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BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

EXPEDIT A/S

TOFTEGÅRDSVEJ 4, 8370 HADSTEN

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 15 March 2023

Michael Jensen

CVR NO. 37 75 25 17

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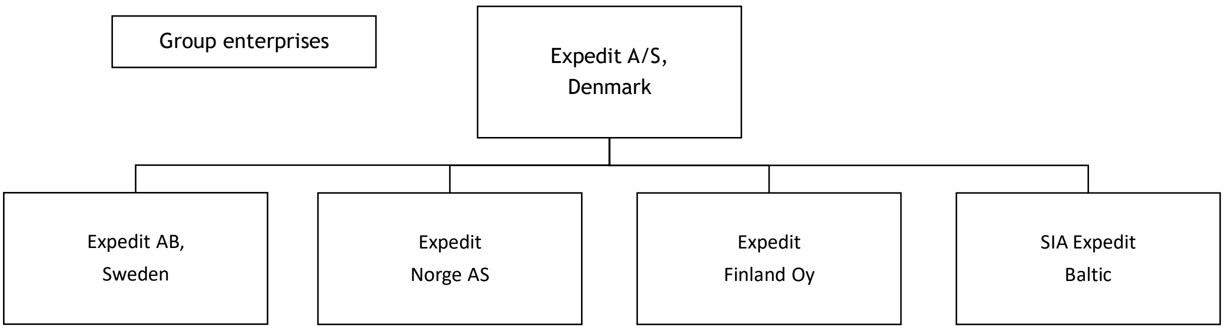
COMPANY DETAILS

Company	EXPEDIT A/S Toftegårdsvej 4 8370 Hadsten	
	Telephone:	+45 87 61 22 00
	Website:	www.expedit.dk
	E-mail:	expedit@expedit.dk
	CVR No.:	37 75 25 17
	Established:	29 December 1965
	Municipality:	Favrskov
	Financial Year:	1 January - 31 December
Board of Directors	Dr. Klaus Martin Meier-Kortwig, chairman Bernhard Renzhofer, vice-chairman Karl Alexander Kienle Andreas Ruben Starzmann Lars Karstenskov Andersen Bent Holm	
Executive Board	Carsten Tønnes	
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C	
General Meeting	The Annual General Meeting is held on 15 March 2023, at the company's address.	

GROUP STRUCTURE



Expedit's focus lies with the following three customer groups within the retail trade:

— Food Retail, which comprises all customers within the groceries trade, including the convenience segment

— Specialist Trade, which comprises "heavier" specialist trade customers, including DIY shops, etc.

— Fashion & Lifestyle, which comprises the finer specialist trade, including clothing chains, etc.

As a common denominator for all customer segments, the Expedit Group's core competence is to supply complete shopfitting solutions where Expedit offers to take responsibility for the entire process - from concept development, design and project management to production, delivery and installation of customised shopfitting solutions as well as after-sale service.

The Parent Company Expedit A/S has, for many years, been among the most important players within the Food Retail and Specialist Trade on the Danish market and in recent years also had a platform within Fashion & Lifestyle. Expedit A/S primarily co-operates with the major chains in Denmark and has, over the past years, become a turnkey supplier to the retail trade for the purpose of shop openings. Expedit supplies both shopfitting equipment produced by the Group's factories in Denmark and Latvia as well as sourced products and supplementary equipment such as entrance systems, shopping trolleys, lightning, checkouts, etc. purchased from various business partners.

GROUP STRUCTURE

Production in Denmark comprises metal production as well as wood production and handles all tasks right from production of prototypes or single units to production of major production batches on the Company's production lines.

Expedit AB provides the Swedish retail trade with shopfitting and shopfitting solutions. The company is capable of handling the entire shopfitting process for the customers and markets itself towards the three customer segments on the Swedish market.

Expedit Norge AS services the Norwegian retail trade with shopfitting and shopfitting equipment. The company is capable of handling the entire shopfitting process for its customers, and the company markets itself towards all three customer segments on the Norwegian market.

Expedit Finland Oy markets shopfitting solutions and equipment for the total Finnish retail industry and handles the entire shopfitting process for the customers, and the company markets itself towards all three customer segments on the Finnish market.

SIA Expedit Baltic, the Group's production company in Latvia, has in the recent years, carried out investments in production facilities and equipment, so that today the company produces finalised items to the other group companies.

Products manufactured in Denmark and Latvia are sold through all the Group's entities.

The Expedit Group is part of the Wanzl Group.

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of EXPEDIT A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Hadsten, Denmark, 15 March 2023

Executive Board

Carsten Tønnes

Board of Directors

Dr. Klaus Martin Meier-Kortwig Chairman	Bernhard Renzhofer Vice-chairman	Karl Alexander Kienle
Andreas Ruben Starzmann	Lars Karstenskov Andersen	Bent Holm

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of EXPEDIT A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of EXPEDIT A/S for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2022 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2022 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 Consolidated Financial Statements and the Annual Financial Statements of the Company” 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aarhus, 15 March 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

FINANCIAL HIGHLIGHTS OF THE GROUP

	2022 DKK millions	2021 DKK millions	2020 DKK millions	2019 DKK millions	2018 DKK millions
Income statement					
Net revenue	843	678	547	525	552
Gross profit/loss	203	109	117	102	119
Operating profit/loss of main activities	36	-24	17	-1	8
Financial income and expenses, net	-7	-1	1	-1	-1
Profit/loss for the year before tax	29	-25	18	-2	7
Profit/loss for the year	21	-20	12	-2	5
Balance sheet					
Total assets	365	449	258	259	262
Equity	124	102	121	109	112
Cash flows					
Cash flows from operating activities	81	-152	32	17	13
Cash flows from investing activities	-3	2	-5	-18	-11
Cash flows from financing activities	-72	174	-4	-5	-6
Total cash flows	6	24	23	-6	-4
Investment in property, plant and equipment	-3	-6	-6	-20	-11
Average number of full-time employees	**351**	**373**	**374**	**376**	**399**
Key ratios					
Gross margin	24.1	15.7	21.4	19.3	21.6
EBITDA margin	2.9	-1.8	5.9	2.8	5.2
Operating margin	4.3	-3.6	3.1	-0.2	1.5
Return on equity	18.6	-22.6	14.7	-1.7	4.1
Solvency ratio	54.3	22.3	46.9	42.3	42.7

FINANCIAL HIGHLIGHTS OF THE GROUP

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit x 100}}{\text{Net revenue}}$
Operating margin:	$\frac{\text{Operating profit/loss x 100}}{\text{Net revenue}}$
Return on equity:	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex.non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$
EBITDA margin	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$

Operating review

Outlook

Russia's invasion of Ukraine in 2022 continues to impact part of the global economies and is creating increased market volatility as to cost prices and delivery reliability.

As a consequence of the above, the realisation of revenue and profit before tax targets is subject to increased uncertainty. Management is on an ongoing basis keeping track of and evaluating development and based on that identifying relevant initiatives and measures.

Overall the Expedit Group's order book at the beginning of 2023 was at a satisfactory level, which, together with market opportunities and structural improvements carried out or initiated, provides the basis for the outlook for 2023.

Management expects to report positive results for 2023.

Market conditions and financial performance

The nature and level of activity of the retail trade sector is influenced by the impacts created by Russia’s invasion of Ukraine as well as factors such as internet shopping. The Expedit Group's customer base, which includes the largest retail chains in the Nordic countries, are influenced by this as well, but they are better positioned to navigate these factors then minor chains and the individual shops.

Revenue

Revenue for 2022 came in at DKK 842.9 million, accounting for an increase of 24,2% on revenue for 2021 of DKK 678.4 million. Revenue is above expectations for 2022 for the Group as a whole.

In the Parent Company, Expedit Denmark, revenue for 2022 came in at DKK 661.7 million, corresponding to an increase in revenue of 26.8% compared to revenue for 2021. Growth was generated in most segments.

Revenue levels realised in Norway and Finland in 2022 did not meet expectations and are considered unsatisfactory. To counter this, a number of initiatives were launched including more focused efforts as to pursuing opportunities and sales. Based on these and other initiatives, a significant uplift in 2023 revenue is expected in Finland and Sweden.

The expectation for the financial year 2023 is a revenue on Expedit Group level in the range of DKK 750-800 million.

Earnings

Profit before tax reached DKK 28.9 million compared to a loss of DKK 25.1 million in 2021. 2022 earnings are positively impacted by the ability of Expedit A/S to as aspected address the main driving factors behind the 2021 loss, while the war in Ukraine has created a negative impact on among other cost base elements of the Expedit Group, which could not fully be offset via sales price adjusmtents and saving initiatives.

The profit before tax of the Parent Company, Expedit A/S (Denmark), amounted to DKK 29.5 million compared to a loss of DKK 26.4 million in 2021.

Overall the Expedit Group did not meet the earnings targets set for 2022 , but considering among other the market volatility and negative impact on the supply chain and cost base elements caused by Russia's invasion of Ukraine in 2022, then the profit generated in 2022 is considered satisfactory. Continued focus is required as to the market impacts created by the war in Ukraine, but based on the current developments and plans for 2023, then the Group expects to generate a positive result in 2023 which is at least at the same level as the one realized in 2022.

Operating review (continued)

Cash flows and balance sheet

Cash flows from operating activities were positive at DKK 81.5 million in 2022, compared to a negative impact of DKK 152.2 million in 2021. The postive development is linked to a significant decrease in working capital and the financial profit generated in 2022.

During 2022 the Expedit Group fulfilled all obligations linked to the debt positions of the Expedit Group, and achieved a significant reduction in the balance of interest-bearing debt. Hence interest-bearing debt amounted to DKK 135.2 million end of 2022, compared to DKK 201.2 million end of 2021.

Another significant reduction in the balance of interest-bearing debt is planned in 2023, and the Expedit Group is confident that all obligations linked to current debt positions will be met in 2023 as well.

Operating review

Cash flows from investing activities for the year amounted to DKK 3.2 million, reflecting that investments in new assets is exceeding the disposal of assets.

Total cash flow after financing activities including impact from repayment of loans amounted to DKK 6.7 million.

The Expedit Group's balance sheet total reached DKK 365.0 million at 31 December 2022 against DKK 449.0 million last year. The decrease was primarily attributable to reduced Inventories and debt positions.

Equity stood at DKK 124.3 million at 31 December 2022, equivalent to a solvency ratio of 54.3% as against a solvency ratio of 22.3% at 31 December 2021.

Production, investments and quality

It is the Expedit Group's objective that the name, Expedit, both, in terms of products and services and on all markets and within all areas, is to be associated with innovative design, excellent service and good quality. Quality management is a key element in reaching these goals, so we're therefore focussing on mapping out, securing and strengthening the underlying processes in all vital departments. This is in many instances done in collaboration with the corresponding departments at Wanzl to secure a higher degree of group standardization.

Production being located in Denmark and Latvia, supports the Group's flexibility, and at the same time the operating risk posed by only one production facility has been reduced.

Intellectual capital and organisation

Competent staff members are the most important asset for the strategic development of the Group, and Expedit has continuous focus on strengthening and developing the organisation as a whole as well as the individuals.

In 2022, the organisation has been strengthened, eg by creating a new position as overall head of the Group's entire production in order to facilitate the alignment of activities and initiatives across the different production departments. The year 2022 also saw intensified cooperation between Expedit and Wanzl leading to increased benchmarking and synergies between the two companies.

After many preparations throughout 2022, Expedit's new HR system Sympa was launched at the beginning of 2023. A compentence module will be added in the system towards the end of 2023 making it possible to map the competences in the Group and thereby facilitating the development of professional as well as personal skills.

Operating review (continued)

In 2022, Expedit A/S continued to have focus on offering training within relevant areas. At the end of the financial year, five trainees and apprentices in total were employed at the sites in Denmark. Also, in April 2022 the Danish language training for employees with other ethnic backgrounds than Danish was finalized. The training consisting of weekly 3-hour lessons (30 hours in total) was started in September 2021, and due to corona some of the lessons were postponed. The feedback from the participants has been positive, and one very important effect has been that they now feel more confident in speaking Danish. The training was done in-house by an official Danish education centre. Among other employee education taking place in 2022, eight employees participated in a robot operation training course, and five employees participated in a powder coating training course during the last months of the year. Additionally, Expedit A/S has in October 2022 participated in a project organized by the local municipality and a private organization (House of Natural Sciences), the main objective of which is to inspire more young people to choose an education in the field of science and technology. Expedit was thus paid a visit by a local school class, the purpose of the activities during the visit, including hands-on tasks in the production, being to open the eyes of the young people to the possibilities in choosing a technical education and at the same time draw their attention to Expedit as a possible future place to work.

From February 2023 till May 2023, Expedit has arranged weekly 3-hour IT lessons for production employees (17 people) with the same official Danish education centre as used for the Danish language lessons. The participants have all indicated that they are interested IT training and have been screened. The different trainings will be done in-house. When the IT training has been finalized, Expedit a/s will arrange follow-up on the Danish language training. In 2023 Expedit a/s will also invite employees who may be interested to attend dyslexics training. This training, if implemented, will take place at the education centre and in small teams of max. 6 persons.

Likewise in the spring of 2023, Expedit has arranged leadership training for its Nordic Managers (14 people). Part of the training will take place in a two-day workshop in March. We value and respect our social responsibility as a company, and we comply with our health and safety policies of the Expedit Group as well as relevant laws and regulation within the area. We develop and maintain a safe and sound working environment, and we're continuously and increasingly focusing on EHS within the Expedit group and also in collaboration with the Wanzl global EHS group.

Expedit wants to practice social responsibility in the community in which the Group operates. As part thereof, the Parent Company in Denmark has set up a flex department for employees with special needs. In addition, Expedit strives to, when possible, to place vulnerable employees in positions accommodating his/her specific challenges. The Expedit Group is open to employing staff on special terms such as traineeships, light jobs or reduced-hours job. At year end 2022, 6,8% of the Group's employees were employed on special terms.

Development activities

The development activities primarily involve product development in the companies in Denmark and in Sweden. In addition to the development of Expedit's standard product range, development engagements are typically undertaken in cooperation with the customers in accordance with the increasing need for individual shopfitting solutions.

Furthermore, all entities participate in ad hoc development work with suppliers of goods for resale in order to customise the Group's products in the Nordic countries to the relevant customers.

Operating review

Special risks

Operating risks
Earnings of the Expedit Group are sensitive to the development in the prices of the Group's raw materials, primarily steel and wood. To counter this risk, Expedit's trading agreements with major customers contain a proviso for the development in steel prices. On the basis of international indexes, Expedit regularly adjusts its prices towards the customers in the case of unforeseen developments in the prices of one or several raw materials.

Financial risks
The Expedit Group is exposed to movements in the exchange rates of SEK and NOK, and to a certain extent, interest rate fluctuations, since part of the Group's interest-bearing debt is floating-rate debt.

Based on the nature and extent of the above exchange rate risk, then it has been and remains to be the policy of the Company to accept the above exchange rate risk, and hence exchange rate risks are not hedged via financial instruments.

As to debt positions then it is the Policy of the Company to perform an assessment of the optimal choice between floating-rate and fixed rate options at the time of the inception of the individual debt positions. Minimum on an annual base the Company is reassing its current debt structure and determining whether changes are required or appropriate.

Events after the balance sheet date

No material events have occurred after the balance sheet date considerably affecting the consolidated financial statements and parent company financial statement for 2022.

Corporate social responsibility, ref. the Danish Financial Statements Act, section 99a

In addition to acting decently and responsibly in its own name, the Expedit Group intends to encourage suppliers and other business partners to engage in decent and responsible behaviour.

Expedit wants to serve as an active and committed entity in the local community, from where the Group runs its business, and on its domestic and foreign markets.

Being a player in the global community, Expedit has therefore decided to operate in accordance with the UN Global Compact and follows the "Code of Conduct" of Wanzl and Expedit, setting out the ethical guidelines and values on which the Group's conduct is based, including the Group's position on human rights, employee rights, environment and anti-corruption. When starting to work in Expedit, all new employees of the Expedit Group have to formally acknowledge that they comply with the Code of Conduct by signing it. Link to Wanzl's and Expedit's Code of Conduct - Standards of our Business – on Expedit's website.

By means of various policies, Expedit has defined its position on the responsibility that the Expedit Group and its employees have for its community and the markets on which the Expedit Group operates.

In association with Wanzl's and Expedit's Code of Conduct, which is available on the website of Expedit, a number of policies have been prepared and implemented - policies which the Expedit Group - together with the Wanzl Group - internally finds it important to comply with in order to meet customer expectations and needs and to ensure the well-being of its employees. Everything must take place in a way allowing Expedit to conduct business with a minimum of environmental impact. Policies have been worked out for Environment, Purchasing, Market Behaviour and HR. Expedit has moreover focus on the gender diversity of Management.

MANAGEMENT COMMENTARY

Operating review

The following sections describe policy/targets, actions and results regarding:

- Market Behaviour including collaboration with suppliers, human rights and Anti-corruption
- Environment and climate
- HR including working environment/health.

Market behaviour

The Expedit' Group policy for proper market behaviour describes how the Group's employees are to act when in the market, including in problematic situations and moral dilemmas. The policy is in line with the corporate policies of the Wanzl Group. It has overall been decided that:

It is the policy of Expedit

- that the Expedit Group and its employees are always to comply with local legislation and act in a professional manner towards business partners, including customers and suppliers,
- that no bribery, in any form whatsoever, is acceptable, and that entertainment is only acceptable as part of common courtesy,
- that Expedit is not to act in an anti-competitive way in the market and is not to enter into price or market agreements with competitors,
- that Expedit is not to tolerate or contribute to any money laundering, and
- that Expedit is not to violate any human rights and is not to accept any compulsion, exploitation or child labour.

We are not aware of any breaches of Expedit's market policy in 2022.

Code of Conduct - including collaboration with suppliers, human rights and Anti-corruption

Being part of the Wanzl Group, Expedit follows the Code of Conduct of Wanzl. The Code of Conduct refers to the responsibility of the Group - both with the individual company and with the individual person -when the Group acts and behaves in the countries and on the markets where Expedit is present and does business.

Expedit wants to send a message to its customers, suppliers and employees, authorities and local communities about the ethical values, on which the Expedit Group is based.

Each day the companies and employees are faced with challenges and difficult choices as a natural part of conducting business. These choices and day-to-day decisions are to be based on the Expedit Group's joint ethics as set out in Wanzl's and Expedit's Code of Conduct.

Expedit strives to ensure that its business relies on respect and compliance with the UN's Global Compact's ten principles within human rights, employee rights, environment and anti-corruption. Accordingly, these ten principles are addressed in Wanzl's and Expedit's Code of Conduct.

To ensure compliance with the policies against anti-corruption and bribery, suppliers of the Expedit Group must, prior to initiating the business relationship, sign Wanzl's and Expedit's "Code of Conduct" and thereby confirm that as a minimum they will live up to the requirements set out therein.

Operating review (continued)

The Code of Conduct of Wanzl and Expedit for suppliers and business partners is available at Expedit's website: https://webdanmark.ipapercms.dk/Expedit/wanzl-compliance/code-of-conduct-supplier-business-partner/?page=1.

When Expedit's suppliers sign this "Code of Conduct", we assess the risks with regard to Environment, Anti-corruption and Human rights of our suppliers to be low. Further, the "Code of Conduct" is known in the organisation, and Expedit conducts its business accordingly. A Contract management system has been developed to ensure sufficient control and storage of all signed contracts, hereunder also the

Furthermore a Supplier Segmentation model has been build to define the critical suppliers. The defined critical suppliers will be a part of an Supplier audit program during 2023, where all Expedit requirements is being validated, hereunder also the compliance to the Code of Conduct.
Suppliers in China and Vietnam is being validated by the Wanzl Asia Pacific Sourcing office in Shanghai in corporation with Expedit.

Risk management is being handled through several channels. As minimum quarterly business review meetings is taking place with critical suppliers where proactive risk management is on the agenda. Furthermore 60 suppliers has been incorporated into Supply Chain Risk Management (RiskMethods) that can identify potential risks, hereunder also compliance related violations and can ensure proactive measures to be taken by the Commodity lead to avoid any risks to Expedit.

Environment and climate

The Expedit Group considers its environmental and climate impacts an important part of corporate social responsibility and therefore strives to reduce them, primarily from the factories in Denmark and Latvia.

We're working on increasing the transperancy of our emmisions thoughout our supply chain – this is done by working with climate accounting.

We have 3 main areas of improvement:

- Creating a climate accounting with a baseline year of 2020. This will clarify which processes are the biggest impactors on our carbon footprint and which supply chain decisions are the most influential towards emmisions.

- Reduction in energy consumption, primarily in production, but also by sound practices in the administrative functions in all entities.

  Powder coating is a vital process in our product range and also relatively energy consuming. We are moving our 5 high-volume paints to a low-curing temperature variant that will provide both savings and consume less energi.

  We are also looking into retrofitting our painting line cleaning system to a process that works at room temperature.

- Continuous focus on reducing consumption of materials and lowering waste.

  Multiple activities are going on regarding nesting multiple parts on board and sheet materials in order to scrap as few percent as possible.

  We are building out our software solution for managing all our chemicals with the goal of reducing the extent of substances and keeping the most environmentally friendly substances.

As part of Expedit a/s' climate focus, when new investments are decided, energy consumption forms part of the basis of decision, and experience from investments in recent years shows that much can be gained from these efforts.

Operating review

The Expedit Group commits itself as a minimum to comply with all applicable legislation and regulations and implements the required standards, procedures, contingency measures and control systems to ensure that the companies are run in a safe and justifiable manner. Expedit keeps track with all substances and chemicals used at its factories, and in cooperation with its suppliers, the different products are regularly assessed to identify more environmentally and climate friendly products.

The Expedit Group has an ongoing focus on optimising its consumption of materials and its environmental impact, both through the choice of materials and through reduction in process scrapping and waste.

The Expedit Group strives to improve the emission transparency of its products, e.g. through the work with climate accounting. The Group's steel products traditionally come with a long useful life and, as such, do not perish.

Key figures for process scrapping and waste as well as energy consumption are regularly assessed, and target figures are defined for the development in key figures.

From a risk perspective, the most important environmental and climate risks are considered to be the disposal of scrapped materials. Expedit sorts out disposals into metal, wood and other products, and with this we consider the risk low.

Human rights and social and staff matters

Expedit has continuous focus on human rights both in relation to the co-operation with suppliers and its employees in the individual companies. Reference is made to the section on the Group's Code of Conduct for details about Expedit's requirements regarding protection of human rights, the purpose of which is to avoid such risks as for example child labour.

Reference is made to the below sections for details about Expedit's position on social and staff matters, including protection of employees' health and safety.

Working environment/health

Expedit considers it as an important and ongoing task to protect its employees against accidents at work and occupational deceases, ensure a sound working environment in all the Expedit Group's entities and at all times, as a minimum, comply with the legal requirements applying in this field.

Our work environment organisation holds regular meetings where they focus on the most important risks, and within the available frames, plan and execute improvements. Through this focus on risk assessment, the risk is considered relatively low.

Expedit commits itself to contribute actively and proactively to improvements and development of the companies' layouts, procedures, processes, standards and products, so that the preconditions are in place for all employees to work in a safe and healthy environment. Expedit is of the opinion that the employees must be involved so that sound and lasting solutions can be implemented, and at the same time all employees are expected to take responsibility and learn from their own experiences as well as the experiences of others. Expedit continuously targets zero working accidents and a lot of work goes into this ambition.

The Expedit Group strives to optimise job security of the individual employee and to ensure that all employees are treated in a proper and consistent manner based on a joint personnel policy. The culture illustrates that Expedit wants to be an attractive workplace with a sound working environment with mutual confidence, respect, openness and not least professional skills. Expedit promotes freedom with responsibility as well as care of the individual while still maintaining a holistic view on things.

Operating review (continued)

The year 2023 will see increased cross-operation between the HR department and the Working Environment department. This cooperation was initiated in 2022, and more concrete initiatives will be taken towards the end of the year.

Expedit wants to give priority to the well-being of its employees and has adopted a health policy and different health instructions, in which corporate policy to handle sick days and employee well-being is defined. The policy lays down instructions on how to handle stress as well as alcohol, drugs and smoking at the workplace. In addition, the health policy lays down that bullying at the workplace is not tolerated by Expedit. All policies and instructions are known by the employees.

Business partners working within one of the Expedit Group's areas are subject to the same requirements of the working environment as those applying to Expedit's own employees.

Following the statutory workplace assessment conducted in late 2021, prioritization of topics and implementation of action plans took place in 2022. Major actions in 2022 include statutory health check of employees working on night shift, noise measurements, registration of chemicals and training of some employees in first aid and firefighting. The plans for 2023 include focus on registration of work environmental incidents online and updating of evacuation plans and conducting evacuation training exercises.

General follow-up on the well-being survey conducted among the employees of all entities in the Expedit Group in February 2021 continued in 2022 with focus on specific findings from the survey such as role clarification. Expedit Group HR has at the beginning of 2023 introduced an annual wheel for workplace wellbeing activities, containing among other activities an new employee survey comprising all Group entities to be carried out during the last part of the year. The large-scale survey is to be followed by brief, regular employee pulse surveys, and the goal is to conduct large-scale surveys every second or third year followed by regular pulse surveys.

Reference is moreover made to the section on Intellectual Property and Organisation.

Social responsibility

The Parent Company in Denmark has laid down a policy on the employment of refugees, and in interaction with Favrskov Municipality, the Company had employed four refugees at the end of 2022.

The Group strives to offer training within the Group's professional areas and will set up apprenticeships as required.

Reference is moreover made to the section on Intellectual Property and Organisation.

Gender quota for Expedit's Management, ref. the Danish Financial Statements Act, section 99b

It is the opinion of Expedit that all jobs in the Group are to be occupied by the candidates best qualified, including also positions at the top managerial levels. In addition to this, Expedit strives to secure diversity and equal opportunities for both genders, in all parts of the Group's organisation, including Management.

It is the opinion of Expedit that an equal balance between genders creates the best working conditions in all departments and functions and at all levels in the Group's organisation. To foster an equal balance, the gender of potential executives will be a factor in future hiring and promotions. By way of example, focus must be on recruitments and job descriptions also being attractive to women. The focus on a balanced share of female executives will rely on the consideration that employees, including executives, are always hired on the basis of professional and personal competencies

Expedit considers measures with which to achieve 30% female representation at the Group's management level within some years. At the present point in time, there are 4 (four) women in the Nordic Management of Expedit Group, which makes up 28.6% (27% in 2021 and 25% in 2020). Over the past years, there has thus been a positive trend towards the present target of 30% female representation, and Expedit strives to continue this trend by focusing on the activities stated in our policy for increasing the share of the under-represented gender in the company, e.g. ensuring that job postings address both genders, including that they are written in a gender-neutral language. It is the intention to start including diversity in general in the gender diversity policy within the next FY.

In line with the above, it would also be the company's goal to increase the gender diversity in the Board of Directors, should a relevant opportunity occur The target is one female board member within 4 years and thereby no unrepresented gender in the Board by the end of 2026. At the end of FY 2022 the Board of directors had 4 (four) members, all of whom were males.

Data ethics, ref. the Danish Financial Statements Act, section 99d

Data ethics is an ethical dimension of the relationship between technology and the citizen as to fundamental rights, legal certainty and fundamental social values that technological development gives rise to.

Expedit has persistent focus on protecting the data of its employees as well as customers, suppliers and all other collaboration partners. Protection of the data of individuals is anchored in the Group's GDPR policy. The requirements for responsible behaviour set out in Wanzl's and Expedit's Code of Conduct also apply to data protection and compliance with the UN Universal Declaration of Human Rights.

Management is not aware of disputable behaviour in Expedit with regard to data ethics. Following the evaluation of the need for a more general analysis as to further policy requirements and measures regarding data ethics, an IT superuser group has been established with the purpose of assisting the IT department in the implementation of new features and changes in the ERP system. Moreover, an GDPR working group is presently working on setting up a GDPR section in the company's IPW management system, which will facilitate the GDPR work and at the same time make it more visible to the employees.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
NET REVENUE	2	**842,845**	**678,385**	**661,677**	**521,906**
Production costs	3	-640,239	-569,641	-507,704	-459,675
GROSS PROFIT/LOSS		**202,606**	**108,744**	**153,973**	**62,231**
Sales and distribution costs	3	-128,606	-98,323	-91,305	-66,825
Administrative expenses	3, 4	-36,753	-32,626	-25,360	-23,121
OPERATING PROFIT		**37,247**	**-22,205**	**37,308**	**-27,715**
Other operating expenses		-1,603	-2,287	-1,947	-2,287
OPERATING PROFIT		**35,644**	**-24,492**	**35,361**	**-30,002**
Income from investments in subsidiaries		0	0	0	3,720
Financial income	5	975	1,512	1,723	1,650
Financial expenses	6	-7,770	-2,075	-7,537	-1,772
PROFIT BEFORE TAX		**28,849**	**-25,055**	**29,547**	**-26,404**
Tax on profit/loss for the year	7	-8,037	5,015	-5,898	5,611
PROFIT FOR THE YEAR	8	**20,812**	**-20,040**	**23,649**	**-20,793**

BALANCE SHEET AT 31 DECEMBER

		Group		Parent Company	
ASSETS	Note	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Land and buildings		53,595	56,519	45,276	46,067
Production plant and machinery		25,843	31,911	22,373	27,042
Other plant, machinery tools and equipment		875	1,719	401	983
Leasehold improvements		718	0	718	0
Property, plant and equipment	9	**81,031**	**90,149**	**68,768**	**74,092**
Investments in subsidiaries		0	0	63,295	63,295
Financial non-current assets	10	**0**	**0**	**63,295**	**63,295**
NON-CURRENT ASSETS		**81,031**	**90,149**	**132,063**	**137,387**
Raw materials and consumables		20,777	31,968	14,984	23,610
Work in progress		4,350	5,625	2,664	4,500
Finished goods and goods for resale		162,165	212,476	124,148	181,545
Inventories		**187,292**	**250,069**	**141,796**	**209,655**
Trade receivables		67,585	82,143	49,583	62,827
Receivables from group enterprises		3,331	0	55,695	41,143
Deferred tax assets	11	1,404	4,438	0	1,000
Other receivables		1,283	2,392	1,486	2,428
Corporation tax receivable		550	1,251	0	0
Prepayments	12	1,776	4,416	1,544	3,658
Receivables		**75,929**	**94,640**	**108,308**	**111,056**
Cash and cash equivalents		**20,745**	**14,070**	**7**	**8,535**
CURRENT ASSETS		**283,966**	**358,779**	**250,111**	**329,246**
ASSETS		**364,997**	**448,928**	**382,174**	**466,633**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2022 DKK '000	Group 2021 DKK '000	Parent Company 2022 DKK '000	Parent Company 2021 DKK '000
Share capital	13	15,400	15,400	15,400	15,400
Retained earnings		108,931	86,421	151,579	124,965
EQUITY		**124,331**	**101,821**	**166,979**	**140,365**
Provision for deferred tax	14	5,449	1,860	3,460	0
Other provisions	15	79	0	0	0
PROVISIONS		**5,528**	**1,860**	**3,460**	**0**
Debt to mortgage credit institution		19,216	20,486	19,216	20,486
Lease liabilities		2,303	4,814	2,303	4,814
Debt to Group companies		52,080	87,910	52,080	87,910
Non-current liabilities	16	**73,599**	**113,210**	**73,599**	**113,210**
Debt to mortgage credit institution		2,575	2,886	2,575	2,886
Bank debt		1,334	607	1,334	0
Lease liabilities		1,262	1,249	1,262	1,249
Trade payables		52,097	89,224	39,471	72,899
Debt to Group companies		61,358	89,960	60,567	101,049
Corporation tax payable		2,113	537	2,109	49
Other liabilities		40,800	47,574	30,818	34,926
Current liabilities		**161,539**	**232,037**	**138,136**	**213,058**
LIABILITIES		**235,138**	**345,247**	**211,735**	**326,268**
EQUITY AND LIABILITIES		**364,997**	**448,928**	**382,174**	**466,633**

Contractual obligations, contingencies, etc.	17
Charges and securities	18
Related parties	19
Significant events after the end of the financial year	20
Fee to statutory auditor	4

EQUITY

	Group		
	Share capital	Retained earnings	Total
Equity at 1 January 2022	15,400	86,421	101,821
Proposed profit allocation, see note 8		20,812	20,812
Other legal bindings			
Foreign exchange adjustments		-1,267	-1,267
Other adjustments to equity value		3,801	3,801
Tax on changes in equity		**-836**	**-836**
Equity at 31 December 2022	**15,400**	**108,931**	**124,331**

	Parent Company		
	Share capital	Retained earnings	Total
Equity at 1 January 2022	15,400	124,965	140,365
Proposed profit allocation, jf. note 8		23,649	23,649
Other legal bindings			
Other adjustments to equity value		3,801	3,801
Tax on changes in equity		**-836**	**-836**
Equity at 31 December 2022	**15,400**	**151,579**	**166,979**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	2021 DKK '000
Profit/loss before tax for the year	28,849	-25,055
Depreciation, amortisation and impairment losses and gains on disposals on fixed assets	11,577	14,774
Other adjustments of non-cash operating items	4,087	-224
Corporation tax paid	-317	-1,675
Change in inventories	62,777	-166,128
Change in receivables (ex tax)	18,307	-31,199
Change in other provisions	79	0
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-43,902	57,354
CASH FLOWS FROM OPERATING ACTIVITY	**81,457**	**-152,153**
Purchase of property, plant and equipment	-3,248	-6,020
Sale of property, plant and equipment	10	8,216
CASH FLOWS FROM INVESTING ACTIVITY	**-3,238**	**2,196**
Repayment of long-term debt	-3,781	-3,747
Intercompany loans	-67,763	177,870
CASH FLOWS FROM FINANCING ACTIVITY	**-71,544**	**174,123**
CHANGE IN CASH AND CASH EQUIVALENTS	**6,675**	**24,166**
Cash and cash equivalents at 1. januar	14,070	-10,096
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**20,745**	**14,070**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	20,745	14,070
CASH AND CASH EQUIVALENTS	**20,745**	**14,070**

NOTES

Note

Interest rate risks and the use of derivative financial instruments 1

As part of the hedging of recognised and unrecognised transactions, the Expedit Group makes use of hedging instruments such as interest swaps. The Group's hedging instruments are equivalent to those of the Parent Company.

Interest rate risks

The Group hedges interest rate risks by means of interest rate swaps whereby floating interest payments are converted into fixed interest payments. The hedged cash flows are expected to be realised and will affect results over the remaining term of the swap.

The hedging instuments impact the Balance Sheet, Income Statement and Equity as follows:

	Group
	Interest rate swaps DKK '000
Fair value at 31 December 2022	
Assets	2,266
	2,266
Value adjustment in the year recognised in Equity	2,965

	Parent Company
	Interest rate swapsDKK '000
Fair value at 31 December 2022	
Assets	2,266
	2,266
Value adjustment in the year recognised in Equity	2,965

NOTES

	Group		Parent Company		Note
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
Net revenue					2
Segment details (geography)					
DK	303,604	233,023	300,152	222,226	
EU / EEA	499,111	391,476	326,876	255,800	
Other	40,130	53,886	34,649	43,880	
	842,845	**678,385**	**661,677**	**521,906**	

In accordance with Section 96 of the Danish Financial Statements Act, the company is required to show segment information.
The company's activity with production and sale of shop fittings is not divided further in the internal reporting. As a result, segment information for category are left out.

	Group 2022	Group 2021	Parent 2022	Parent 2021	Note
Staff costs					3
Average number of employees	351	373	210	213	
Wages and salaries	132,290	129,497	99,316	97,301	
Pensions	12,357	12,541	7,870	7,914	
Social security costs	8,391	7,263	3,203	2,940	
	153,038	**149,301**	**110,389**	**108,155**	

Total remuneration to Management and the Borad of Directors represented DKK 2,091 thousand (2021: DKK 2,896 thousand)

	Group 2022	Group 2021	Parent 2022	Parent 2021	Note
Fee to statutory auditor					4
BDO	591	0	330	0	
KPMG	378	622	179	329	
	969	**622**	**509**	**329**	
Statutory audit	492	446	245	200	
Tax consultancy	193	124	188	98	
Other services	284	52	76	31	
	969	**622**	**509**	**329**	

	Group 2022	Group 2021	Parent 2022	Parent 2021	Note
Financial income					5
Group enterprises	0	0	1,089	627	
Other interest income	975	1,512	634	1,023	
	975	**1,512**	**1,723**	**1,650**	

NOTES

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	Note
Financial expenses					**6**
Group enterprises	3,825	657	3,825	1,116	
Other interest expenses	3,945	1,418	3,712	656	
	7,770	**2,075**	**7,537**	**1,772**	
Tax on profit/loss for the year					**7**
Calculated tax on taxable income of the year	2,300	516	1,501	0	
Adjustment of tax for previous years	0	0	-63	0	
Adjustment of deferred tax	5,737	-5,531	3,533	-5,611	
Adjustment of deferred tax for previous years	0	0	927	0	
	8,037	**-5,015**	**5,898**	**-5,611**	
Proposed distribution of profit					**8**
Retained earnings	20,812	-20,040	23,649	-20,793	
	20,812	**-20,040**	**23,649**	**-20,793**	

NOTES

	Note
Property, plant and equipment	9

	Group	
	Land and buildings	Production plant and machinery
Cost at 1 January 2022	134,003	161,500
Adjustment relating to previous years	-15	316
Exchange adjustment	-2,431	-992
Additions	1,853	518
Disposals	-48	0
Cost at 31 December 2022	**133,362**	**161,342**
Depreciation and impairment losses at 1 January 2022	77,484	129,589
Adjustment relating to previous years	-15	36
Exchange adjustment	-1,713	-650
Reversal of depreciation of assets disposed of	-38	0
Depreciation for the year	4,049	6,524
Depreciation and impairment losses at 31 December 2022	**79,767**	**135,499**
Carrying amount at 31 December 2022	**53,595**	**25,843**

	Group	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	875	0
Additions	0	878
Cost at 31 December 2022	**875**	**878**
Depreciation for the year	0	160
Depreciation and impairment losses at 31 December 2022	**0**	**160**
Carrying amount at 31 December 2022	**875**	**718**

NOTES

Note

Tangible fixed assets (continued) 9

	Parent Company	
	Land and buildings	Production plant and machinery
Cost at 1 January 2022	100,746	113,505
Adjustment relating to previous years	-15	100
Additions	1,853	0
Cost at 31 December 2022	**102,584**	**113,605**
Depreciation and impairment losses at 1 January 2022	54,679	86,463
Adjustment relating to previous years	-17	100
Depreciation for the year	2,646	4,669
Depreciation and impairment losses at 31 December 2022	**57,308**	**91,232**
Carrying amount at 31 December 2022	**45,276**	**22,373**

	Parent Company	
	Other plant, machinery tools and equipment	Leasehold improvements
Cost at 1 January 2022	26,295	0
Adjustment relating to previous years	-122	0
Additions	0	878
Cost at 31 December 2022	**26,173**	**878**
Depreciation and impairment losses at 1 January 2022	25,312	0
Adjustment relating to previous years	-122	0
Depreciation for the year	582	160
Depreciation and impairment losses at 31 December 2022	**25,772**	**160**
Carrying amount at 31 December 2022	**401**	**718**

NOTES

	Note
Financial non-current assets	**10**

	Parent Company
	Investments in subsidiaries
Cost at 1 January 2022	63,295
Cost at 31 December 2022	**63,295**
Carrying amount at 31 December 2022	**63,295**

Investments in subsidiaries

Name and domicil	Ownership
Expedit AB, Nässjö	100 %
Expedit Norge AS, Sandefjord	100 %
SIA Expedit Baltic, Liepaja	100 %
Espedit Finland Oy, Vantaa	100 %

Impairment tests have been performed for the Swedish, Finnish and Norwegian subsidiaries, which support the carrying amount of investments.

Deferred tax assets 11

Deferred tax assets arise primarily from tax loss carryforwards. The losses are expected to be realisable within the foreseeable
future.

	Group		Parent Company	
	2022 DKK '000	**2021** DKK '000	**2022** DKK '000	**2021** DKK '000
Deferred tax, beginning of year	4,438	3,572	1,000	1,000
Deferred tax of the year, income statement	-3,034	866	-1,000	0
Provision for deferred tax 31 December 2022	**1,404**	**4,438**	**0**	**1,000**

Prepayments 12

Prepayments include prepaid costs, primarily insurance and quotas that relate to the following year.

NOTES

	2022 DKK '000	2021 DKK '000	Note
Share capital			13
Allocation of share capital:			
Shares, 154,000 unit in the denomination of 100 DKK	15,400	15,400	
	15,400	**15,400**	

Provision for deferred tax 14

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deferred tax, beginning of year	1,860	6,311	0	4,338
Deferred tax of the year, income statement	3,589	-4,451	3,460	-4,338
Deferred tax (provision)	**5,449**	**1,860**	**3,460**	**0**

Other provisions 15

Other Provisions consists of warranty obligation

Long-term liabilities 16

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Debt to mortgage credit institution	21,791	2,575	11,279	23,372
Lease liabilities	3,565	1,262	0	6,063
Debt to Group companies	113,438	61,358	0	177,870
	138,794	**65,195**	**11,279**	**207,305**

	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Debt to mortgage credit institution	21,791	2,575	11,279	23,372
Lease liabilities	3,565	1,262	0	6,063
Debt to Group companies	112,647	60,567	0	188,959
	138,003	**64,404**	**11,279**	**218,394**

NOTES

Note

Contractual obligations, contingencies, etc. 17
Operating leases
Interminable operating leases are as follows:

Contingent liabilities

	Group		Parent Company	
	2022 DKK '000	**2021** DKK '000	**2022** DKK '000	**2021** DKK '000
Lessor				
0-1 year	0	0	1,294	1,294
1-5 year	0	0	485	1,778
> 5 year	0	0	0	0
	0	**0**	**1,779**	**3,072**
Lessee				
0-1 year	13,590	10,479	7,819	5,142
1-5 year	14,093	16,104	6,415	5,005
> 5 year	0	0	0	0
	27,683	**26,583**	**14,234**	**10,147**

Operating lease liabilities comprise of machinery for the Parent Company. Derived income is recognised as operating income.

Operating lease liabilities comprise lease of operating equipment (term of up to four years) and rent agreements with a term of up to three years.

Note

Charges and securities 18

In addition to mortgage loans of DKK 2.4 million (2021: DKK 3.1 million) secured upon land and buildings and related property, plant and equipment with a carrying amount of DKK 45 million, the following assets have been provided as collateral for the Group's and the Parent Company's bank loans, etc.:

	Group		Parent Company	
	2022 DKK millions	2021 DKK millions	2022 DKK millions	2021 DKK millions
Mortgage deed registered to the mortgagor of DKK 52.6 million (2021: DKK 52.6 million) secured on property, plant and equipment with a carrying amount of:.................	45	46	45	46
Company charge of DKK 39.0 million (2021: DKK 39.0 million) secured on the Parent Company's assets (receivables, inventories, plant and machinery, fixtures and fittings, tools and equipment as well as assets under construction) with a carrying amount of:....................	214	301	214	301

A guarantee has been provided for bank loans of the subsidiary at a maximum of DKK 15.6 million.

Related parties 19

Expedit a/s' related parties comprise the following:

Control
Wanzl GmbH & Co. KGaA, Rudolf-Wanzl Strasse 4, 89340 Leipheim, Germany.

Wanzl GmbH & Co. KGaA holds the majority of the contributed capital in the Company.

Expedit a/s is part of the consolidated financial statements of Wanzl GmbH & Co. KGaA, Leipheim Germany, which is the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

Transactions with related parties
The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

NOTES

	Note
Significant events after the end of the financial year	**20**

No events have occurred after the balance sheet date to this date which may influence the evaluation of this annual report.

ACCOUNTING POLICIES

The Annual Report of EXPEDIT A/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, large-size enterprises.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company EXPEDIT A/S and the subsidiaries in which EXPEDIT A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquirer at the acquisition date that are not a part of the acquisition are included in the pre-acquisition balance sheet and thus the determination of goodwill. Restructuring that is adopted after the acquisition is recognised in the income statement. The tax effect of revaluations is recognised as deferred tax.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the merger without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

ACCOUNTING POLICIES

Where products with a high degree of individual adjustment are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total income and expenses regarding the contract and the degree of completion at the Balance Sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the Company.

Sale of services is generally recognised on the basis of a measurable degree of completion, using straight-line recognition of services delivered over time in a regular pattern. Where the degree of completion is not measurable or the sales value or the total costs of completion are uncertain, revenue is recognised by the amount that the enterprise as a maximum believes to have a right to claim and is expected to be received for services delivered at the Balance Sheet date.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Production costs
Production costs comprise the costs of manufacture and procurement paid to achieve the net revenue for the year, including costs of raw materials and consumables, wages and salaries, energy, maintenance, leasing and depreciation of production plant, and adjusted for changes in inventory of finished goods and work in progress.

Amortisation of capitalised development and research costs and the development costs that do not fulfil the criteria for capitalisation are also recognised in production costs.

Moreover, provisions for losses on contract work are recognised.

Distribution costs
The costs paid for the distribution of goods sold during the year and for sales campaigns, etc. carried out during the year are recognised in distribution costs. The cost of sales personnel, advertising and exhibition costs and amortisation of distribution and sales related assets are also recognised in distribution costs. Common losses on bad debts are also recognised.

Administrative expenses
Administrative expenses recognise costs incurred during the year regarding management and administration, inclusive of costs relating to the administrative staff, Executives, office premises, office expenses, etc., and related amortisation.

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group’s and the Company’s activities. Losses from sale of intangible and tangible fixed assets are also included.

Income from investments in subsidiaries
Dividend from subsidiaries is recognised in the financial year in which the dividend is declared. In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

ACCOUNTING POLICIES

BALANCE SHEET

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Buildings	20-40 years
Other investment assets	5-10 years
Production plant and machinery	5-10 years
Other plant, fixtures and equipment	3-5 years
Leasehold improvements	5-10 years

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Lease contracts
Lease contracts relating to tangible fixed assets
for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets

ACCOUNTING POLICIES

Investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Acquired enterprises are subject to the acquisition method, reassessing all identified assets and liabilities to fair value at the acquisition date. The fair value is calculated based on acquisitions made in an active market, alternatively calculated using generally accepted valuation models. A discounted cash flow model is used to calculate the fair value of investment properties based on a discounted cash flow of future earnings. Operating equipment is recognised at fair value based on an assessor's opinion, based on an overall assessment of the production equipment. The acquisition date is the date on which the Company gains actual control over the acquired entity.

Consolidated goodwill is amortised over the expected useful life, which is determined on the basis of Management's experience within the individual lines of business. Consolidated goodwill is amortised on a straightline basis over the amortisation period, which is X years. The amortisation period is determined on the basis of an assessment of the acquired entity's market position and earnings profile, and the industryspecific condition.

Other receivables are measured at amortised cost which usually corresponds to the nominal amount. The amount is written down to meet expected losses.

Impairment of fixed assets
The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

ACCOUNTING POLICIES

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Equity

Dividends
The expected dividend payment for the year is disclosed as a separate item under equity.

Other provisions for liabilities
Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructurings etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated on the contract.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff 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 under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

The capitalised remaining lease liability on finance lease contracts is also recognised as financial liabilities.

ACCOUNTING POLICIES

Derivative financial instruments
On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments designated as or qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the assets or liabilities. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Changes in the fair value of derivative financial instruments used for hedging of net investments in separate foreign subsidiaries or associates are recognised directly in equity.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments taken out for the purpose of hedging investments in foreign subsidiaries are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

ACCOUNTING POLICIES

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.