090**	**37,509**	**40,090**

16. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

17. Cash flow statement - Adjustments

	Group	
	2022	2021
	TDKK	TDKK
Financial income	-3,883	-110
Financial expenses	1,559	2,926
Depreciation, amortisation and impairment losses, including losses and gains on sales	6,676	6,245
Tax on profit/loss for the year	12,178	6,378
Exchange adjustments	-289	527
	16,241	**15,966**

18. Cash flow statement - Change in working capital

	Group	
	2022	2021
	TDKK	TDKK
Change in receivables	30,430	-87,941
Change in trade payables, etc	-22,771	38,901
Fair value adjustments of hedging instruments	4,045	1,124
	11,704	**-47,916**

19. Contingent assets, liabilities and other financial obligations

	Group		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Charges and security				
The following assets have been placed as security with mortgage credit institutes:				
Land and buildings with a carrying amount of	107,147	109,716	107,147	109,716
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:	107,147	109,716	107,147	109,716

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:				
Within 1 year	8,531	5,988	7,772	5,021
Between 1 and 5 years	14,951	7,822	14,229	7,267
	23,482	**13,810**	**22,001**	**12,288**
Lease obligations,non-cancellability period until July 2024	15,602	17,975	12,434	15,336

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group. Moreover, the Danish 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 Group's liability.

The group has other contingent liabilities for TDKK 270.

20. Related parties and disclosure of consolidated financial statements

	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.

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
Albini & Pitigliani SPA	Viale G. Marconi 46, 59100 Prato, Italy

The Group Annual Report of Albini & Pitigliani SPA may be obtained at the following address:

www.registroimprese.it/en

Notes to the Financial Statements

	Group	
	2022	2021
	TDKK	TDKK
21. Fee to auditors appointed at the general meeting		
PricewaterhouseCoopers		
Audit fee	340	248
Other assurance engagements	39	2
Tax advisory services	100	15
Non-audit services	356	0
	835	**265**
Other		
Audit fee	48	43
Tax advisory services	4	0
Non-audit services	10	0
	62	**43**

22. Subsequent events

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

23. Accounting policies

The Annual Report of ALPI Danmark A/S for 2022 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 Financial Statements and the Parent Company Financial Statements for 2022 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.

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 acquistition 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.

Notes to the Financial Statements

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.

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.

Segment information on revenue

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

Net sales

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.

Cost of goods sold

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.

Notes to the Financial Statements

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

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 deferred tax for the year. The tax attributable to the profit for 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 with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

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 contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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.

Notes to the Financial Statements

Impairment of fixed assets

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

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.

Notes to the Financial Statements

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 deferred 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.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

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

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	Gross profit x 100 / Revenue
Profit margin	Profit before financials x 100 / Revenue
Return on assets	Profit before financials x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity