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# ***ALPI Danmark A/S***

Fastrupdalen 2, DK-7400 Herning

## **Annual Report for 1 January - 31 December 2020**

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CVR No 15 12 95 06

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
25/5 2021

Kjeld Bjarne Skov  
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 2020.

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 2020 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2020.

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

Herning, 25 May 2021

## Executive Board

Kjeld Amtkær Tygesen

## Board of Directors

Ferdinando Paolo Albini  
Chairman

Franco Scarpone

Edoardo Albini

Tiit Roosve

Bert Sanders

Kjeld Bjarne Skov

Kjeld Amtkær Tygesen

John Christian Blæsbjerg

# 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 2020 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 2020 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 2020, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

# 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

## Independent Auditor's Report

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, 25 May 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Forthoft Lind  
statsautoriseret revisor  
mne34169

Heidi Bonde  
statsautoriseret revisor  
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  
Municipality of reg. office: Herning

### Board of Directors

Ferdinando Paolo Albini, Chairman  
Franco Scarpone  
Edoardo Albini  
Tiit Roosve  
Bert Sanders  
Kjeld Bjarne Skov  
Kjeld Amtkær Tygesen  
John Christian Blæsbjerg

### Executive Board

Kjeld Amtkær Tygesen

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

### Lawyers

Dahl  
Kaj Munks Vej 4  
7400 Herning

### Bankers

Spar Nord Bank A/S  
Dalgasgade 30  
7400 Herning

## Financial Highlights

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

	<b>Group</b>				
	2020	2019	2018	2017	2016
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	759,872	807,442	689,660	610,182	474,221
Gross profit/loss	141,266	131,466	114,775	103,605	93,543
Profit/loss before financial income and expenses	17,015	13,324	19,025	15,910	12,760
Net financials	-2,368	-2,032	-2,127	-2,245	-1,850
Net profit/loss for the year	11,339	8,278	13,247	10,376	8,348
<b>Balance sheet</b>					
Balance sheet total	270,050	239,599	247,273	246,466	193,095
Equity	75,895	67,934	60,968	61,221	50,028
Investment in property, plant and equipment	-3,204	-4,917	3,087	38,717	79,838
Number of employees	245	224	185	169	161
<b>Ratios</b>					
Gross margin	18.6%	16.3%	16.6%	17.0%	19.7%
Profit margin	2.2%	1.7%	2.8%	2.6%	2.7%
Return on assets	6.3%	5.6%	7.7%	6.5%	6.6%
Solvency ratio	28.1%	28.4%	24.7%	24.8%	25.9%
Return on equity	15.8%	12.8%	21.7%	18.7%	33.4%

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 2020 shows a profit of DKK 11,338,518, and at 31 December 2020 the balance sheet of the Group shows equity of DKK 75,894,754.

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

The management does not consider the result as good but recognizes and accepts the result in a challenging year where Covid-19 had great impact on the key business areas and the result.

## ***Operating risks***

The outbreak of Coronavirus (COVID-19) presents 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. Current and any future political and economic measures that may be implemented could pose financial risks related to the company's operations and possibly limit the company's trading opportunities.

## ***Foreign exchange risks***

As a consequence of company operations, investments, and financing, the company is, in the main, exposed to changes in currency and interest levels. The company 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 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 to finance properties with a variable rate loan. This risk is covered by means of an interest rate swap.

# Management's Review

## Targets and expectations for the year ahead

The management is expecting a result for 2021 to be positive and better than the current year. However, Covid-19 is still influencing the business significantly especially in the beginning of the year. The market is still volatile and unpredictable due to possible lockdowns in Europe affected by the Coronavirus. Still a general growth is expected during the year due to roll out of vaccinations and increased demands in re-opening markets. It is not possible to express a sufficiently reliable expectation of revenue and profit before tax due to the uncertain market conditions.

## 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 employee are educated on our company stand point and views during their introduction period. The challenge as a company is if a single individuals 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.

### *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 2020 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

## Management's Review

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.

### *Management commentary*

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

### *External environment*

Our industry is one of the largest to emit Co<sub>2</sub>. Therefore we realize that we have some risks associated with emit Co<sub>2</sub>. In order to apply to the Danish government's requirement of reduced Co<sub>2</sub> emission by 2030. We as a provider of transport solutions has to invest in Co<sub>2</sub> neutral transport solutions. Unless we will not be able apply to above requirements.

ALPI Danmark A/S has started the initiative ALPI GO GREEN in 2020, our aim is too:

- 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 CO<sub>2</sub>-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 Co<sub>2</sub> emission during transportation and as a company.

Currently ALPI Danmark A/S are making measurements on the internal and external usage and we expect during 2021 be able to present a general baseline for the entire Company.

Once the baseline is completed ALPI Danmark A/S will set realistic targets as to how much we will reduce our CO<sub>2</sub> Emission in 2021 and 2022.

## Management's Review

Further 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 2021, at the latest. At present, this share is 0 per cent. The reason that the goal was not reached in 2020 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. Attempts are made to meet this goal by 2022. For the year 2020 the gender distribution of middle managers is 8.7 per cent women and 91.3 per cent men.

#### *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 emphasise 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 about our policy and consequences during the introduction program at ALPI. Every year we review all our corporate policies with all employees. In 2020 we had no cases of corruption within ALPI.

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**

### **Own equity investment shares**

The company's own share portfolio totals 75 units priced at DKK 1,000, corresponding to 15 per cent of the contributed capital.

## Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
<b>Revenue</b>	1	<b>759,872,324</b>	<b>807,442,462</b>	<b>471,507,297</b>	<b>532,342,267</b>
Other operating income		13,334,876	87,500	16,074,621	2,385,249
Expenses for consumables		-594,972,881	-642,705,466	-368,471,219	-417,338,385
Other external expenses		-36,968,472	-33,358,844	-22,490,672	-21,305,065
<b>Gross profit/loss</b>		<b>141,265,847</b>	<b>131,465,652</b>	<b>96,620,027</b>	<b>96,084,066</b>
Staff expenses	2	-117,443,200	-110,569,130	-81,228,863	-82,633,401
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-6,807,599	-7,572,860	-5,948,258	-6,312,787
<b>Profit/loss before financial income and expenses</b>	3	<b>17,015,048</b>	<b>13,323,662</b>	<b>9,442,906</b>	<b>7,137,878</b>
Income from investments in subsidiaries		0	0	4,097,956	3,519,561
Financial income		132,983	111,391	127,192	80,024
Financial expenses	4	-2,501,106	-2,143,466	-1,332,368	-1,919,346
<b>Profit/loss before tax</b>		<b>14,646,925</b>	<b>11,291,587</b>	<b>12,335,686</b>	<b>8,818,117</b>
Tax on profit/loss for the year	5	-3,308,407	-3,014,059	-1,916,983	-1,251,033
<b>Net profit/loss for the year</b>		<b>11,338,518</b>	<b>8,277,528</b>	<b>10,418,703</b>	<b>7,567,084</b>

# Balance Sheet 31 December

## Assets

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Land and buildings		112,357,293	135,593,093	112,357,293	135,593,093
Other fixtures and fittings, tools and equipment		11,288,150	12,190,369	8,825,532	10,056,341
<b>Property, plant and equipment</b>	<b>6</b>	<b>123,645,443</b>	<b>147,783,462</b>	<b>121,182,825</b>	<b>145,649,434</b>
Investments in subsidiaries	7	0	0	30,470,947	23,616,365
Other investments	8	391,349	413,438	391,349	413,438
Other receivables	8	45,845	0	0	0
<b>Fixed asset investments</b>		<b>437,194</b>	<b>413,438</b>	<b>30,862,296</b>	<b>24,029,803</b>
<b>Fixed assets</b>		<b>124,082,637</b>	<b>148,196,900</b>	<b>152,045,121</b>	<b>169,679,237</b>
Trade receivables		84,598,319	66,021,746	49,610,381	41,405,305
Contract work in progress	9	25,818,617	11,407,559	13,439,681	4,381,793
Receivables from group enterprises		7,084,011	9,506,141	11,903,048	9,001,522
Other receivables		2,508,599	1,577,010	20,358	56,266
Corporation tax		0	1,033,534	0	2,718,030
Prepayments	10	1,436,196	1,855,805	392,347	891,958
<b>Receivables</b>		<b>121,445,742</b>	<b>91,401,795</b>	<b>75,365,815</b>	<b>58,454,874</b>
<b>Cash at bank and in hand</b>		<b>24,521,256</b>	<b>0</b>	<b>3,253,203</b>	<b>0</b>
<b>Currents assets</b>		<b>145,966,998</b>	<b>91,401,795</b>	<b>78,619,018</b>	<b>58,454,874</b>
<b>Assets</b>		<b>270,049,635</b>	<b>239,598,695</b>	<b>230,664,139</b>	<b>228,134,111</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Share capital		500,000	500,000	500,000	500,000
Reserve for net revaluation under the equity method		0	0	20,549,390	17,163,088
Reserve for hedging transactions		-1,867,374	0	-1,867,374	0
Reserve for exchange rate conversion		-95,626	0	0	0
Retained earnings		73,791,789	62,289,693	53,146,773	45,126,601
<b>Equity attributable to shareholders of the Parent Company</b>		<b>72,328,789</b>	<b>62,789,693</b>	<b>72,328,789</b>	<b>62,789,689</b>
Minority interests		3,565,965	5,144,311	0	0
<b>Equity</b>		<b>75,894,754</b>	<b>67,934,004</b>	<b>72,328,789</b>	<b>62,789,689</b>
Provision for deferred tax	12	4,991,821	5,573,458	4,867,218	5,512,728
<b>Provisions</b>		<b>4,991,821</b>	<b>5,573,458</b>	<b>4,867,218</b>	<b>5,512,728</b>
Mortgage loans		40,080,835	51,800,793	40,080,835	51,800,793
Other payables		9,564,582	3,285,054	6,812,984	2,374,476
<b>Long-term debt</b>	13	<b>49,645,417</b>	<b>55,085,847</b>	<b>46,893,819</b>	<b>54,175,269</b>



# Balance Sheet 31 December

## Liabilities and equity

	Note	Group		Parent Company	
		2020 DKK	2019 DKK	2020 DKK	2019 DKK
Mortgage loans	13	2,695,503	3,913,407	2,695,503	3,913,407
Credit institutions		27,993,404	40,016,107	27,977,572	51,471,967
Trade payables		72,498,727	33,784,779	43,757,840	14,621,207
Payables to group enterprises		3,151,882	11,249,439	8,635,028	18,178,618
Corporation tax		3,214,366	0	1,889,128	0
Other payables	13	29,963,761	22,041,654	21,619,242	17,471,226
<b>Short-term debt</b>		<b>139,517,643</b>	<b>111,005,386</b>	<b>106,574,313</b>	<b>105,656,425</b>
<b>Debt</b>		<b>189,163,060</b>	<b>166,091,233</b>	<b>153,468,132</b>	<b>159,831,694</b>
<b>Liabilities and equity</b>		<b>270,049,635</b>	<b>239,598,695</b>	<b>230,664,139</b>	<b>228,134,111</b>
Distribution of profit	11				
Contingent assets, liabilities and other financial obligations	16				
Related parties	17				
Fee to auditors appointed at the general meeting	18				
Subsequent events	19				
Accounting Policies	20				

## 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
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	0	0	0	62,289,692	62,789,692	5,144,311	67,934,003
Transfers, reserves	0	0	-1,699,422	0	1,699,422	0	0	0
Exchange adjustments	0	0	0	-95,626	0	-95,626	-82,735	-178,361
Cash capital increase	0	0	0	0	0	0	436,826	436,826
Cash capital reduction	0	0	0	0	0	0	-3,468,280	-3,468,280
Fair value adjustment of hedging instruments, beginning of year	0	0	2,178,746	0	0	2,178,746	0	2,178,746
Fair value adjustment of hedging instruments, end of year	0	0	-2,394,041	0	0	-2,394,041	0	-2,394,041
Tax on adjustment of hedging instruments for the year	0	0	47,343	0	0	47,343	0	47,343
Other equity movements	0	0	0	0	-616,018	-616,018	616,018	0
Net profit/loss for the year	0	0	0	0	10,418,693	10,418,693	919,825	11,338,518
<b>Equity at 31 December</b>	<b>500,000</b>	<b>0</b>	<b>-1,867,374</b>	<b>-95,626</b>	<b>73,791,789</b>	<b>72,328,789</b>	<b>3,565,965</b>	<b>75,894,754</b>

# 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
	DKK	DKK	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	500,000	17,163,088	0	0	45,126,604	62,789,692	0	62,789,692
Transfers, reserves	0	0	-1,699,422	0	1,699,422	0	0	0
Exchange adjustments relating to foreign entities	0	-95,636	0	0	0	-95,636	0	-95,636
Fair value adjustment of hedging instruments, beginning of year	0	0	2,178,746	0	0	2,178,746	0	2,178,746
Fair value adjustment of hedging instruments, end of year	0	0	-2,394,041	0	0	-2,394,041	0	-2,394,041
Tax on adjustment of hedging instruments for the year	0	0	47,343	0	0	47,343	0	47,343
Other equity movements	0	-616,018	0	0	0	-616,018	0	-616,018
Net profit/loss for the year	0	4,097,956	0	0	6,320,747	10,418,703	0	10,418,703
<b>Equity at 31 December</b>	<b>500,000</b>	<b>20,549,390</b>	<b>-1,867,374</b>	<b>0</b>	<b>53,146,773</b>	<b>72,328,789</b>	<b>0</b>	<b>72,328,789</b>

## Cash Flow Statement 1 January - 31 December

	Note	Group	
		2020 DKK	2019 DKK
Net profit/loss for the year		11,338,518	8,277,528
Adjustments	14	3,913,745	12,767,877
Change in working capital	15	8,694,768	-26,838,649
<b>Cash flows from operating activities before financial income and expenses</b>		<b>23,947,031</b>	<b>-5,793,244</b>
Financial income		132,982	111,391
Financial expenses		-2,501,108	-2,143,466
<b>Cash flows from ordinary activities</b>		<b>21,578,905</b>	<b>-7,825,319</b>
Corporation tax paid		407,534	-2,207,800
<b>Cash flows from operating activities</b>		<b>21,986,439</b>	<b>-10,033,119</b>
Purchase of property, plant and equipment		-3,203,642	-4,916,740
Fixed asset investments made etc		-23,756	0
Sale of property, plant and equipment		28,923,750	305,000
<b>Cash flows from investing activities</b>		<b>25,696,352</b>	<b>-4,611,740</b>
Repayment of mortgage loans		-12,937,862	-3,902,213
Repayment of loans from credit institutions		-12,022,702	14,867,779
Repayment of payables to group enterprises		-1,449,045	0
Raising of other long-term debt		6,279,528	3,285,054
Minority interests		-3,031,454	326,239
Purchase of treasury shares		0	68,000
<b>Cash flows from financing activities</b>		<b>-23,161,535</b>	<b>14,644,859</b>
<b>Change in cash and cash equivalents</b>		<b>24,521,256</b>	<b>0</b>
Cash and cash equivalents at 1 January		0	0
<b>Cash and cash equivalents at 31 December</b>		<b>24,521,256</b>	<b>0</b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		24,521,256	0
<b>Cash and cash equivalents at 31 December</b>		<b>24,521,256</b>	<b>0</b>

# Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>1 Revenue</b>				
<b>Business segments</b>				
Road	430,907,004	483,087,651	429,754,814	483,087,651
Sea	188,264,717	171,971,548	0	0
Air	55,436,816	67,141,382	0	0
Courier	29,607,359	27,662,446	0	0
Warehouse	55,656,428	57,579,435	41,752,483	49,254,616
	<b>759,872,324</b>	<b>807,442,462</b>	<b>471,507,297</b>	<b>532,342,267</b>
<b>2 Staff expenses</b>				
Wages and salaries	108,216,258	102,199,852	74,469,162	76,158,568
Pensions	7,396,863	6,859,510	5,419,187	5,242,965
Other social security expenses	1,796,022	1,509,768	1,340,514	1,231,868
Other staff expenses	34,057	0	0	0
	<b>117,443,200</b>	<b>110,569,130</b>	<b>81,228,863</b>	<b>82,633,401</b>
<b>Average number of employees</b>	<b>245</b>	<b>224</b>	<b>168</b>	<b>173</b>

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

## 3 Special items

Other operating income for the group includes gain on sale of fixed assets of TDKK 8,439 and government grants of TDKK 4,684.

## Notes to the Financial Statements

	Group		Parent Company	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
<b>4 Financial expenses</b>				
Interest paid to group enterprises	8,225	0	48,609	140,915
Other financial expenses	2,330,521	1,938,183	1,121,399	1,573,148
Exchange adjustments, expenses	162,360	205,283	162,360	205,283
	<b>2,501,106</b>	<b>2,143,466</b>	<b>1,332,368</b>	<b>1,919,346</b>
<b>5 Tax on profit/loss for the year</b>				
Current tax for the year	3,890,044	1,737,790	2,562,493	53,294
Deferred tax for the year	-581,637	1,276,269	-645,510	1,197,739
	<b>3,308,407</b>	<b>3,014,059</b>	<b>1,916,983</b>	<b>1,251,033</b>
<b>6 Property, plant and equipment</b>				
<b>Group</b>				
			Land and buildings DKK	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January			154,140,957	28,204,297
Exchange adjustment			0	-13,661
Additions for the year			0	3,203,642
Disposals for the year			-31,630,670	-2,113,720
Cost at 31 December			<u>122,510,287</u>	<u>29,280,558</u>
Impairment losses and depreciation at 1 January			18,547,864	16,013,928
Exchange adjustment			0	344
Depreciation for the year			3,131,128	3,711,821
Reversal of impairment and depreciation of sold assets			-11,525,998	-1,733,685
Impairment losses and depreciation at 31 December			<u>10,152,994</u>	<u>17,992,408</u>
<b>Carrying amount at 31 December</b>			<b><u>112,357,293</u></b>	<b><u>11,288,150</u></b>

# Notes to the Financial Statements

## 6 Property, plant and equipment (continued)

### Parent Company

	Land and buildings	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	154,140,956	24,368,743
Additions for the year	0	1,966,353
Disposals for the year	-31,630,670	-1,330,390
Cost at 31 December	<u>122,510,286</u>	<u>25,004,706</u>
Impairment losses and depreciation at 1 January	18,547,863	14,312,402
Depreciation for the year	3,131,128	2,817,130
Reversal of impairment and depreciation of sold assets	-11,525,998	-950,358
Impairment losses and depreciation at 31 December	<u>10,152,993</u>	<u>16,179,174</u>
<b>Carrying amount at 31 December</b>	<b><u>112,357,293</u></b>	<b><u>8,825,532</u></b>

## 7 Investments in subsidiaries

	Parent Company	
	2020	2019
	DKK	DKK
Cost at 1 January	6,453,277	6,014,500
Additions for the year	<u>3,468,280</u>	<u>438,777</u>
Cost at 31 December	<u>9,921,557</u>	<u>6,453,277</u>
Value adjustments at 1 January	17,163,088	13,649,848
Exchange adjustment	-95,636	-6,321
Net profit/loss for the year	4,097,956	4,471,376
Amortisation of goodwill	0	-951,815
Other adjustments	-616,018	0
Value adjustments at 31 December	<u>20,549,390</u>	<u>17,163,088</u>
<b>Carrying amount at 31 December</b>	<b><u>30,470,947</u></b>	<b><u>23,616,365</u></b>

## Notes to the Financial Statements

### 7 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
ALPI AIR & SEA A/S	Herning, DK	90.5%
- ALPI International Logistics (Shanghai)	China	51%
ALPI Norway AS	Norway	57%

### 8 Other fixed asset investments

	Group		Parent Company
	Other investments DKK	Other receivables DKK	Other investments DKK
Cost at 1 January	415,468	0	391,349
Additions for the year	0	45,845	0
Disposals for the year	-22,751	0	0
Cost at 31 December	392,717	45,845	391,349
Revaluations at 1 January	-2,030	0	0
Revaluations for the year	662	0	0
Revaluations at 31 December	-1,368	0	0
<b>Carrying amount at 31 December</b>	<b>391,349</b>	<b>45,845</b>	<b>391,349</b>

	Group		Parent Company	
	2020 DKK	2019 DKK	2020 DKK	2019 DKK
<b>9 Contract work in progress</b>				
Selling price of work in progress	25,818,617	11,407,559	13,439,681	4,381,793
	<b>25,818,617</b>	<b>11,407,559</b>	<b>13,439,681</b>	<b>4,381,793</b>

### 10 Prepayments

Prepayments consist of prepaid cost of administration and other cost.



## Notes to the Financial Statements

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>11 Distribution of profit</b>				
Transfer to/from reserves in accordance with the Articles of Association	0	0	4,097,956	3,513,241
Minority interests' share of net profit/loss of subsidiaries	919,825	710,445	0	0
Retained earnings	10,418,693	7,567,083	6,320,747	4,053,843
	<b>11,338,518</b>	<b>8,277,528</b>	<b>10,418,703</b>	<b>7,567,084</b>

### 12 Provision for deferred tax

Provision for deferred tax at 1 January	5,573,458	4,297,189	5,512,728	4,314,989
Amounts recognised in the income statement for the year	-581,637	1,276,269	-645,510	1,197,739
<b>Provision for deferred tax at 31 December</b>	<b>4,991,821</b>	<b>5,573,458</b>	<b>4,867,218</b>	<b>5,512,728</b>

### 13 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	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>Mortgage loans</b>				
After 5 years	29,374,650	31,768,993	29,374,650	31,768,993
Between 1 and 5 years	10,706,185	20,031,800	10,706,185	20,031,800
Long-term part	40,080,835	51,800,793	40,080,835	51,800,793
Within 1 year	2,695,503	3,913,407	2,695,503	3,913,407
	<b>42,776,338</b>	<b>55,714,200</b>	<b>42,776,338</b>	<b>55,714,200</b>

## Notes to the Financial Statements

### 13 Long-term debt (continued)

	Group		Parent Company	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>Other payables</b>				
Between 1 and 5 years	9,564,582	3,285,054	6,812,984	2,374,476
Long-term part	9,564,582	3,285,054	6,812,984	2,374,476
Other short-term payables	29,963,761	22,041,654	21,619,242	17,471,226
	<b>39,528,343</b>	<b>25,326,708</b>	<b>28,432,226</b>	<b>19,845,702</b>

### 14 Cash flow statement - adjustments

	Group	
	2020	2019
	DKK	DKK
Financial income	-132,983	-111,391
Financial expenses	2,501,106	2,143,466
Depreciation including losses and gains on sales	-1,631,448	7,380,108
Tax on profit/loss for the year	3,308,407	3,014,059
Other adjustments	-131,337	341,635
	<b>3,913,745</b>	<b>12,767,877</b>

## Notes to the Financial Statements

	<b>Group</b>	
	2020	2019
	DKK	DKK
<b>15 Cash flow statement - change in working capital</b>		
Change in receivables	-31,077,481	5,506,878
Change in trade payables, etc	39,987,544	-30,166,781
Fair value adjustments of hedging instruments	-215,295	-2,178,746
	<b>8,694,768</b>	<b>-26,838,649</b>

	<b>Group</b>		<b>Parent Company</b>	
	2020	2019	2020	2019
	DKK	DKK	DKK	DKK
<b>16 Contingent assets, liabilities and other financial obligations</b>				

### Charges and security

The following assets have been placed as security with mortgage credit institutes:  
Land and buildings with a carrying amount of DKK 112,357k.

The following assets have been placed as security with bankers:  
Owner's mortgages DKK 176k that provide a charge on land and buildings with a carrying amount of DKK 112,357k.

### Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	5,098,549	5,992,046	4,198,846	5,324,184
Between 1 and 5 years	4,637,283	4,829,812	4,091,468	4,536,460
	<b>9,735,832</b>	<b>10,821,858</b>	<b>8,290,314</b>	<b>9,860,644</b>

Lease obligations, non-cancellability period until July 2024	24,069,810	25,057,864	20,693,992	20,570,110
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### 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

## 17 Related parties

### Basis

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#### 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](http://www.registroimprese.it/en)

## Notes to the Financial Statements

	<b>Group</b>	
	2020 DKK	2019 DKK
<b>18 Fee to auditors appointed at the general meeting</b>		
<b>PricewaterhouseCoopers</b>		
Audit fee	292,100	0
Tax advisory services	162,100	0
Other services	30,000	0
	<b>484,200</b>	<b>0</b>
<b>Other</b>		
Audit fee	38,440	225,481
Tax advisory services	4,205	15,000
Other services	23,433	147,954
	<b>66,078</b>	<b>388,435</b>
	<b>550,278</b>	<b>388,435</b>

### 19 Subsequent events

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

# Notes to the Financial Statements

## 20 Accounting Policies

The Annual Report of ALPI Danmark A/S for 2020 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 2020 are presented in DKK.

A few minor reclassifications have been made in the comparative figures.

### 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

## 20 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.

### 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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

as the hedged transaction.

### 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

### 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.

### Staff expenses

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

### Depreciation

Depreciation comprise of depreciation of property, plant and equipment.



# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### **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.

### **Government grants**

Government grants, such as economic stimulus packages, are recognised when it is reasonably certain that the Company complies with the conditions for receiving the grant, and it is reasonably certain that the Company will receive the grant.

The grant is systematically recognised in the income statement over the period to which it relates, or immediately if the grant is not conditional upon incurrence of future costs or investments. Government grants are recognised as other operating income, or in the balance sheet if the purpose of the grant is investment in an asset.

### **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

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

when the asset is ready for use.

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

The fixed assets' residual values are determined at nil.

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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

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

### 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 rent, insurance premiums, subscriptions ect.

### 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### 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.

#### 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.

# Notes to the Financial Statements

## 20 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

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