

HAVI Logistics ApS
Transitvej 60
7100 Vejle

CVR-nr. 13 78 86 42

Annual report
2023

(External)

The annual report is presented and
approved at the annual general meeting
June 21st. 2024

Chairman
Kristian Gorm Jørgensen

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1. Management Statement

Annual report 2023 for HAVI Logistics ApS, Vejle (HL-DK), was submitted by the management today.

This annual report was prepared in accordance with the Danish Financial Statements Act.

We consider all used accounting policies appropriate and therefore the annual report presents a true and fair view of the company's assets and liabilities, its financial position and the 2023 result.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the Review.

The annual report is recommended to the annual General Assembly for approval.

Vejle, June 21st. 2024

Executive Board:

Kristian Gorm Jørgensen
Managing Director

Board of Directors:

Kristian Gorm Jørgensen

Jari Vesa Nurmi

Ola Rickard Niedomysl

2. Independent Auditor's Report

To the Shareholders of HAVI Logistics ApS

Opinion

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

We have audited the Financial Statements of HAVI Logistics ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

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

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of 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 about whether the financial statements, 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 based on these financial statements.

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

- 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.
- 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 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.

Vejle, June 21st. 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Lars Almskou Ohmeyer
State Authorized Public Accountant
mne24817

3. Company Information

Company: HAVI Logistics ApS
c/o DTC Transitvej 60
DK-7100 Vejle

Phone: 7572 5088
Fax: 7572 4055
Homepage: www.havi.com

Reg.no.: 13 78 86 42
Founded: January 1st, 1990
Registered office: Vejle
Financial year: January 1st – December 31st

Board of Directors: Kristian Gorm Jørgensen
Jari Vesa Nurmi
Ola Rickard Niedomysl

Executive Board: Kristian Gorm Jørgensen

Auditor: PricewaterhouseCoopers
Statsautoriseret revisionspartnerselskab
Herredsvej 32
7100 Vejle

Annual General Meeting: Annual general meeting is held on June 21st., 2024, at the address of the company.

4. Key Figures

Income statement	2023 TDKK	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK
Revenue	1.852.862	1.697.425	1.321.888	1.121.111	1.188.837
Gross result	102.290	98.091	77.804	69.549	69.685
Result of main activities	5.144	9.381	9.066	6.205	7.329
Financial net items	1.079	485	103	487	342
Annual result	4.829	7.676	7.362	5.105	5.564
Balance sheet					
Balance sheet amount	257.826	284.915	250.315	200.512	197.036
Equity	14.378	17.225	16.911	14.654	15.113
Cash flows					
Operating activity	-25.377	-10.221	11.379	16.062	13.660
Investment activity	-2.290	-7.637	-1.765	-721	-3.147
Hereof investment in intangible and tangible fixed assets	-2.290	-7.637	-1.765	-721	-1.520
Financial activity	-7.676	-7.506	-5.105	-5.564	-8.391
Employees					
Average, full-time employees.	175	162	130	122	128
Key figures					
Key figures in %					
Gross margin	5,52%	5,80%	5,90%	6,20%	5,90%
Net profit rate	0,28%	0,60%	0,70%	0,60%	0,60%
Yield rate	1,93%	3,60%	4,10%	3,20%	3,90%
Equity rate	5,57%	6,05%	6,80%	7,30%	7,70%
Return on Equity	30,56%	44,79%	46,60%	34,30%	33,70%

5. Management report

5.1. Business Model

HAVI Logistics ApS (HL-DK) is 100% owned by HAVI Global Logistics GmbH with The HAVI Group LP as ultimate parent, and part of the HAVI supply chain.

HL-DK's philosophy is based on the principle of "One Stop Shopping", mainly serving Quick Service Restaurants (QSR). HL-DK's business model enables its customers to fully focus on their core business as HL-DK integrates itself into the customers supply chain. HL-DK's customers design their own supply chain, define product ranges, and negotiate all conditions with its suppliers. Once conditions have been established, HL-DK takes over the operational management of the supply chain, ensuring optimization, consistency, compliance, and transparency. HL-DK takes on procurement, customer service, supply chain quality management and distribution of supplies for its customers. HL-DK activities are directed entirely to the rendering of logistics services, with a focus on value adding offerings.

HL-DK assumes ownership of goods but does in principle not bear any risk, as all procurement activities are performed based on contracts and product specifications defined by the customers. This activity works as a pass-through sales activity where HL-DK initially buys goods for its customers from the suppliers chosen by the same customers. Next HL-DK resells the goods to the customers at the buying price negotiated by the customers and with a logistic service markup added – this enables the direct sourcing model for the customers.

HL-DK HQ is based in the distribution centre in Vejle, and daily business is run out of HAVI's two leased distribution centres in Vejle and Ishøj. HL-DK is currently servicing around 330 delivery points (restaurants/coffee bars /stores). HL-DK predominantly uses its own warehouse- and distribution staff as well as leased/company owned distribution trucks. Subcontractors are used where needed. In total HL-DK owns 23 trucks, all used for distribution. HL-DK employs 175 people, all located in Denmark.

For additional information visit [HAVI.com](https://www.havi.com)

5.2. Exceptional conditions

No exceptional conditions have been found.

5.3. Uncertainties in recognition and measurements

No uncertainties have been found.

5.4. Development in the financial year

In the year of 2023 the Net Sales of HL-DK continued to develop positively (+9% from 2022), with also the Gross profit increasing +4% from 2022.

Due to the challenged purchasing power of the end-customers, high inflation, economical uncertainty and the recession of Denmark in 2023, the volume and cost situation has been challenging, which HL-DK has been able to mitigate in a successful way.

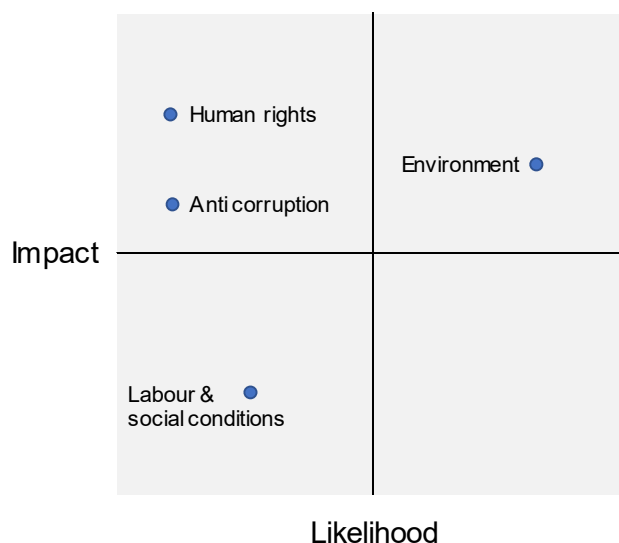
Despite these general industry challenges, HL-DK has been able to maintain the growth strategy with existing customers and starting with new - while still generating also a healthy profit of 4.8 mDKK.

5.5. Corporate Social responsibility

We draw attention to section 5.1 for a description of our business model.

5.5.1. Determination of main risk areas

HL-DK has conducted a risk assessment based on the inside-out view to identify the main impacts and risks in the areas of human rights, environment, anti-corruption, labour- and social conditions. The risk assessment is based on a method where risks are identified as the likelihood and impact and the basic matrix score can be seen in the below matrix figure:



The risks are managed/mitigated through policies and standards which are defined by the group or locally within HL-DK. Policy/standards implementation, risk mitigation, actions and results are presented in the below.

5.5.2. Human rights

5.5.2.1. Policies

HL-DK is supporting and complies with the human rights as set out in the UN Declaration of Human Rights.

As it is both in the interest of HL-DK and its customers to comply with the human rights defined by UN, HL-DK is conducting the Supplier Workplace Accountability audit (SWA) by means of an independent external auditor every second year.

Besides the SWA, HL-DK follows the global HAVI policies related to human rights, being policies on Diversity, for the HAVI Values see <https://www.havi.com/who-we-are> and Code of Conduct. According to The Diversity Policy, HL-DK is not allowed to discriminate based on colour, nationality, sex, age, religion, disability, sexual orientation, or any other characteristic protected by law.

The Code of Conduct outlines that:

- UN declaration of human rights shall be followed, that HL-DK shall treat its employees fair and ensure a workplace free from discrimination and shall pay their employees per market standards and not below lawful wages.
- Workplace environment shall be safe, and all workers shall receive training on emergency procedures.
- Employees in HL-DK shall act with business integrity by being compliant with law, not be involved in any bribery, kickbacks, corruption, extortion, or embezzlement.

The SWA describes guidelines to assist HL-DK within the following working conditions:

Hiring/Employment Practices

- Working Hours
- Compensation and Benefits
- Workplace Protections (Discrimination, Harassment & Abuse)
- Workplace Health and Safety
- Emergency Planning
- Environment
- Sourcing Practices

Based on the risk assessment, the main risks in the area of Human rights are discrimination, unfair treatment, unsafe work environments and corruption. All these mentioned risks are actively mitigated by the mentioned HAVI policies and needed actions.

Expectations for the future are that HAVI will continue to set high standards for itself, continuously improve employee engagement (next Global Employee Survey will be conducted in June 2024) and act on any deviations. As we continue to evolve as an organization, it is especially important that we hear and understand how we're doing, where we can grow, and what we can do differently. This will help us to improve our ability to provide a supportive and inclusive environment for all. Beyond the standard survey questions, this year we've expanded and updated the question set to learn also more about Leadership & Culture, Wellbeing and Inclusion and Working Together.

5.5.2.2. Actions and Results

To ensure compliance with human rights, every second year HL-DK is conducting the SWA by means of an independent external auditor. This is supplemented by annual internal audits (questionnaires) for each active DC.

In 2023, SWA has been conducted in April with a score of colour Amber with 3 findings.

HL-DK is also a member of the Dansk Arbejdsgiverforening (Danish employer association) and has signed and complies with union agreements for all work areas within the company.

In June 2023 HAVI conducted a global employee survey was, the participation rate for HL-DK was the highest recorded. The survey showed no significant findings.

Furthermore, HAVI has a global whistleblower hotline which is promoted to all employees by HL-DK. All employees are regularly reminded how to get in touch with and how to report incidents to this hotline.

In 2023 no incidents related to HL-DK was reported to the Whistle blower hotline.

5.5.2.3. KPIs & Due Diligence

HL-DK continuously assesses potential risks and liabilities regarding our compliance with and development of human rights and working conditions.

Internally, CBA Compliance worked into every aspect of compensation management, from standardized contracts by the union to time- and attendance systems being able to flag deviations and require actions.

Externally, ongoing risks include the actions of close associates, e.g., Temp agencies etc. HL-DK ensures all partners are informed of and signs our code of conduct, with direct references to Human Rights areas, national legislation. Similarly, the Danish workforce conditions are monitored closely by both legislators/governing bodies and industry organizations. HL-DK has an outstanding working relationship with our associated union's (3F) local office and continuously ask for assessment of our conditions to ensure leading compliance standards.

5.5.3. Labour and Social conditions

5.5.3.1. Policies

HL-DK's most important asset is its workforce and HL-DK is aiming at being known as a company taking care of its employees and actively contributing to job satisfaction, well-being, development, and safety.

HL-DK has a Job Satisfaction and Well-being Policy as well as a Health and Safety policy which are all covered in the employee handbook which the employee receives at the first day of employment.

Based on the conducted risk assessment, the main risks in the area of Labour and social conditions are biased behaviour, work related accidents in unsafe work environments, long term illness and low job satisfaction. All these mentioned risks are actively mitigated by the HAVI policies and needed actions.

Expectations for the future are that HAVI will continue to set high standards for itself, continuously improve the employee Labour and social conditions and act on any deviations.

5.5.3.2. Actions & Results

Continuing the development from awareness to advocacy, Diversity, Equity & Inclusion (DE&I) initiatives in HL-DK have in 2023 continued focus on hiring, talent pipelines, equal opportunities, and development, to ensure unbiased behaviours. The results of these efforts can be seen in the very positive gender development in BC departments, as well as a focus on internal and external social responsibility.

Continuing the positive state in HL-DK, no incidents have been reported on the ethics and whistleblower platform in 2023.

S-AMO (Cooperation and Working Environment) meetings are being held on a quarterly basis and in each meeting topics as safety, job satisfaction and well-being of the employees are being discussed.

Every year performance appraisals are conducted. Besides performance, job satisfaction, education and future opportunities are evaluated.

A variety of safety trainings are conducted for relevant blue and white collars on a yearly basis.

Seeing the positive benefits of an active remote work policy, HAVI have implemented a pull-based policy. Based on Danish registration, requirements are in line with health and safety regulations. Additionally, tasks, product, and expectations are set between employee and manager to ensure continuous alignment in an angle work-from-home setting. This is a precondition for the managers to use and approve working from home.

Every second year a global employee satisfaction survey is conducted. Each year the global employee satisfaction survey is not conducted, a smaller employee satisfaction is conducted every quarter. The responders are picked randomly from the list and their answers are used to measure the development of employee satisfaction based on the results from the latest global employee satisfaction survey. The results of these survey are discussed in chapter 5.5.2.2.

5.5.3.3. KPIs & Due Diligence

HL-DK is on a continuous basis measuring the:

- Illness rate
- No. of accidents at work and the no. of near miss accidents
- Fluctuation rate
- Safety trainings tracked via the HR management system

Of equal importance is the positive development in data foundation and data management of the above areas. Increased emphasis on structured data insights has created the opportunity to work with, detect and proactively handle e.g., illness tendencies and overall employee wellbeing. Specifically, employee safety, wellbeing and social conditions are being prioritized equally. Through ongoing engagement and workplace surveys HL-DK conducts continuous due diligence analysis of relevant conditions. Also, HL-DK commits to a yearly internal review process of the above metrics. This is done through surveys, organizational areas of emphasis and department/team workshops aimed at identifying, counteracting or reinforcing behaviours that detract or strengthen our company's work- and social conditions.

5.5.4. Environment

5.5.4.1. Policies

The guiding principles on environment are based on the Environmental Policy which outlines that HL-DK always must act in an environmentally responsible manner. Examples could be, when purchasing or replacing trucks, consideration must be put on potential environmental impact and route plans must be made with the aim of minimizing environmental impact.

Based on the conducted risk assessment, the main risks in the area of Environment are pollution, increased carbon footprint and leakages caused by accidents or malfunctions. All these mentioned risks are actively mitigated by the HAVI policies and needed actions.

Expectations for the future are that HAVI will continue to set high standards for itself, actively reduce its carbon footprint every year and achieve net zero carbon emissions by 2050 and achieve zero waste to landfill in our owned/direct operations by 2025.

5.5.4.2. Actions & Results

Driving in major cities requires trucks approved in accordance with EURO norm 6. Outside the cities there are no requirements as to EURO norms 6. In 2023 HL-DK has increased our fleet to 23 trucks. Of these 23 are in accordance with EURO norm 6.

The HL-DK fuel consumption optimization project is ongoing. By optimizing driving patterns, drivers are being measured on their driving performance and by doing that HL-DK have already optimized its fuel consumption and continues to do so.

In 2023 we have also created a roadmap for the future to run our trucks on bio-diesel and we are investigating the potential moment to move into this.

As HL-DK are serving global customers, HL-DK's responsibility reaches further than just the borders of Denmark. For several years HL-DK has coordinated its transportation efforts with our Nordic business partners and made the Vejle DC a central hub for goods coming from the south to the north. This way, HL-DK reduces the carbon footprint for articles that are to be delivered from the south of Europe to the north as the articles are transported from the south to Vejle, bundled to full loads and then moved to the Nordic countries. In 2022 new initiatives was completed and implemented so this concept has been further optimized. This concept will continuously be optimized each year.

As part of the continued focus on reducing the carbon dioxide footprint HL-DK has planned and ordered installation of solar panels for both DC's. The first project in Ishøj was completed in 2023 and Vejle project will be finalized in 2024. In addition to the solar panels HL-DK moved also in 2023 to 100% renewable electricity in with the electricity that is purchased from the market.

5.5.4.3. KPIs & Due Diligence

HL-DK reports a variety of KPIs related to the business impact on the environment to its head quarter and several are related to CSR. Amongst others HL-DK is on a continuous basis measuring the:

- Energy consumption:
 - Electricity consumption in kWh
 - Gas consumption in m³
 - CO₂ emission in tons
- Km driven
- Diesel consumption per 100 km

HL-DK continuously assesses potential risks and liabilities regarding our environmental impact, risks, and areas of positive improvement. Specifically, our quarterly tour plan centres on minimizing emissions through operational efficiency. Energy consumption at our DCs is continuously assessed to change necessary fixtures and sources in order to minimize the impact from our daily use. HL-DK is also looking into possible ways of incentivising environmentally friendly actions tied to daily operations, from fuel consumption to repairs.

Likewise, our ongoing commitment to streamline Nordic transport collaboration creates a natural due diligence process around environmental impact minimization.

5.5.5. Anti-corruption

5.5.5.1. Policies

HL-DK disassociates itself from corruption. The disassociation is expressed in the policies:

- The Ethical Business Conduct
- Code of Conduct, that is shared in the employee handbook and is shared with the HL-DK main suppliers

The Ethical Business Conduct and the Code of Conduct outlines that:

- Employees in HL-DK must act with business integrity by being compliant with law, not be involved in any bribery, kickbacks, corruption, extortion or embezzlement. All business activities shall be conducted with honesty, integrity, and in accordance with the moral, ethical and legal standards of the countries in which HL-DK conducts its business.

Based on the conducted risk assessment, the main risks in the area of Anti-corruption are fraud, embezzlement, bribery and mismanagement. All these mentioned risks are actively mitigated by the HAVI policies and needed actions.

Expectations for the future are that HAVI will continue to set high standards for itself, continuously train all of our employees in anti-bribery & anti-corruption and monitor & act on any deviations.

5.5.5.2. Actions & Results

HAVI has established a global whistle-blower hotline which is promoted to all employees by HL-DK. All employees have been instructed how to get in touch with and how to report incidents to this hotline.

In 2023 there was 1 incident related to HL-DK that was reported to the Global Whistle-blower hotline. This was related to a DC Ishøj warehouse employee behaviour and was handled according to the Global process.

The HAVI Group has established a yearly anti-bribery & anti-corruption training program which is every year completed by a group of random selected employees (also in 2023). The focus continues to be developed – latest initiative is an easy accessible reporting tool on the HAVI intranet.

No corruption or bribery related incidents were raised in HL-DK during 2023.

5.5.5.3. KPIs & Due Diligence

HL-DK continuously assesses potential risks and liabilities regarding corruption and ongoing monitoring of anti-corruption policy compliance. Specifically, transactions beyond our minimum threshold are always subject to minimum our “4-eye principle”. This covers all investment areas, from materials to hires and mid-year salary or cost changes to people or projects.

Risks include mismanagement of transactions above the acceptable threshold (division of costs) and mismanagement of company agreements. Monthly cost- and budget reviews are key in monitoring this risk and is being further implemented as a central structure for all departments.

5.6. Particular risks

5.6.1. Currency risks

Activities abroad mean that result, cash flow and equity are affected by current exchange rates and interest developments. It is company policy to uncover commercial currency risks. The uncovering is primarily done by currency forward transactions to uncover expected turnover and procurement within the next 12 months. No currency speculation transactions are made.

5.6.2. Interest risks

Based on the business model and the liquidity resources in the group, management evaluates if moderate changes of interest level will have minor effects on the result. Therefore, no positions to cover interest risk is taken.

5.7. Development activities

The company does not have specific development activities.

5.8. Report on gender representation per section 99b of the Danish Financial Statements Act.

HL-DK is following the global gender representation policy provided by the HAVI Group LP which in short, directs HL-DK to employ the best qualified candidates to the job based on skill and qualifications. However, HAVI Logistics ApS are also to set up policies and targets for gender representation for the board of directors and management. In order to achieve these legal demands, HL-DK will work towards to increase the number of people of the underrepresented gender in both the board of directors and management and will always strive for gender equality unless it conflicts with the global policy regarding employing the best qualified candidate.

Specifically, DE&I (Diversity, Equity & Inclusion) targets have been set for Operations- and Managing Directors. These are tasked with driving local three-year plans to level gender distribution in our Blue-Collar segment and to reach 35% female employees, company wide by 2026. HAVI Group LP also establishes DE&I targets for all levels of employees.

Within recruitment HL-DK is working with several tools and processes to identify previous bias and evolve our attraction methods, e.g., writing tools that identify biased wording and equal amounts of male and female candidates for managerial review. HL-DK is also working towards “blind CVs” to remove and bias from the screening process.

Although industry conditions limit the speed in which the BC workforce can reach equal gender distribution, our approach has led to several female hires across HL-DK.

5.8.1. Target for gender representation for the boards of directors.

The board of directors have set a target that the percentage of member from the underrepresented gender shall at minimum be 33,33% under the condition that the total number of board members remain three.

At the time of the financial reporting in 2023, the distribution of the board members based on gender is as follows:

- 100% male (3 / 3 members)
- 0% female (0 / 3 members)

The above-mentioned target has not been achieved during 2023 due to no board members resigned from their position and there has not been a need to increase the amount of board members.

HL-DK will strive to achieve this target within three years and at fiscal year 2026 at the latest. We recognise the need for a continued effort to achieve our targets. When a board position is opened, there will be a focus in the recruitment to specifically look for the underrepresented gender.

5.8.2. Target for gender representation for Executive Management.

The Executive management has set a target that the percentage of members from the underrepresented gender shall reach a minimum of 50% latest by fiscal year 2026

At the time of the financial reporting, the distribution of the Executive management based on gender is as follows:

- 50 % male (3 / 6 members)
- 50 % female (3 / 6 members)

With the current number of persons and their gender the Executive management has reached equal gender distribution (50%/50%) and with this the targeted distribution for 2023 was reached.

Table: Gender distribution within management

Board of directors			
Consist of the three board members appointed by the owner to supervise the company			
Amount of members	Underrepresented gender (%)	Target	Year to achieve target
3	0%	33%	2026
Executive Management team			
The SLT consists of the Managing director, the operations lead, finance lead, procurement lead, people lead and QA lead			
Amount of members	Underrepresented gender (%)	Target	Year to achieve target
6	50%	50%	Achieved in 2023

This target is aligned with HAVI's global DE&I Policy and is supported by our recruitment and succession planning policies. We continued our mandatory DE&I training for all new managers and HR staff during 2023. Further development of initiatives to maintain this target will continue during 2024.

5.9. Statement of policy on data ethics per section 99d of the Danish Financial Statements Act.

It is the company's assessment that it does not have data that has not already been adequately handled via the GDPR legislation, which is why there is currently no considered to be need of pure data ethics policy.

5.10. The expected development

The general Danish economy has had a slow start of 2024 due to the negative purchasing power outlook, inflation and recession. None the less the company plans a continued expansion of the number of customers served in 2024 as a result of the increase in capacity in the Copenhagen distribution centre. In addition we expect a continued growth of business with the existing customers. The company has had a satisfactory start of 2024, which reinforces the trust in the current setup and the effects of the initiated activities.

The gross result of 2023 increased with 4,3%. This is below the expectations of 5-10% growth. But given the financial situation the board considers this acceptable.

The extension of the DC Copenhagen and the associated organisational changes, in combination with a nervous financial environment is expected to have an effect on the financial result of 2024. The management expects the gross result of 2024 to improve to a level 5-10% above the level of 2023. Whereas the growth in annual result is expected to be on a lower level.

6. Accounting policies

The annual report was prepared in accordance with the provisions of the Danish Financial Statements Act applying to big-sized enterprises of reporting Class C.

Accounting policies are consistent with last year.

The Financial Statements for 2023 are presented in DKK.

6.1. Generally, about calculation and measurement

Revenue is included in the income statement on a continuous basis and value regulations of financial assets and liabilities are included. All costs, among those depreciations and devaluations are also included in the income statement.

Assets are included in the balance sheet when it is likely that financial advantages will accrue to the company and an authentic measurement of the asset value is possible.

Liabilities are included in the balance sheet when it is likely that future financial advantages will be deducted from the company and an authentic measurement of the liability is possible.

In the first calculation assets and liabilities are measured at cost price. Subsequently, assets and liabilities are measured in accordance with description for each item below.

By calculating and measuring, predictable losses and risks, appearing before the presentation of the annual report, are taken into consideration.

6.2. Foreign Currency

Foreign currencies are converted in accordance with the transaction day rate.

Receivables and debts in foreign currencies are converted in accordance with the exchange rate of the balance sheet date.

Foreign exchange rate adjustments are included in the income statement.

6.3. Derivative financial instruments

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

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

6.4. Hedge accounting

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

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

7. The income Statement

7.1. Revenue

Revenue from the sale of commodities and finished goods is included in the income statement, when delivery and transfer of risk has taken place before year end.

Revenue is included exclusive of VAT and net of discounts relating to sales.

7.2. Other operating income

Other operating income and other operating costs include accounting items of a secondary nature in relation to the company's main activity, including profit and loss from the sale of intangible and tangible fixed assets.

7.3. Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise raw materials and consumables used to achieve revenue for the year.

7.4. Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses etc.

7.5. Staff expenses

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

7.6. Financial entries

Financial entries include interest income and -expense, as well as fees and allowances in accordance with payment of company tax legislation on account.

7.7. Corporate tax of the year

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

8. Balance Sheet

8.1. Tangible fixed assets

Hardware, equipment, furniture, and vehicles are valued at cost price minus accumulated depreciations.

The depreciation basis is cost price minus expected remaining value after ended useful life.

Linear depreciations are made based on the following valuation of the expected useful life of assets:

Hardware	3 years
Other Equipment	3 – 5 years
Furniture	12 years
Vehicles	3 - 10 years

Depreciation period and residual value are reassessed annually.

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, the asset is written down to its lower recoverable amount.

8.2. Financial fixed assets

Financial fixed assets reflect payment of deposit for property lease agreements.

8.3. Current assets

8.3.1. Inventory

Inventory is valued at cost price or net realization value if lower.

Cost price for commodities includes initial cost-plus purchase costs.

Net realization value for inventory is balanced as sales price minus defrayed costs to effectuate the sale and is fixed considering marketability, obsolescence and development in expected sales price.

8.3.2. Receivables

Receivables are balanced to nominal value minus possible provisions for anticipated losses.

8.3.3. Prepaid expenses

Prepaid expenses balanced under assets include paid expenses concerning subsequent financial year.

8.3.4. Liquidity

Cash includes cash at hand and in banks.

8.4. Equity

Dividend, expected to be paid out for the year, is shown as a separate entry under equity.

8.5. Deferred tax assets and liabilities

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

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

Deferred tax is measured on basis of current tax rules and rates at the date of the balance sheet when the deferred tax is expected to materialize into actual tax. Any changes in deferred tax due to changes in tax rates are recognized in the income statement.

8.6. Current tax receivables and liabilities

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

8.7. Liabilities

Liabilities are measured at nominal value, corresponding to (or almost corresponding to) amortized cost price.

9. Cash flow statement

The cash flow statement reflects the company cash flow for the year, broken down in operating activities, investment activities and financing activities for the year, changes for the year in cash and cash at the beginning and end of the year.

9.1. Cash flow from operating activity

Cash flows from operating activities are calculated as the net profit for the year adjusted with non-cash operating items, changes in working capital and paid company tax.

9.2. Cash flow from investment activity

Cash flows from investment activities include payments related to purchase and sale of fixed assets.

9.3. Cash flow from financing activity

Cash flows from financing activity include raise of loans, repayment on interest-bearing debt and payment of dividend.

10. Calculation of Key figures

Key figures stated in the main- and key figure view are calculated as follows:

Gross margin	$\frac{\text{Gross result} \times 100}{\text{Net turnover}}$
Net profit ratio	$\frac{\text{Result of ordinary activities} \times 100}{\text{Net turnover}}$
Yield rate	$\frac{\text{Result of ordinary activities} \times 100}{\text{Average assets ex. financial assets}}$
Equity rate	$\frac{\text{Equity excl. minority shareholders, ultimo} \times 100}{\text{Total liabilities, ultimo}}$
Return on equity	$\frac{\text{Result for analysis purposes} \times 100}{\text{Average equity ex. minority shareholders}}$

Income statement January 1 - December 31

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 TDKK</u>
Net Sales	1	1.852.861.979	1.697.425
Change in inventory reserve		-4.975.245	25.778
Other operating income		26.230.421	29.256
Purchased goods		-1.697.408.006	-1.591.552
Other external expenses		-74.489.355	-62.816
Gross profit		102.219.794	98.091
Staff expenses	2	-95.117.040	-87.393
Depreciations		-2.028.789	-1.317
Gains from sales of tangible assets		70.000	0
Operating profit		5.143.965	9.381
Financial income		1.228.736	634
Financial expenses		-149.300	-149
Profit before tax		6.223.401	9.866
Corporate tax for the year	3	-1.394.392	-2.190
PROFIT FOR THE YEAR	4	4.829.009	7.676
Proposed distribution of profit			
Profit for the year		4.829.009	7.676
For disposition		4.829.009	7.676
Dividend		4.829.009	7.676
Totally disposed		4.829.009	7.676
<i>Totally disposed</i>			

Balance sheet as per December 31.

ASSETS

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 TDKK</u>
Other fixtures and fittings, tools and equipment		7.271.579	6.762
Leasehold Improvements		<u>1.770.317</u>	<u>2.107</u>
Tangible assets	5	<u>9.041.896</u>	<u>8.869</u>
Lessee deposit	6	<u>3.859.134</u>	<u>3.700</u>
Financial fixed assets		<u>3.859.134</u>	<u>3.700</u>
FIXED ASSETS		<u>12.901.030</u>	<u>12.569</u>
Inventory		<u>96.055.721</u>	<u>101.031</u>
Inventory		<u>96.055.721</u>	<u>101.031</u>
Trade accounts receivable		126.593.063	119.270
Receivables at group companies		7.741.165	3.885
Other receivables		3.347.594	2.774
Deferred tax	7	371.172	1.397
Receivable corporation tax		685.026	0
Prepaid expenses	8	<u>4.719.190</u>	<u>3.234</u>
Receivables		<u>143.457.210</u>	<u>130.560</u>
Cash at banks and in hand		<u>5.412.143</u>	<u>40.755</u>
CURRENT ASSETS		<u>244.925.074</u>	<u>272.346</u>
TOTAL ASSETS		<u>257.826.104</u>	<u>284.915</u>

Balance sheet as per December 31.

LIABILITIES

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 TDKK</u>
Share capital		500.000	500
Dividend		4.829.009	7.676
Retained earnings		<u>9.048.963</u>	<u>9.049</u>
Equity		<u>14.377.972</u>	<u>17.225</u>
Trade accounts payable		187.507.792	208.968
Accounts payable to group companies		5.882.106	3.770
Corporation tax		0	482
Other payables		<u>50.058.234</u>	<u>54.470</u>
Short-term debt		<u>243.448.132</u>	<u>267.690</u>
TOTAL DEBTS		<u>243.448.132</u>	<u>267.690</u>
TOTAL LIABILITIES AND EQUITY		<u>257.826.104</u>	<u>284.915</u>

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Statement of changes in equity

Equity

	January 1, 2023	Dividend	Proposal for appropriation of result	December 31, 2023
Share capital	500.000			500.000
Dividend	7.676.112	-7.676.112	4.829.009	4.829.009
Retained earnings	<u>9.048.963</u>	<u>0</u>	<u>0</u>	<u>9.048.963</u>
	<u>17.225.075</u>	<u>-7.676.112</u>	<u>4.829.009</u>	<u>14.377.972</u>

Cash flow statement

	<u>Note</u>	<u>2023 DKK</u>	<u>2022 TDKK</u>
Profit for the year		4.829.009	7.676
Adjustments	13	2.273.741	3.022
Change in cash flow from operation	14	<u>-32.023.112</u>	<u>-18.729</u>
Cash generated from ordinary operations, before financial cashflow		-24.920.362	-8.031
Interest income and similar		1.228.736	634
Interest expense and similar		<u>-149.300</u>	<u>-149</u>
Cash flows generated from ordinary activities		-23.840.926	-7.546
Paid income tax		<u>-1.535.632</u>	<u>-2.675</u>
Cash flow from operations activities (A)		<u>-25.376.558</u>	<u>-10.221</u>
Purchase of financial fixed assets		-158.978	-77
Purchase of tangible fixed assets		-2.200.973	-7.559
Sale of tangible fixed assets		<u>70.000</u>	<u>0</u>
Cash flows from investing activities (B)		<u>-2.289.951</u>	<u>-7.636</u>
Dividend paid		<u>-7.676.112</u>	<u>-7.506</u>
Cash flows from financing activities (C)		<u>-7.676.112</u>	<u>-7.506</u>
Change in cash (A + B + C)		-35.342.621	-25.363
Cash at the beginning of the year		<u>40.754.764</u>	<u>66.118</u>
Cash at the end of the year		<u>5.412.143</u>	<u>40.755</u>

Notes

1 Net sales, geographical markets

	2023	2022
	DKK	TDKK
Denmark	1.792.281.979	1.676.890
Other European countries	<u>60.580.000</u>	<u>20.535</u>
	<u>1.852.861.979</u>	<u>1.697.425</u>

2 Employee conditions

Average number of employees	175	162
Total staff expenses		
Salaries and wages	75.738.362	70.606
Pension	10.242.373	8.982
Other social security expenses	690.833	640
Other personnel cost	<u>8.445.472</u>	<u>7.165</u>
	<u>95.117.040</u>	<u>87.393</u>

Remuneration to the executive and board of directors	<u>3.438.686</u>	<u>3.574</u>
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3 Corporate tax for the year

Tax of taxable income of the year	368.962	1.502
Adjustment of deferred taxation	<u>1.025.430</u>	<u>688</u>
	<u>1.394.392</u>	<u>2.190</u>

4 Proposed distribution of profit

Profit for the year	<u>4.829.009</u>	<u>7.676</u>
For disposition	<u>4.829.009</u>	<u>7.676</u>
Dividend	<u>4.829.009</u>	<u>7.676</u>
Totally disposed	<u>4.829.009</u>	<u>7.676</u>

Notes

5 Tangible fixed assets

	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost January 1	4.219.188	28.236.797
Additions	<u>0</u>	<u>2.200.973</u>
Disposal	<u>0</u>	<u>-2.340.312</u>
Cost December 31	<u>4.219.188</u>	<u>28.097.458</u>
Depreciations as per January 1	2.111.762	21.474.511
Depreciations in the year	<u>337.109</u>	<u>1.691.680</u>
Depreciations on disposals	<u>0</u>	<u>-2.340.312</u>
Depreciations as per December 31	<u>2.448.871</u>	<u>20.825.879</u>
Net book value as per December 31	<u>1.770.317</u>	<u>7.271.579</u>
Depreciation period	3 years	3-10 years

Notes

6 Financial fixed assets

	<u>Lessee deposit</u>
Cost January 1	3.700.156
Additions	<u>158.978</u>
Net book value as per December 31	<u>3.859.134</u>

7 Deferred tax

	2023	2022
	DKK	TDKK
Deferred tax asset at January 1.	-1.396.602	-2.085
Amounts recognised in income statement	<u>1.025.430</u>	<u>688</u>
Deferred tax asset	<u>-371.172</u>	<u>-1.397</u>
Tangible assets	109.745	10
Trade receivables	-550.000	-1.533
Prepaid expenses	<u>69.083</u>	<u>127</u>
Deferred tax asset	<u>-371.172</u>	<u>-1.396</u>

8 Prepaid expenses

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

9 Contingencies

Rental contracts

The company has entered into lease contracts with an annual rent of TDKK 17.693 thousand. The lease contract is non-cancellable up to 75-120 months.

Leases

The Company has entered into operating leases with a total remaining liability of TDKK 22.241

10 Mortgages and securities

As security for the Company's account with SKAT for tax a guarantee of kr. 40.000 has been placed.

Notes

11 Fee to auditors appointed at the general meeting

	<u>2023</u> <u>TDKK</u>	<u>2022</u> <u>TDKK</u>
Audit fee to PricewaterhouseCoopers	175	135
Tax advisory services	39	35
Non-audit services	<u>2</u>	<u>12</u>
	<u>216</u>	<u>182</u>

12 Related parties

The company's related parties consist of the following:

Controlling interest

HGLP Alpha Holding
 LLC, Highland Landmark III
 3010 Highland Parkway
 Suite 400, Downers Grove
 Illinois 60515
 USA

HAVI Logistics ApS is 100% owned by HGLP Alpha Holding.

Transactions

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

Consolidated Financial Statements

The company is included in the Group Annual Report of HGLP Alpha Holding.

The group Annual Report of HGLP Alpha Holding may be obtained at the address mentioned above.

Notes

	2023	2022
	DKK	TDKK
	<u> </u>	<u> </u>
13 Cash flow statement - adjustments		
Other financial revenues	-1.228.736	-634
Other financial expenses	149.300	149
Depreciations	2.028.789	1.317
Gains from sale of tangible fixed assets	-70.000	0
Adjustments in deferred tax	1.025.430	688
Corporation tax for the year	368.963	1.502
Other adjustments	-5	0
	<u>2.273.741</u>	<u>3.022</u>
14 Cash flow statement - change in cash flow from operation		
Change in inventory	4.975.245	-25.778
Change in receivables	-13.237.930	-28.554
Change in short-term debt	<u>-23.760.427</u>	<u>35.603</u>
	<u>-32.023.112</u>	<u>-18.729</u>
15 Subsequent events		

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