

**HAVI Logistics ApS**  
**Transitvej 60**  
**7100 Vejle**

CVR-nr. 13 78 86 42

**Annual report**  
**2021**

(External)

The annual report is presented and  
approved at the annual general meeting  
30<sup>th</sup>. June 2022

Chairman  
Kristian Jørgensen

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## 1. Management Statement

Annual report 2021 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 2021 result.

In our opinion, 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 30<sup>th</sup>. 2022

### 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 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 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 2021, 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 30<sup>th</sup>. 2022

**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR-nr. 33 77 12 31

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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](http://www.havi.com)

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

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 30<sup>th</sup>, 2022, at the address of the company.

## 4. Key Figures

<b>Income statement</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>	<b>TDKK</b>
Revenue	1.321.888	1.121.111	1.188.837	1.136.900	1.125.838
Gross result	77.804	69.549	69.685	81.734	74.831
Result of main activities	9.066	6.205	7.329	10.749	9.498
Financial net items	103	487	342	199	206
Annual result	7.362	5.105	5.564	8.391	7.798
<b>Balance sheet</b>					
Balance sheet amount	250.315	200.512	197.036	187.941	176.021
Equity	16.911	14.654	15.113	17.940	17.347
Cash flows					
Operating activity	11.379	16.062	13.660	12.086	-12.189
Investment activity	-1.765	-721	-3.147	-558	0
Hereof investment in intangible and tangible fixed assets	-1.765	-721	-1.520	-823	0
Financial activity	-5.105	-5.564	-8.391	-7.798	-9.658
Employees					
Average, full-time employees	130	122	128	128	120
<b>Key figures</b>					
Key figures in %					
Gross margin	5,90%	6,20%	5,90%	7,20%	6,60%
Net profit rate	0,70%	0,60%	0,60%	0,90%	0,80%
Yield rate	4,10%	3,20%	3,90%	6,00%	5,10%
Equity rate	6,80%	7,30%	7,70%	9,50%	9,90%
Return on Equity	46,60%	34,30%	33,70%	47,60%	42,70%



## **5. Management report**

### **5.1. Business Model**

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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.

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 300 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 18 trucks, all used for distribution. HL-DK employs 130 people, all located in Denmark.

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

### **5.2. Exceptional conditions**

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No exceptional conditions have been found.

### **5.3. Uncertainties in recognition and measurements**

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No uncertainties have been found.

### **5.4. Development in the financial year**

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The year 2021 was strongly influenced by Covid-19 as Denmark was in lock-down until early summer and experienced a winter lockdown from late November until year end. Despite these challenges the EBIT of 2021 is 1.737 TDKK (23,7%) higher than 2019 EBIT that was achieved without Covid-19 impact.

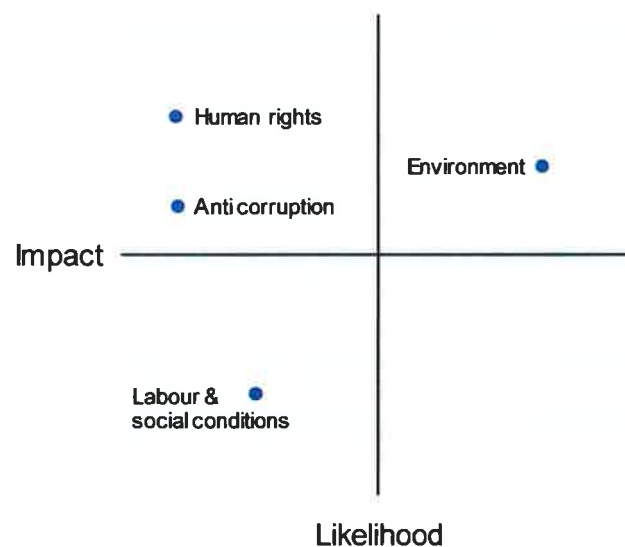
The revenue of 1.321.888 TDKK, a growth of 200.777 TDKK (17,9%) compared with 2020 and comparing with 2019 an increase of 11,2%. Combined with a maintained focus on cost management lead to an annual result of 7.362 TDKK which is considered very satisfactory.

## 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 (SWAA) by means of an independent external auditor every second year.

Besides the SWAA, 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 SWAA 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

### **5.5.2.2. Actions and Results**

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

No SWAA has been conducted in 2021 due to the covid-19 crisis. The latest SWAA was conducted in 2018 with a result score of 100%.

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 October / November 2021 a global employee pulse survey was conducted.

The survey showed no concerning insights, resulting in an overall favorability score of 64% across all participants. The survey highlighted no significant concerns; however, some areas followed the development of previous survey results, concerning topics such as growth and career advancement, recognition, and organizational belonging.

Response rate was below expectations. This prompted the management team to initiate a follow-up in-depth survey to uncover the substance of employee engagement factors. This action will begin February 2022 and steer employee insight actions for 2022.

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

In 2021 no incidents related to HL-DK was reported to the Whistle blower hotline.

### **5.5.3. 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.

### **5.5.4. Labour and Social conditions**

#### **5.5.4.1. 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.

#### **5.5.4.2. Actions & Results**

Continuing the development from awareness to advocacy, Diversity, Equity & Inclusion (DE&I) initiatives in HL-DK have in 2021 emphasized reviewing internal processes, e.g., hiring, talent pipelines, equal opportunities, and development, to ensure unbiased behaviors. 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 2021.

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.

#### **5.5.4.3. 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 continues 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 behaviors that detract or strengthen our company's work- and social conditions.

#### **5.5.5. Environment**

##### **5.5.5.1. 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.

##### **5.5.5.2. Actions & Results**

In 2021 the old cooling system replacement was finalized. The more environmentally friendly and sustainable system is functional and performing as expected.

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 2021 HL-DK had 17 trucks which are in accordance with EURO norm 6 as part of the HL-DK fleet. 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. HL-DK expects to extend this initiative to cover all HL-DK's drivers.

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 2021 new initiatives was completed and implemented so this concept has been further optimized. This concept will continuously be optimized each year.

### **5.5.5.3. 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 m<sup>3</sup>
  - CO<sub>2</sub> 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.

### **5.5.6. Anti-corruption**

#### **5.5.6.1. 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.

#### **5.5.6.2. 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 2021 no incidents related to HL-DK was reported to the Whistle-blower hotline.

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. The focus continues to be developed – latest initiative is an easy accessible reporting tool on the HAVI intranet.

#### **5.5.6.3. 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**

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#### **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**

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The company does not have specific development activities.

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

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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 3-year plans to level gender distribution in our Blue-Collar segment and to reach 35% female employees, company wide by 2025. 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. Internal people development has also seen 3 of 3 recent WC team lead promotions earned by female employees.

### **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 3.

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

- 100% male

The above-mentioned target has not been achieved during 2021 due to no board members resigned from their position.

HL-DK will strive to achieve this target within 3 years and at fiscal year 2024 at the latest.

### **Target for gender representation for management.**

The management team have set a target that the percentage of member from the underrepresented gender shall at minimum be 50% under the condition that the total number of board members remain 8.

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

- 87 % male
- 13 % female

The above-mentioned target has not been achieved during 2021 due to no management members resigned from their position.

HL-DK will strive to achieve this target within 3 years and at fiscal year 2024 at the latest.



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

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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**

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The year 2022 begun with Denmark in a lockdown that was started in early winter of 2021. But from February 2022 most restrictions were lifted, and normal life was returning to Denmark. This lock-down will not have a negative impact on the financial results of 2022.

However, across the world we continue to observe challenges that started during the Covid-19 pandemic. The global supply chain continues to struggle returning to the stability and reliability we experienced before the pandemic and HL-DK is keeping an eye on these challenges to ensure stable supplies to our customers.

During second half of last year and the first couple of months of 2022 HL-DK has experienced a strong growth of our customers and to ensure that we can maintain our high level of quality and support we will focus on ensuring an appropriate growth in infrastructure.

Due to strong growth of our customers the expectation for turnover is an increased turnover compared to 2021. With focus on limiting costs the expectation for the financial result for 2022 is an increased financial result compared to 2021.

## **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.

### **6.1. Generally, about calculation and measurement**

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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**

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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**

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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

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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**

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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. Expenses for raw materials and consumables**

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

### **7.3. Other external expenses**

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

### **7.4. Staff expenses**

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

### **7.5. Financial entries**

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

### **7.6. Corporate tax of the year**

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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**

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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**

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

#### **8.2.1. 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.

#### **8.2.2. Receivables**

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

### **8.2.3. Prepaid expenses**

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

### **8.2.4. Liquidity**

Cash includes cash at hand and in banks.

### **8.2.5. Equity**

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

### **8.2.6. 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.

### **8.2.7. 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.

### **8.2.8. 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**

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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**

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

### **9.3. Cash flow from financing activity**

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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>2021 DKK</u>	<u>2020 TDKK</u>
Net Sales	1	1.321.888.427	1.121.111
Change in inventory reserve		20.716.816	-4.018
Other operating income		24.074.448	20.582
Purchased goods		-1.234.208.367	-1.024.339
Other external expenses		<u>-54.531.873</u>	<u>-43.788</u>
<b>Gross profit</b>		<b>77.939.451</b>	<b>69.548</b>
Staff expenses	2	<u>-67.625.966</u>	<u>-62.538</u>
Depreciations		<u>-1.247.601</u>	<u>-805</u>
<b>Operating profit</b>		<b>9.065.884</b>	<b>6.205</b>
Financial income		411.451	700
Financial expenses		<u>-308.637</u>	<u>-213</u>
<b>Profit before tax</b>		<b>9.168.698</b>	<b>6.692</b>
Corporate tax for the year	3	<u>-1.663.049</u>	<u>-1.587</u>
<b>PROFIT FOR THE YEAR</b>	4	<u><b>7.505.649</b></u>	<u><b>5.105</b></u>

**Balance sheet as per December 31.****ASSETS**

	<u>Note</u>	<u>2021 DKK</u>	<u>2020 TDKK</u>
Other fixtures and fittings, tools and equipment		2.287.327	1.800
Leasehold Improvements		339.841	229
<b>Tangible assets</b>	<b>5</b>	<b><u>2.627.168</u></b>	<b><u>2.029</u></b>
Lessee deposit	6	3.622.717	3.569
<b>Financial fixed assets</b>		<b><u>3.622.717</u></b>	<b><u>3.569</u></b>
<b>FIXED ASSETS</b>		<b><u>6.249.885</u></b>	<b><u>5.598</u></b>
Inventory		75.253.315	54.536
<b>Inventory</b>		<b><u>75.253.315</u></b>	<b><u>54.536</u></b>
Trade accounts receivable		91.411.968	73.481
Receivables at group companies		2.746.304	230
Other receivables		3.142.447	1.137
Deferred tax	7	2.085.132	945
Prepaid expenses	8	3.308.125	2.976
<b>Receivables</b>		<b><u>102.693.976</u></b>	<b><u>78.769</u></b>
<b>Cash at banks and in hand</b>		<b><u>66.117.954</u></b>	<b><u>61.609</u></b>
<b>CURRENT ASSETS</b>		<b><u>244.065.245</u></b>	<b><u>194.914</u></b>
<b>TOTAL ASSETS</b>		<b><u>250.315.130</u></b>	<b><u>200.512</u></b>

**Balance sheet as per December 31.****LIABILITIES**

	<u>Note</u>	<u>2021 DKK</u>	<u>2020 TDKK</u>
Share capital		500.000	500
Dividend		7.505.649	5.105
Retained earnings		<u>9.048.963</u>	<u>9.049</u>
<b>Equity</b>		<b><u>17.054.612</u></b>	<b><u>14.654</u></b>
Trade accounts payable		167.756.214	116.366
Accounts payable to group companies		4.611.908	1.599
Corporation tax		1.655.174	249
Other payables		<u>59.237.222</u>	<u>67.644</u>
<b>Short-term debt</b>		<b><u>233.260.518</u></b>	<b><u>185.858</u></b>
<b>TOTAL DEBTS</b>		<b><u>233.260.518</u></b>	<b><u>185.858</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>250.315.130</u></b>	<b><u>200.512</u></b>

Net sales, geographical markets	1
Contingencies	9
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## Statement of changes in equity

### Equity

	January 1, 2021	Dividend	Proposal for appropriation of result	December 31, 2021
Share capital	500.000			500.000
Dividend	5.104.595	-5.104.595	7.505.649	7.505.649
Retained earnings	9.048.963	0	0	9.048.963
	<b><u>14.653.558</u></b>	<b><u>-5.104.595</u></b>	<b><u>7.505.649</u></b>	<b><u>17.054.612</u></b>

## Cash flow statement

	Note	2021 DKK	2020 TDKK
Profit for the year		7.505.649	5.105
Adjustments	13	2.672.835	1.906
Change in cash flow from operation	14	2.494.384	10.478
<b>Cash generated from ordinary operations, before financial cashflow</b>		<b>12.672.868</b>	<b>17.489</b>
Interest income and similar		411.451	700
Interest expense and similar		-308.637	-213
<b>Cash flows generated from ordinary activities</b>		<b>12.775.682</b>	<b>17.976</b>
Paid income tax		-1.396.872	-1.914
<b>Cash flow from operations activities (A)</b>		<b>11.378.810</b>	<b>16.062</b>
Purchase of financial fixed assets		-53.797	0
Sale of financial fixed assets		0	60
Purchase of tangible fixed assets		-1.846.137	-781
Sale of tangible fixed assets		135.000	0
<b>Cash flows from investing activities (B)</b>		<b>-1.764.934</b>	<b>-721</b>
Dividend paid		-5.104.594	-5.564
<b>Cash flows from financing activities (C)</b>		<b>-5.104.594</b>	<b>-5.564</b>
Change in cash (A + B + C)		4.509.282	9.777
Cash at the beginning of the year		61.608.672	51.832
<b>Cash at the end of the year</b>		<b>66.117.954</b>	<b>61.609</b>

## Notes

### 1 Net sales, geographical markets

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>TDKK</b>
Denmark	1.321.829.727	1.077.568
Other European countries	<u>58.700</u>	<u>43.543</u>
	<b><u>1.321.888.427</u></b>	<b><u>1.121.111</u></b>

### 2 Employee conditions

Average number of employees	130	122
<b>Total staff expenses</b>		
Salaries and wages	55.723.107	50.582
Pension	8.174.172	7.523
Other social security expenses	543.091	518
Other personnel cost	<u>3.185.596</u>	<u>3.915</u>
	<b><u>67.625.966</u></b>	<b><u>62.538</u></b>
Remuneration to the executive and board of directors	<b><u>3.059.384</u></b>	<b><u>3.212</u></b>

### 3 Corporate tax for the year

Tax of taxable income of the year	2.803.174	1.533
Adjustment of deferred taxation	<u>-1.140.125</u>	<u>54</u>
	<b><u>1.663.049</u></b>	<b><u>1.587</u></b>

### 4 Proposed distribution of profit

Profit for the year	7.505.649	5.105
Transferred to carried forward profit	<u>0</u>	<u>0</u>
<b>For disposition</b>	<b><u>7.505.649</u></b>	<b><u>5.105</u></b>
Dividend	<u>7.505.649</u>	<u>5.105</u>
<b>Totally disposed</b>	<b><u>7.505.649</u></b>	<b><u>5.105</u></b>

## Notes

### 5 Tangible fixed assets

	<b>Leasehold improvements</b>	<b>Other fixtures and fittings, tools and equipment</b>
Cost January 1	2.106.567	16.819.463
Additions	252.984	1.593.153
Disposal	0	4.124.419
<b>Cost December 31</b>	<b>2.359.551</b>	<b>22.537.035</b>
Depreciations as per January 1	1.878.196	15.019.202
Depreciations in the year	141.514	1.106.087
Depreciations on disposals	0	4.124.419
<b>Depreciations as per December 31</b>	<b>2.019.710</b>	<b>20.249.708</b>
<b>Net book value as per December 31</b>	<b>339.841</b>	<b>2.287.327</b>
Depreciation period	3 years	3-10 years

## Notes

	<b>Lessee deposit</b>
Cost January 1	3.568.920
Additions	53.797
<b>Net book value as per December 31</b>	<b>3.622.717</b>

### 7 Deferred tax

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>TDKK</b>
Deferred tax asset at January 1.	-945.007	-999
Amounts recognised in income statement	-1.140.125	54
<b>Deferred tax asset</b>	<b>-2.085.132</b>	<b>-945</b>
Tangible assets	-234.313	-233
Trade receivables	-1.932.977	-770
Prepaid expenses	82.158	58
<b>Deferred tax asset</b>	<b>-2.085.132</b>	<b>-945</b>

### 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 9.180 thousand. The lease contract is non-cancellable up to 99-144 months.

#### Leases

The Company has entered into operating leases with a total remaining liability of TDKK 24.708

### 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	<b>2021</b>	<b>2020</b>
	<b>TDKK</b>	<b>TDKK</b>
Audit fee to PricewaterhouseCoopers	130	125
Tax advisory services	21	28
Non-audit services	<u>5</u>	<u>4</u>
	<b><u>156</u></b>	<b><u>157</u></b>

## 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

Sales and cost of goods and services to group companies are based on market terms.

### 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

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>TDKK</b>
<b>13 Cash flow statement - adjustments</b>		
Other financial revenues	-411.451	-700
Other financial expenses	308.637	213
Depriciations	1.247.601	805
Gains from sale of tangible fixed assets	-135.000	0
Adjustments in deferred tax	-1.140.125	54
Corporation tax for the year	2.803.174	-1.533
Other adjustments	-1	1
	<b><u>2.672.835</u></b>	<b><u>1.906</u></b>
<b>14 Cash flow statement - change in cash flow from operation</b>		
Change in inventory	-20.716.816	4.018
Change in receivables	-22.784.374	2.144
Change in short-term debt	45.995.574	4.316
	<b><u>2.494.384</u></b>	<b><u>10.478</u></b>
<b>15 Subsequent events</b>		

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