

Scandinavian Auto Logistics A/S

Zodiakvej 3, 6700 Esbjerg

CVR no. 21 80 63 31

Annual report 2023

Approved at the Company's annual general meeting on 22 February 2024

Chair of the meeting:

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Costantino Baldissara

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Scandinavian Auto Logistics A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 22 February 2024
Executive Board:

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Henrik Otto Jensen

Board of Directors:

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Costantino Baldissara
Chairman

.....
Gianpaolo Polichetti

.....
Mario Massarotti

.....
Fabrice Claude Laurent
Barthe

.....
Henrik Otto Jensen

Independent auditor's report

To the shareholders of Scandinavian Auto Logistics A/S

Opinion

We have audited the financial statements of Scandinavian Auto Logistics A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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 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 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 as to 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 the 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 internal control.

Independent auditor's report

- ▶ 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Esbjerg, 22 February 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Claes Jensen
State Authorised Public Accountant
mne44108

Management's review

Company details

Name	Scandinavian Auto Logistics A/S
Address, Postal code, City	Zodiakvej 3, 6700 Esbjerg
CVR no.	21 80 63 31
Established	1 July 1999
Registered office	Esbjerg
Financial year	1 January - 31 December
Board of Directors	Costantino Baldissara, Chairman Gianpaolo Polichetti Mario Massarotti Fabrice Claude Laurent Barthe Henrik Otto Jensen
Executive Board	Henrik Otto Jensen
Auditors	EY Godkendt Revisionspartnerselskab Bavnehøjvej 5, 6700 Esbjerg, Denmark
Bankers	Nordea Kongensgade 44-48, 6700 Esbjerg

Management's review

Business review

The company's activities involve pre-delivery inspection at the Port of Esbjerg and distribution of cars received from car factories.

Further the company performs stevedore activities in connections with receipt of the above mentioned cars.

Financial review

The income statement for 2023 shows a profit of EUR 515 thousand against a profit of EUR 23 thousand last year, and the balance sheet at 31 December 2023 shows equity of EUR 2,355 thousand. The profit for the year is considered satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	EUR	2023	2022
	Gross profit	2,961,620	2,239,645
2	Staff costs	-2,211,876	-2,077,661
	Depreciation of intangible assets and property, plant and equipment	-112,085	-121,871
	Profit before net financials	637,659	40,113
	Financial income	38,063	2,778
	Financial expenses	-11,822	-11,936
	Profit before tax	663,900	30,955
3	Tax for the year	-148,903	-8,409
	Profit for the year	514,997	22,546
	Recommended appropriation of profit	514,997	22,546
	Retained earnings	514,997	22,546

Financial statements 1 January - 31 December

Balance sheet

Note	EUR	2023	2022
	ASSETS		
	Fixed assets		
4	Intangible assets		
	Software	26,525	43,072
		<u>26,525</u>	<u>43,072</u>
5	Property, plant and equipment		
	Building on leased land	597,808	235,184
	Other fixtures and fittings, tools and equipment	71,780	284,594
		<u>669,588</u>	<u>519,778</u>
	Total fixed assets	<u>696,113</u>	<u>562,850</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	33,837	35,174
		<u>33,837</u>	<u>35,174</u>
	Receivables		
	Trade receivables	1,347,542	877,499
	Deferred tax assets	12,210	7,261
	Income taxes receivable	0	44,994
	Other receivables	22,200	31,007
	Prepayments	107,954	162,488
		<u>1,489,906</u>	<u>1,123,249</u>
	Cash	1,927,592	1,492,031
	Total non-fixed assets	<u>3,451,335</u>	<u>2,650,454</u>
	TOTAL ASSETS	<u><u>4,147,448</u></u>	<u><u>3,213,304</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	EUR	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	402,960	402,960
	Retained earnings	1,952,229	1,441,290
	Total equity	<u>2,355,189</u>	<u>1,844,250</u>
	Provisions		
	Other provisions	161,011	40,342
	Total provisions	<u>161,011</u>	<u>40,342</u>
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Lease liabilities	0	133,824
		<u>0</u>	<u>133,824</u>
	Current liabilities other than provisions		
	Lease liabilities	0	34,909
	Trade payables	512,980	275,677
	Payables to group entities	372,371	328,891
	Income taxes payable	117,632	0
	Other payables	628,265	555,411
		<u>1,631,248</u>	<u>1,194,888</u>
	Total liabilities other than provisions	<u>1,631,248</u>	<u>1,328,712</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>4,147,448</u></u>	<u><u>3,213,304</u></u>

- 1 Accounting policies
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

EUR	Share capital	Retained earnings	Total
Equity at 1 January 2023	402,960	1,441,290	1,844,250
Exchange adjustment	0	-4,058	-4,058
Transfer through appropriation of profit	0	514,997	514,997
Equity at 31 December 2023	<u>402,960</u>	<u>1,952,229</u>	<u>2,355,189</u>

The share capital consists of share certificates of 1,000 DKK each.

No shares have special rights.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Scandinavian Auto Logistics A/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Revenue from the sale of goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before yearend. Revenue is measured ex VAT and taxes.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets and other support in connection with COVID-19.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3 years
Building on leased land	20 years
Other fixtures and fittings, tools and equipment	3-10 years

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Intangible assets include software licences.

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Financial statements 1 January - 31 December

Notes to the financial statements

EUR	2023	2022
2 Staff costs		
Wages/salaries	2,029,964	1,928,312
Pensions	163,423	131,065
Other social security costs	18,489	18,284
	<u>2,211,876</u>	<u>2,077,661</u>
Average number of full-time employees	<u>21</u>	<u>22</u>
3 Tax for the year		
Estimated tax charge for the year	153,868	10,964
Deferred tax adjustments in the year	-4,965	-2,555
	<u>148,903</u>	<u>8,409</u>
4 Intangible assets		
EUR		Software
Cost at 1 January 2023		123,555
Exchange adjustment		-296
Additions in the year		3,753
Cost at 31 December 2023		<u>127,012</u>
Impairment losses and amortisation at 1 January 2023		80,483
Exchange adjustment		-202
Amortisation/depreciation in the year		20,206
Impairment losses and amortisation at 31 December 2023		<u>100,487</u>
Carrying amount at 31 December 2023		<u>26,525</u>

Financial statements 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

EUR	Building on leased land	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2023	458,899	904,471	1,363,370
Exchange adjustment	-1,010	-1,990	-3,000
Additions in the year	387,650	31,377	419,027
Disposals in the year	0	-435,037	-435,037
Cost at 31 December 2023	845,539	498,821	1,344,360
Impairment losses and depreciation at 1 January 2023	223,715	619,877	843,592
Exchange adjustment	-494	-1,358	-1,852
Amortisation/depreciation in the year	24,510	67,371	91,881
Reversal of amortisation/depreciation and impairment of disposals	0	-258,849	-258,849
Impairment losses and depreciation at 31 December 2023	247,731	427,041	674,772
Carrying amount at 31 December 2023	597,808	71,780	669,588

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is party to a pending legal action. In Management's opinion, the outcome of these legal actions will not affect the Company's financial position apart from the receivables and provisions recognised in the balance sheet at 31 December 2023.

Other financial obligations

The Company has entered into operating leases. The obligations amount to tEUR 537 at 31 December 2023, of which tEUR 98 falls due for payment next year.

The Company has entered leases regarding harbour areas. The liability for the non-cancellable period amounts to tEUR 126.

7 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Grimaldi Group SpA	Napoli, Italy	The address of the entity: Via Marchese Campodisola 13, 80133 Napoli, Italy