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# *Link Logistics A/S*

Vallensbækvej 51-53, DK-2605 Brøndby

## Annual Report for 2023

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CVR No. 28 65 90 24

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 22/5 2024

Charlotte Gaarn  
Hansson  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Link Logistics A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

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

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

Brøndby, 8 May 2024

## Executive Board

Anders Martin Martens  
CEO

Mads Koch Jensen  
Executive Officer

## Board of Directors

Charlotte Gaarn Hansson  
Chairman

Henrik Bonnerup

Pascar Paw Paramasivam

Sophie Öhrström

# Independent Auditor's report

To the shareholder of Link Logistics A/S

## Opinion

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

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

## Basis for Opinion

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

## Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the 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.

# Independent Auditor's report

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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.

Hellerup, 8 May 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Martin Lunden  
State Authorised Public Accountant  
mne32209

Mads Blichfeldt Fjord  
State Authorised Public Accountant  
mne46065

## Company information

<b>The Company</b>	Link Logistics A/S Vallensbækvej 51-53 DK-2605 Brøndby  Telephone: + 45 3248 8888 Website: <a href="http://www.linklog.dk">www.linklog.dk</a>  CVR No: 28 65 90 24 Financial period: 1 January - 31 December Incorporated: 1 April 2006 Financial year: 18th financial year Municipality of reg. office: Brøndby
<b>Board of Directors</b>	Charlotte Gaarn Hansson, chairman Henrik Bonnerup Pascar Paw Paramasivam Sophie Öhrström
<b>Executive Board</b>	Anders Martin Martens Mads Koch Jensen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

## Financial Highlights

Seen over a 5-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Revenue	542,056	623,625	589,718	256,729	180,160
Gross profit	116,041	131,751	121,224	59,619	41,599
Profit/loss of primary operations	14,641	43,727	42,156	19,493	10,841
Profit/loss of financial income and expenses	5,745	11,447	11,001	56	-28
Net profit/loss for the year	16,576	45,680	43,566	14,838	8,426
<b>Balance sheet</b>					
Balance sheet total	197,525	174,724	183,076	84,766	63,876
Investment in property, plant and equipment	3,013	1,398	1,743	3,650	0
Equity	51,607	75,006	55,540	25,152	21,207
Number of employees	190	172	144	82	78
<b>Ratios</b>					
Gross margin	21.4%	21.1%	20.6%	23.2%	23.1%
Profit margin	2.7%	7.0%	7.1%	7.6%	6.0%
Return on assets	7.4%	25.0%	23.0%	23.0%	17.0%
Solvency ratio	26.1%	42.9%	30.3%	29.7%	33.2%
Return on equity	26.2%	70.0%	108.0%	64.0%	37.9%

In 2021, Link Logistics A/S have merged with YOYO Global Freight ApS and YOYO Holding ApS. Please note that the financial figures for 2020 and earlier have not been restated.

# Management's review

## Introduction to Link Logistics A/S

### Key activities

The purpose of the company is to carry transport and freight business as well as any related business, including express and courier shipments.

### Services and main activities

Link Logistics, founded in 2002 and originally known as Universal FDX, has grown into a leading logistics provider with a clear vision: to change the marketplace for courier shipments, making logistics as simple and effective as possible. Renamed as Link Logistics in 2004, the company has, together with its subsidiaries, expanded from our humble beginnings in courier shipments to a vast network encompassing Denmark, Sweden, Norway, and the USA. Following the ownership change to Polaris Private Equity in 2019, the company has leveraged additional resources and expertise, leading to significant strategic expansions and acquisitions in subsidiaries, including Yoyo Global Freight and Tangen Logistics.

Link Logistics has taken its place as a leading independent transport and logistics provider in the Nordics, specializing in courier and freight forwarding services. Our unique value proposition lies in our digital one-stop solution, crafted to serve the demands of premium High-end Industrial and e-commerce customers across all main sectors.

Our aim is to make logistics simpler by eliminating common challenges and barriers, ensuring that both BtB and BtC customers can efficiently transport their goods. We achieve this through providing tailor-made one-stop-shop transport solutions to the unique needs of its customers. With Link's global setup and operations in Denmark combined with the subsidiaries in Norway, Sweden, and the USA, we focus on streamlining the logistics process for customers, aiming for simplicity and efficiency in all company product and services.

- **Proactive service**  
Our team monitors and proactively follow-up on all shipments, ensuring they arrive safely and on time.
- **Customized to your needs**  
You stay in control of your shipments, billing is flexible, and Pick 'n' Pack can be done from your warehouses or ours.
- **One pickup for all your shipments**  
Simplifies your operations and minimizes any risks of errors.
- **Integrated booking platform**  
Easy access to all our services so you can monitor shipments in real-time, analyze performance and get all the data you need.
- **Responsible business with a sustainable ambition**  
We constantly strive towards greener logistics, with a growing number of ESG certifications and CO2 reporting for your shipments.

### A people business

For Link it is vital to recognize and acknowledge the main drivers behind our success: our employees. We want to thank each member of the Link family for their hard work and dedication in 2023. This year has been full of challenges and learning experiences, but the most important takeaway is the reminder that our strength lies in our people. Our business thrives on the contributions of our team, supported by practical digital tools and a flexible approach to our



# Management's review

work and customer service. The commitment and adaptability of our employees have been key to navigating the past year, proving that our collective efforts are what drive us forward.

## Financial performance and outlook

### Development in the year

In 2023, Link was challenged for the first time since the financial crisis back in 2008. The global decline in world economy, which already had shown beginning signs at the end of 2022, significantly impacted the global logistics industry in 2023. Global demand decreased with a significant effect on both volumes and prices, particularly on Freight Forward products. And although Link fared significantly better than most competitors within the logistic industry, it also left a negative mark on both revenue and earnings in Link Logistics.

One of the reasons why Link fared better than many of the major players in the logistics industry, is due to the unique product mix of both courier and freight services. In addition, the company managed to attract several new customers during 2023, which also helped to mitigate the consequences of a global economic decline.

Link also expanded its activities primarily through subsidiaries, including acquisitions in the US and the opening of new geographical locations in the US and Norway.

Alongside this, the core business was adapted to the extent that this could be done without destroying the long-term growth opportunities.

At the beginning of 2024, one of the company's larger customers is undergoing reconstruction, which is why a significant provision of 5 mDKK has been made in the accounts for 2023. The provision negatively affects both EBITDA and earnings.

The income statement of the Company for 2023 shows a profit of TDKK 16,576, and at 31 December 2023 the balance sheet of the Company shows equity of TDKK 51,607.

The total revenue was 542 mDKK corresponding to index 87 compared to 2022. The expectations for 2023 was a revenue of 694 mDKK – index 78.

The Gross Profit (SG&A expenses excluded) was 177 mDKK in 2023 corresponding to index 93 compared to 2022. The expectations for 2023 was a Gross Profit of 203-212 mDKK – index 87.

The EBITDA excluding any non-recurring items (2,8 mDKK) was 25,5 mDKK corresponding to index 46 compared to 2022. The expectations for 2023 was an EBITDA of 63-69 mDKK – index 40.

Non-recurring items should mainly be attributed to external counseling regarding post-merger activities subsequently to transactions in the years before (YoYo, Tangen etc).

The decline in both revenue, gross profit and EBITDA can primarily be attributed to the global decline in world economy in general and the related effects on the logistics industry in particular. Even though Link in 2023 has worked intensively on improvements in Gross Profit margins, the company has not been able to compensate for the significant decline in revenue. Link has also continuously worked with adjustments within the organization to support long-term core business and the ability to manage future growth opportunities.

### Development in the markets

Overall Link Logistics experienced a decline in revenue and earnings on primarily our sea-freight and courier-products. Part of the decline in sea-freight was mitigated by growth in our air-freight products.

## Management's review

The market in Denmark is characterized by fierce competition. The competitive landscape combined with the global decline in world economy left Link Logistics A/S unable to reach expected results. A positive takeaway from 2023 though, is that several larger new customers were onboarded, making the outlook for future years significantly better.

Link Logistics A/S experienced a decline in income from investments in subsidiaries from TDKK 11,069 in 2022 to TDKK 6,985 in 2023. A short comment for each geographical subsidiary market:

- The Swedish subsidiary succeeded in improving earnings despite significant decline within the sea-freight segment. The improvement was obtained due to the onboarding of new customers within the courier segment, which contributed to a minor growth in Gross Profit.
- The Norwegian subsidiary, following the acquisition of Tangen Logistics AS in December 2022, hard efforts have been put into merging Link Logistics AS and Tangen Logistics AS during 2023. With the acquisition Link Norway expanded their geographical footprint with operations in Porsgrunn and Sandefjord. Further, an operation in Bergen was established during 2023. The Norwegian subsidiary managed to grow the total business in 2023, mainly due to full year effect of the acquisition of Tangen Logistics, but also through organic growth in the new merged business in Norway.
- In the US subsidiary, Link opened a new operation in Miami during the summer of 2023. Further, Link acquired the assets in the Company Immediate Worldwide Transportation located in the JFK airport area (New York). The American entity was hit hard by the global downturn in economy. Especially sea-freight performed worse than expected. The expected implementation of the Link e-com product was delayed until the end of the year, and therefore did not reach the expected targets.

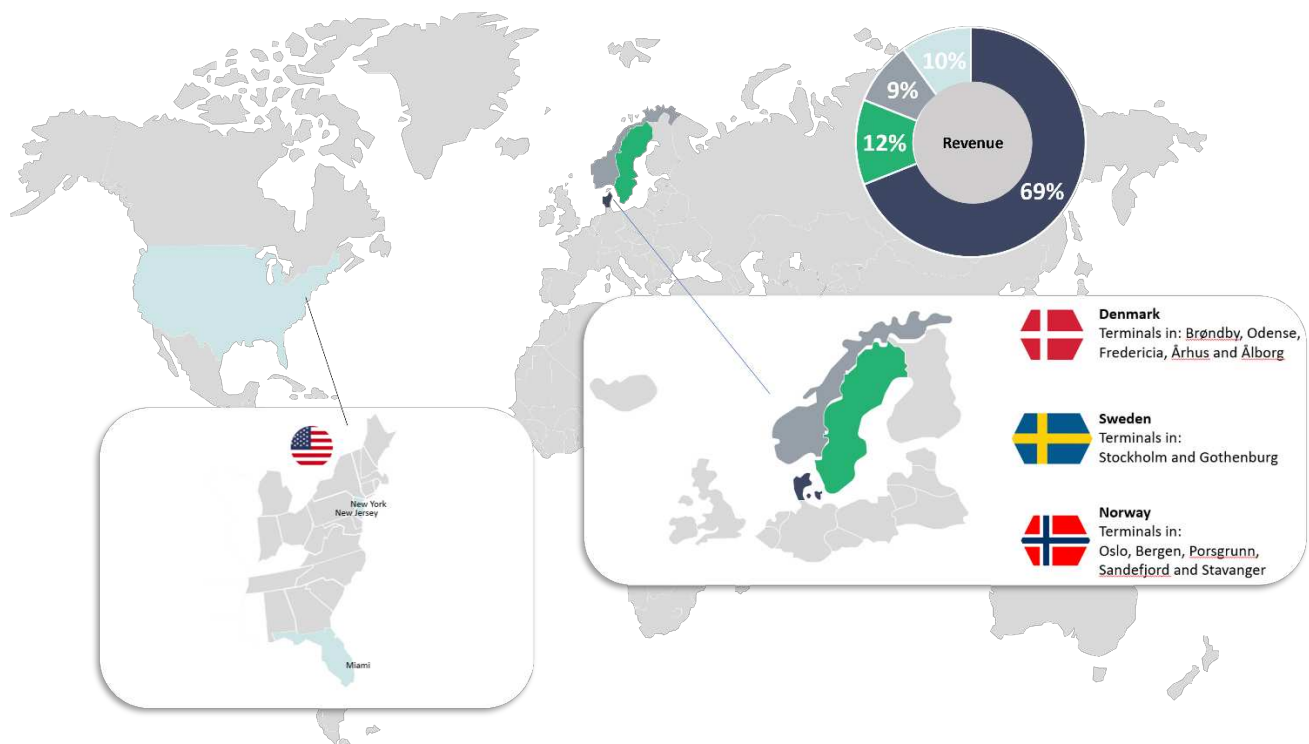
# Management's review

## Geographical footprint

Link Logistics operates under own brand and is represented in Denmark by five offices and sorting terminals respectively in Copenhagen, Odense, Fredericia, Aarhus and Aalborg. Additionally Link Logistics has the following subsidiaries:

- In Sweden Link Logistics operates from two terminals in Gothenburg and Stockholm.
- In Norway the operation is run from offices in Oslo, Porsgrunn, Bergen, Sandefjord and Stavanger.
- Finally in the US, Link Logistics operates from our terminals in New Jersey, New York (JFK-airport) and Miami respectively.

Below is a graphical overview over the revenue split between Link Logistics A/S and the subsidiaries in Sweden, Norway and USA.



## Market Outlook

### Assumptions for the 2024 financial outlook

At the entrance to 2024, we see beginning signs of positive market trends in general.

Moreover, a number of changes have been made in the Senior Management Team and at the same time continuous investment has been made in expanding our sales force. Further acquisitions of subsidiaries are expected in Norway and the USA, all of which are expected to contribute positively.

The macroeconomic conditions that characterize the current period has been handled from a partially conservative point of view, but still in the light of ambitions and realism. The outlook for 2024 is based upon assumptions and estimates that, while prepared with numerical specificity and considered reasonable, are inherently subject to both significant business, operational, economic, political, legal and competitive uncertainties and contingencies, many of which are beyond the company's control and influence, as well as decisions, which are subject to change pending future macroeconomic and geopolitical development.

## Management's review

### Targets and focus areas in 2024

The 2024 budget is expected to reach a total revenue of 592mDKK, a gross profit (SG&A expenses excluded) of 200 mDKK and an EBITDA of approx. 49 mDKK.

In 2024, the focus will be on continued optimization of existing business, continued integration of acquisitions, onboarding of new customers, as well as the pursuit of relevant new acquisition opportunities.

We especially expect to see growth within our courier segment across existing markets. Growth is expected to take place via further collaborations between especially Scandinavia and the USA as well as continued development in our other subsidiaries.

We do not expect any major changes in freight rates in 2024, as was the case in 2023, when freight rates declined worldwide.

Our efforts within sustainability will in 2024 continue to be integrated in our business model. Simultaneously, we will focus on the preparation for the new CSRD requirements, which will be introduced in the annual report from 2025.

# Management's review

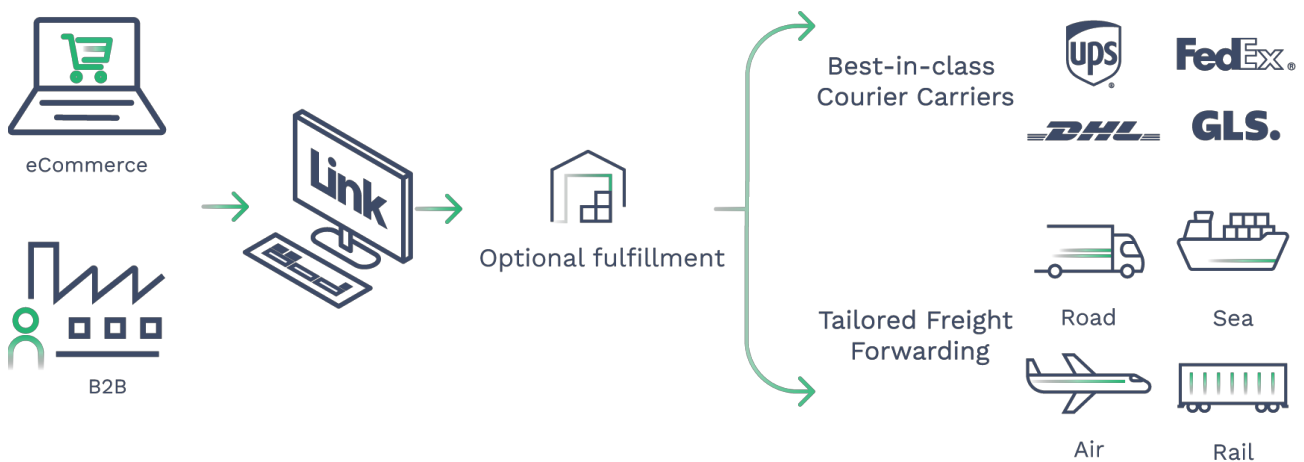
## Non-financial performance

### Business model

At Link Logistics, our business model is rooted in fostering long-term customer relationships, characterized by high loyalty and very low churn rates. We proudly serve over 2,500 customers, supported by our team of more than 190 dedicated employees. Each member of our team is committed to delivering a five-star performance every day, underlining our passion for excellence and customer satisfaction.

Our approach is customer-centric, ensuring that transportation and goods are efficiently managed through the world's leading logistics companies. As the global and independent link in the logistics chain, we guarantee the timely, secure, and efficient delivery of shipments.

Our one-stop shopping solution focuses on convenience and efficiency. It allows our customers to have a singular point of contact with Link Logistics, where our staff monitors shipments from origin to destination. This encompasses a comprehensive range of services, including courier and freight forwarding, warehousing, fulfillment, and specialized solutions.



### Our commitment to sustainability

In 2020, sustainability became a focal point in our business model and has since gained increasing prominence within our organization. Over the past years, sustainability has transitioned from a mere operational consideration to a strategic cornerstone in our organizational promise and 2025 ambition. In alignment with our commitment to innovative solutions, sustainability has seamlessly integrated into our core business operations, reflecting our dedication to environmental responsibility and sustainable practices.

Our journey towards sustainability is more than a commitment – it's a reflection of our dedication to our customers and our planet. By embedding sustainability in our business model, we are not only enhancing our services but also contributing positively to the global sustainability agenda.

### Our presence – cross border sustainability

In connection with our large expansion and focus, we're conscious of the increasing impact our growing company has internationally. In 2023, Link Logistics defined and implemented a strong strategy for cross-border sustainability. By conducting detailed impact assessments in all our countries, we aim to foster accountability and acquire deeper insights into our operations. Compiling and analyzing this data will not only enable us to understand our global impact better but also leverage learnings from different regions to enhance our overall sustainability approach.

When acquiring companies or adding branches to the Link family, there is a ready plan for and focus on making sure that the add-ons come up to speed with our sustainability work.

# Management's review

## Policies

The following 3 policies describe Link Logistics standards, guidelines, and principles for social responsibility. Our policy on Sustainability covers climate, environment, human rights, and anti-corruption. Moreover, we have a Code of Conduct for business relationships and our employees covering our expectations to responsible business conduct. Lastly, our new policy on Diversity and Inclusion is an extension of our policy on sustainability with a direct focus on our social and employee relationships.

## Policy on Sustainability

As a responsible company, our commitment to sustainability serves as one of the cornerstones of our operations. We have pledged to conduct our business in strict accordance with globally recognized benchmarks such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. This commitment aligns with the fundamental pillars of sustainable development: human rights, environmental stewardship (including climate concerns), and economic vitality (inclusive of anti-corruption, anti-trust, and tax integrity).

Central to our approach is the continual assessment of our activities to identify and address any adverse impacts on these critical areas of sustainable development. We uphold a transparent communication strategy, ensuring that stakeholders are kept informed about our impact management measures. In instances where adverse effects arise, our aim is swift action—halting, preventing, or mitigating such occurrences and providing appropriate remedies to affected stakeholders.

Our expectations extend not only to our dedicated workforce but also to our valued business relationships. Employees are encouraged to actively contribute ideas that further our commitment to responsible business practices. We also empower our team members to report any observed or experienced adverse impacts on human rights or environmental concerns linked to our operations. This commitment to ethical conduct is detailed in our Code of Conduct for both Employees and Business Relationships.

This dedication to sustainability is seamlessly integrated across all facets of our business, ensuring that every policy and procedure aligns with our established commitments. Our sustainability policy is readily accessible to the public and communicated to all relevant stakeholders. To guarantee ongoing progress, we engage external experts in shaping and refining our policy, periodically reviewing, and revising it every two years under the guidance and approval of our top-tier leadership.

### During 2023:

We have in 2023 completed impact assessments for all 4 countries in which we operate, to ensure that we cover all relevant impact areas, that might differentiate between each location. These assessments are a part of the foundations for our Policy for Sustainability as well as our two Codes of Conduct. During 2023 we have focused on setting targets for our six KPIs, based on increased data quality. The targets for our environmental KPIs are aligned with Science Based Targets and the Paris Agreement and has been validated through the SBTi SME pathway in July 2023. The socially focused KPIs have targets that are aligned with UNGC and national legislation.

### Moving forward:

In 2024 we will develop action plans for how to achieve the targets set in 2023. Working across the entire organization to ensure global alignment. Our Policy for Sustainability will also be reviewed and approved anew by top management in 2024.

Link to full-policy: <https://linklog.com/en/sustainability-governance/>

## Code of Conduct for Business Relations

Link Logistics' Business Relationships Code of Conduct (CoC) communicates expectations for suppliers and partners to exhibit responsible business conduct aligned with internationally recognized sustainable development principles. The CoC mandates adherence to a global minimum standard, integrating UN Global Compact principles, UN Guiding

# Management's review

Principles on Business and Human Rights (UNGPs), and OECD Guidelines for Multinational Enterprises as benchmarks for responsible business conduct.

The Scope of the CoC covers human rights, labor rights, environmental concerns (including climate), and economic sustainability (anti-corruption) aligned with international declarations and conventions. Adherence to this standard is beyond legal compliance and requires a management system that addresses and mitigates adverse impacts.

## Management Requirements entail specific elements:

- **Policy Commitment:** Business Relationships must establish a Policy Commitment approved at the highest organizational level, informed by experts, publicly available, communicated internally and externally, and integrated into operational policies.
- **Due Diligence Process:** Regular assessments of risks related to sustainable development principles, identification, prevention, and mitigation of adverse impacts, along with communication of findings and actions taken to relevant stakeholders, including Link Logistics, are required.
- **Access to Remedy:** Business Relationships must provide access to legitimate grievance mechanisms for affected parties in case of identified adverse impacts within the outlined Scope.

Implementation involves Link Logistics aligning with the CoC requirements and sharing information with Business Relationships. The CoC applies to first-tier Business Relationships, with an expectation for similar standards for their respective business relationships. Immediate notification of severe adverse impacts, along with actions taken, is required. Failure to notify or address severe impacts may lead to termination of the business relationship.

Maintaining records demonstrating compliance, collaboration for continuous improvement, and a commitment to implement the CoC's standards are key facets. Business Relationships are expected to disclose their implementation status and share documentation aligned with the CoC's requirements upon request by Link Logistics.

## During 2023:

In 2023, the Code of Conduct was updated and reapproved by the board of directors. The Code of Conduct has been used in communication with business relationships.

## Moving forward:

In 2024 we will look how to further engage with our business relationships, regarding the content of the Code of Conduct.

Link to full-policy: <https://linklog.com/en/sustainability-governance/>

## Code of Conduct for Employees

In our commitment to promoting sustainability across all levels, we recognize the crucial role of employee dedication. Our Code of Conduct for employees (CoCE) is vital to reinforce this commitment. The CoCE addresses our expectations for employees in Link Logistics, ensuring engagement to uphold ethical standards and foster a culture of responsibility.

The CoCE is grounded in the principles of the UN Global Compact, emphasizing the three pillars of Environmental, Social, and Economic sustainability. Within each area, specific guidelines outline the expected actions from employees, contributing to Link's ongoing sustainable journey.

Aligned with Link's expectations, the CoCE aims to inform employees of their responsibilities connected to our sustainable development. Through our CoCE, employees are encouraged to address and heighten awareness regarding impacts within key aspects of sustainability. Having a committed team makes it possible to assess impacts at several levels of the organization.

Through the CoCE we strive to foster an inclusive workplace, respecting individual rights, promoting non-discrimination, and encouraging open communication. Employees engage in reducing emissions, advocating eco-friendly travel, and supporting waste management. Moreover, the CoCE presents expectations for employees to

# Management's review

refrain from bribery, nepotism, and fraudulent behavior, prioritizing sound decision-making in line with organizational integrity.

Furthermore, the CoCE promotes an open-door culture, encouraging employees to voice concerns and share ideas. It includes our whistle-blower scheme, which provides an avenue for anonymously reporting any perceived violations of law or ethical misconduct.

## During 2023:

To ensure employee commitment from day one, every new employee is presented to the CoCE when signing the contract with Link. This new process gives new team members an understanding of our approach to sustainability and empowers them to actively contribute to the ongoing development of sustainable initiatives.

## Moving forward:

Besides including the CoCE in the contract package, we will work on training our employees in the elements presented in the policy. We will during 2024 set action plans for how to roll out training.

Link to full-policy: <https://linklog.com/en/sustainability-governance/>

## Diversity & Inclusion policy

The Diversity & Inclusion Policy at Link Logistics embodies our dedication to cultivating a workplace that embraces and values the diverse perspectives, backgrounds, and talents of every individual. This policy serves as a guiding framework, highlighting our commitment to fostering an inclusive environment that promotes innovation, creativity, and overall success within our organization.

## Policy overview:

**Equal Opportunity:** Our commitment to equal opportunity ensures a discrimination-free workplace, where individuals from all backgrounds have an equitable chance to thrive, irrespective of race, religion, gender, sexual orientation, or any other protected status.

**Inclusive Work Environment:** We foster an atmosphere that unequivocally prohibits discrimination, harassment, or bias, actively encouraging open dialogue, collaboration, and mutual respect among all team members to drive innovation and excellence.

**Gender Equality:** A dedicated initiative aims to advance gender equality by 2030, incorporating gender-neutral recruitment, pay gap closure, leadership development for all genders, diversity training, and work-life balance initiatives, striving for a workplace where gender equality is a reality.

## Continuous Improvement:

Acknowledging diversity and inclusion as dynamic goals, our commitment involves ongoing improvement, transparent reporting, progress assessments, and measurable objectives, ensuring compliance with all relevant laws.

Management sets the tone and champions diversity and inclusion, while the People and Culture department implements and maintains the policy. All employees are accountable for supporting diversity and inclusion efforts and treating others with respect.

Diversity and inclusion are fundamental to our success, forming the bedrock of our workplace culture. Our policy reflects an ongoing commitment to these principles, ensuring Link Logistics stands as a model of diversity and inclusion within the industry, guided by global standards of ethical business conduct.

## During 2023 and moving forward:



## Management's review

The Diversity & Inclusion policy is the direct product of Links work with social responsibility during 2023. We have set forth a strengthened focus on D&I and will during 2024 prepare action plans for how to systematically work with D&I in the organization.

Link to full-policy: Will be available here from 26/4-24: <https://linklog.com/en/sustainability-governance/>

## Materiality Assessment

Link Logistics has identified sustainability risks through comprehensive Impact Assessments conducted in each country of operations. These assessments, conducted in collaboration with Global CSR® by utilizing their due diligence platform, align with the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Responsible Business Conduct. From these assessments, we have pinpointed key risk areas based on potential impacts, forming the basis for our risk management strategy. Looking ahead, we are planning to conduct a double materiality assessment in 2024 as part of our preparations for the Corporate Sustainability Reporting Directive (CSRD).

### The identified key risk areas:

1. Climate Action – focusing on GHG emissions.
2. Environmental impact of own pickup fleet
3. Employee Health & Safety
4. Diversity & Inclusion
5. Bribes, Gifts and nepotism.

### Climate Action

Climate action is a key risk area for Link Logistics due to Links impact on global supply chain dynamics. The risks associated with climate change, including extreme weather events, disruptions to transportation networks, and regulatory shifts, pose substantial threats to our operations. As a logistics company committed to working with sustainability, we recognize that climate-related challenges not only affect the reliability of our services but also demand proactive measures to reduce our environmental footprint. Addressing climate risks is key for resilience, long-term viability, and aligning with international sustainability standards, ensuring the continuity of our business in an ever-evolving climate landscape

### Environmental impact of own pickup fleet

The environmental impact of our own pickup fleet is a key risk area for Link Logistics, closely tied to our broader commitment to climate action. The carbon footprint generated by our fleet has implications for climate change, air quality, and overall environmental health. Regulatory developments, societal expectations, and the growing emphasis on green initiatives amplify the significance of managing and mitigating the environmental impact of our pickup fleet. By addressing this key risk area, we contribute to environmental conservation, ensuring the resilience and longevity of our operations in an environmentally conscious business landscape.

### Employee Health & Safety

Employee health and safety stands as a paramount concern for Link Logistics, reflecting our commitment to the well-being of our workforce. Recognizing it as a key risk area underscores the importance of maintaining a secure and healthy work environment. The well-being of our employees is fundamental to sustaining a productive and engaged team. Mitigating this risk is not only a legal and ethical imperative but also a strategic investment in our most valuable asset—the people who drive our success. Through stringent safety protocols, training initiatives, and proactive measures, we aim to safeguard our employees, promote a culture of well-being, and ensure operational continuity.

### Diversity & Inclusion

"Diversity and inclusion" are identified as a key risk area for Link Logistics due to its strategic importance in fostering an inclusive workplace culture. Recognizing this as a risk underscores the potential challenges in maintaining a diverse

## Management's review

and inclusive environment, which is crucial for innovation, creativity, and overall organizational success. Failure to address diversity and inclusion effectively may result in diminished employee engagement, talent attraction, and collaboration. Link Logistics acknowledges the significance of diversity as a driver of success and aims to proactively manage this risk by promoting an inclusive culture, providing equal opportunities, and continuously enhancing diversity initiatives within the organization.

### Bribes, gifts, and nepotism

“Bribes, gifts, and nepotism” are identified as a three key risks for Link Logistics due to the nature of our business model. Link works in close partnerships with a multitude of large companies, and we are dependent on partnerships. Thus, we cannot rule out that benefits will be sought to be fulfilled through bribery. Link Logistics has a zero-tolerance policy on corruption and relevant staff such as accounting, procurement and management are informed. No incidents relating to corruption have been recorded in the past years. Link Logistics may be in a position to give or receive gifts of substantial amounts that could influence business decisions. We do not allow employees to receive gifts that could be perceived to compromise integrity. Information on this is included in our staff manual, with specific instructions on how to handle gifts. Link hires staff and makes use of partnerships and contractors that may have both personal and business relationships with existing Link Logistics employees. We include in our staff manual procedures and protocols to reduce the risk of nepotism and cronyism. Moreover, the Link Logistics procurement procedures are updated once a year and approved by senior management.

The Code of Conduct for Business Relationships and the Code of Conduct for Employees help us to guide and inform on the expectations related to anti-corruption and bribery set forth by Link Logistics.

## 2023 – a data driven year for Links ESG department

### Managing our environmental impacts

Working with environmental sustainability is vital for Link in order to minimize our negative impacts on our planet. It's not just about following global standards; it's about being responsible. By working with more eco-friendly practices, we are minimizing the harm on the environment, and we also support our customers' sustainability work and progress as part of their value chain. We focus on small changes in our daily operations that add up to a bigger, positive impact.

### Taking responsibility for our environmental actions

Being transparent about how we take responsibility for our environmental impacts, both positive and negative, has been a cornerstone of the 2023 journey. We have moved forward from identifying key impact last year, to working on target setting and putting actions into motion.

### Quality and reliable data

Being able to rely on the data gathered throughout the organization and to compare and consolidate it into a quality output, is a high value add and we have put extra focus on this during 2023. Sustainability data is large, it is complex and can quickly grow out of hand. We have renewed our governance processes to ensure structured collection of our data. In 2023 we launched the internal quarterly sustainability reports; setting global and country specific focus on data collection and showcasing results of implemented initiatives throughout the company. These reports aim to decentralize and integrate sustainability throughout our organization.

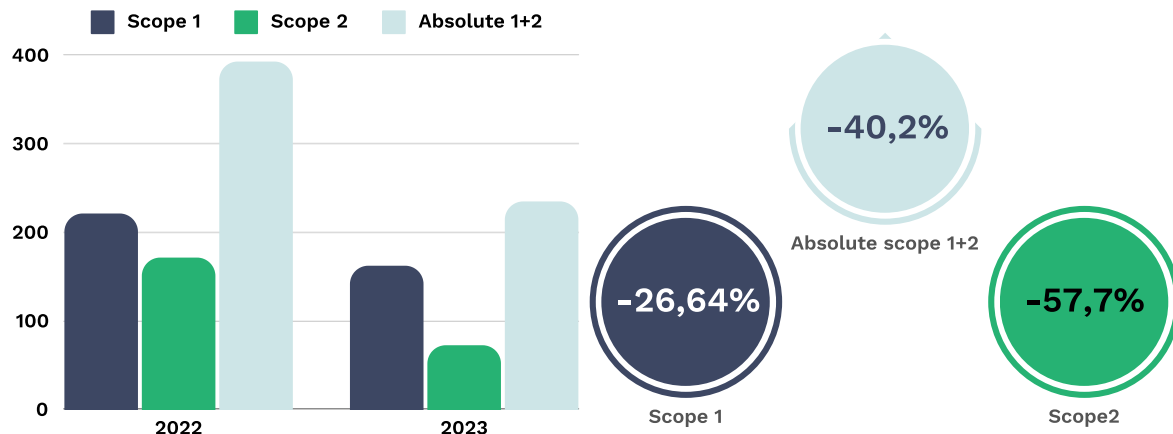
### Setting science based targets

2023 was a successful year pushing the environmental agenda in Link. Our efforts with increasing data quality have led to the Science Based Targets initiative approving our 1,5-degree near term targets, as a part of their SME pathway. Thus, we commit to reducing our environmental footprint substantially by 2030. Setting goals based on scientific evidence calls for increased transparency, and this is part of Link's commitment to evidence-based climate action.

## Management's review

To reach our 2030 goal of reducing our absolute scope 1 and 2 by 42% we must reduce on average 7% per year. It is a challenge as a company in constant growth, but in Link we will let growth be a forte and see it as a positive contribution to the work we do.

We have reduced our absolute scope 1 with -26,64% and scope 2 with -57,7%, giving us a total reduction of -40,2% for the year. We are proud of our reduction, considering the inclusion of the 2022 acquisition of Tangen Logistics and opening 2 new branches during the year. We have worked hard to qualify the data and updated the processes for data processing, this is clearly reflected in the metric output and even though the reduction in emissions is considerably lower this year, we will not rest on our laurels but continue the effective work and aim for our 2030 target.



### Customer CO2 reporting

In the summer of 2023, we introduced a new service offering tailored CO2 reporting for shipments upon request, strategically designed to cater to our customer segments. This initiative involved a strategic collaboration between Link and EcoTransitWorld, an entity renowned for its expertise in comprehensive CO2 accounting across diverse transportation modes. These reports serve as a pivotal tool, empowering our customers with detailed insights into the emissions associated with their individual shipments. This transparent approach underscores our commitment to providing actionable information that aids our customers in making informed decisions regarding their environmental impact.

### Beyond emissions reduction

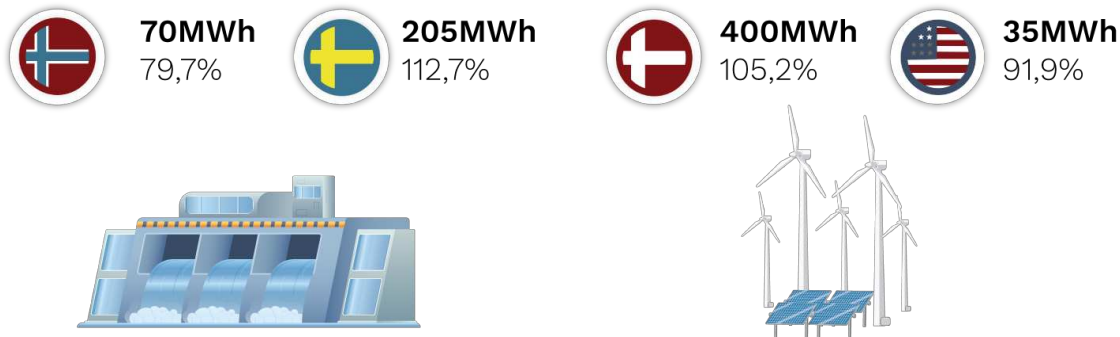
Investing in Environmental Attributes Certificates (EACs) is a strategic decision that aligns with global energy goals and contributes to positive environmental impact. Link directly supports the growth of renewable energy sources, through the purchase of EACs, providing financial backing to projects like wind, hydroelectric- and solar power, encouraging the expansion of clean energy infrastructure. Link chooses to purchase an equivalent number of certificates to the expected consumption of electricity each year. The purchase is placed in each country of operations, to contribute to the increase of renewables on the energy grids where we consume our electricity from.

In Sweden we purchased 205 MWh of hydropower, to cover the estimated consumption of electricity in 2023. The data reflects that we stayed below our purchase, only consuming 181,9 MWh.

In Norway we exceeded the expected consumption and consumed 17,8 MWh more, we delegate this increase to the company growth in Norway, the inclusion of Tangen Logistics and the opening of our branch in Bergen. With the opening of our Miami branch and our EWR location moving to new facilities, we exceeded the 35 MWh purchased for our US location, but even so we only used 3 MWh more, because of access to better data and a more energy-efficient facility. Looking at our Danish branches, we clearly see that our energy savings initiatives have had an impact on the total consumption. We expected a consumption of up to 400 MWh electricity, and we purchased 361,5 MWh from the grid and produced 18,6 MWh with the solar panels on our ODE office. We will reevaluate our expectations for 2024,

# Management's review

and plan to include expected electricity consumption of private electric- and hybrid company cars as well, when purchasing new EACs for 2024.



Picture 1 - Amount of renewable energy purchased through EAC's and percentage of actual electricity usage covered in reporting period.

## People Empowerment

Prioritizing social sustainability at Link is more than just a corporate duty. We firmly believe that cultivating a secure workplace and supporting equal opportunities contributes to unlocking the full potential of our workforce. Encouraging open communication, supporting employee well-being, and addressing social challenges help create a healthy work environment. In the past year, we have increased our focus on social sustainability. We have set targets and built standards for Gender Equality, while our focus on Diversity and Inclusion (D&I) aims to reduce employee turnover and create a positive work environment, lastly our commitment to Health and Safety minimizes the risk of accidents and injuries.

## Tracking Social Impacts

As a part of our expanded focus on social sustainability we have expanded our social metrics, to keep better track of our progress. We have included engagement and gender gap in our social metrics.

Looking at engagement, our full-time voluntary turnover rate stands at 14,43% indicating that we are following our 2030 goal of maintaining it below 15%. However, our hourly-paid voluntary turnover rate is 49,02%, showing the need for strategic interventions to align with our target of achieving a turnover rate of 25%. Additionally, we have added average seniority as an expanding indicator for our employee turnover. Our aspiration is to reach 5 years of average seniority across our workforce by 2030, this is to keep a balance between fostering long-term commitments and embracing fresh perspectives. New employees bring innovative ideas and diverse knowledge, fueling our continuous growth and adaptability. Simultaneously, longer tenures symbolize employee satisfaction and a positive experience with Link, contributing with skills and expertise vital for our success. Though our current average seniority stands at 3,7 years we are driven to elevate it.

Turning to the gender gap, our ambition is to narrow the unadjusted pay gap to 12% by 2030. Our data demonstrates a modest but important decrease from 16,2% in 2022 to 15,87% in 2023, indicating progress towards our target.

This year, the quality and quantity of our social data has improved immensely, and we have a strong focus on finding new and improved ways of tracking, mitigating, and improving this, so that we can reach the goals set for 2025 and 2030.

## Social Impacts

### Integrating and Tracking Social Impacts Across Our Growing Family

As Link continues to grow, integrating new additions into our operations is a key focus, ensuring that our commitment to sustainability and collaborative work culture extends across the entire organization. In 2023, with the addition of

## Management's review

three Branches, and the integration of the 2022 acquisition Tangen Logistics, we faced the challenge of maintaining cohesion and ensuring all employees are aligned with our core values and objectives.

Through the integration process, we recognized the challenges associated with such transitions, we aimed for a structured and thoughtful integration process. A key event was organized in Oslo to facilitate this transition, where the new employees Tangen met colleagues from across Norway and the management. This gathering was crucial for setting the stage for effective collaboration and ensuring that the integration of Tangen Logistics into Link was conducted with attention to both operational efficiency and the well-being of all employees.

In 2023, we changed our leadership structure from an Executive Committee that included only C-suite executives to a Senior Management Team that also comprises Country Managing Directors and Department Directors. This change was made to provide a space where strategic and operational management can align and communicate, helping the organization to move in a unified direction.

Executive committee (A/S only)	2022	Senior Management Team (A/S only)	2023
Total members	4	Total members	8
Underrepresented gender in %	0% (F)	Underrepresented gender in %	12,5 % (F)
Manager type	c-suite	Manger type	C-suite + department directors

### ESG KPIs

#### KPI 1 – Climate Action

By including incentives and reasoning for choosing more sustainable options, when picking a private company vehicle, Link employees take action in helping our company reduce its carbon footprint. We currently have a large variety of hybrid and electric cars, but we still have some employees driving diesel and gasoline driven cars. Therefore, we will work on reaching our goal of at least 80% electric- or hybrid vehicles by 2025.

To complement and contribute to the above-mentioned main KPI target, we have set the following sub target to also reduce our scope 2 emissions. *Link will by 2025 cover 100% of its expected annual electricity consumption with renewable energy certificates.* Contributing to a global push for a higher renewable share in the energy mix. This will include utility usage and expected consumption from electric and hybrid private company vehicles.

During 2023 we finished installing electric car chargers at our office in Odense, Demark. We will continue to investigate where it will be feasible to have chargers in the coming years, as Link expands, and more employees and business relationships choose electrified transportation.

#### KPI 2 – Gender Equality

We wish for all our employees to be treated equally, to have the same opportunities for development, and for nobody to experience discrimination. To be friendly is a part of our values, and essentially, this includes avoiding any kinds of biases against each other, along with gender biases. Therefore, an equal work environment is a top priority and is part of our six KPIs.

We have set two main targets for increasing the percentage of the underrepresented gender in extended management and in the company. We want to reach our goal of 40% of the underrepresented gender by 2025, in both categories.

To further reduce the gender inequalities, we have set different sub-targets. We wish to have 25% of the underrepresented gender in the senior management team, and to decrease the unadjusted gender pay gap to 12% by 2030.

# Management's review

During 2023 the focus has been on ensuring data availability and tracking from all locations in all countries. We are now able to gather equivalent data across all of Link.

## KPI 3 – Employee Turnover

In Link, we want our employees to feel valued, respected, and motivated so that they can contribute with their absolute best. We believe that happy employees perform better, which is why it is crucial to understand where we can get better to foster a good work environment. We aim to create an attractive workplace and develop talents who are happy about being part of Link. Furthermore, engaged employees tend to be more innovative and bring unique ideas. This is in line with our values, where we want to have an innovative mindset so that we can always adapt to the latest trends in the market. We wish to have engaged employees who are passionate about their work and contribute to Link's culture and performance.

We are aware of what looks like a high turnover, but a large portion is related to our part-time workers, who often are students working at Link outside of their studies. This employee group usually have a higher turnover rate as some finishes their studies and will look for fulltime jobs or some changes into more study relevant jobs.

We are currently developing an employee engagement survey to further measure the reasons behind our employee turnover. This methodology will be implemented in 2024 and we will utilize the metrics in the next annual report.

## KPI 4 – Environmental impact of controlled pickup vehicles

In Link, being able to offer pickup services for our non-warehouse customers is a big part of the Link experience. For every truck we send on the road, emissions will be released. Not only is it caused by transportation, but also by the maintenance of our daily operations – through combustion of fuels in machinery such as trucks and forklifts.

This KPI is also a direct contributor to KPI 1 and our work with Climate Change. Meaning that our Science Based Target applies to how we tackle the environmental impact of Links own pickup vehicles. Link have set a target to reduce emissions from our own pickup fleet by 50%, by 2030, compared to a 2022 baseline. To help ensure we reach this target, we have set a sub target to offer zero-emissions pickup within a 75 km radius of terminals, by 2030.

This year a second electric pickup vehicle was added into the fleet in Copenhagen servicing our central Copenhagen customers. Moving forward, we will work together with the logistics and dispatch team to further qualify the data from the vehicles and investigate solutions to decrease the negative impact and increase the zero-emissions fleet.

## KPI 5 - Waste Management

Link offers warehousing and pick & pack services at many of our locations. We therefore handle different shipping materials either provided by our customers or as a part of the Link service. The practice of packing and redistributing shipments surely results in the need for a proper waste management system. The beginning of 2023 was dedicated to the implementation of our waste systems, tailored to the national regulations and options in each country of operation.

During 2023 we have worked together with our Green Runner Network to ensure that our colleagues across all locations are aware of what, how and where to sort the different types of waste. Whether they be working in the offices, warehouses or terminals, everyone has been coming together to make the new implementation work.

We have set targets for our waste management to increase the recycling percentage to above 70% by 2025 and above 80% by 2030, compared to a 2022 baseline.

We look to 2024 with a positive mindset and look forward to tackling individual waste streams and working on lowering our general waste output. In the beginning of 2024, we will have our first-year worth of data on waste and will be able to make informed decisions and set targets for how to reduce our waste.

## KPI 6 – Employee Health & Safety

The global agenda has over the last decade put increasing awareness on employee health and how insecure and unsafe work environments lead to an increase in employee absenteeism and long-term illness. It is therefore

## Management's review

important for us to follow international human and labor rights to ensure that we do not contribute to these possible adverse impacts.

We have set a target to reduce the number of workplace accidents leading to injury, of zero each year. Our commitment to zero accidents is rooted in a proactive approach to workplace safety. By implementing and continually refining preventative measures, we aim to substantially decrease the risk of work environment-related injuries.

In 2023 we had an increase in reported accidents, none of which were of serious character, but enough to launch investigations of working practices to ensure that these types of incidents cease to occur. We will continue this investigative and preventive form, moving into the new year.

## Link Logistics Metrics

### Environmental data descriptions

All emissions calculations are made with the Footprint Firms carbon footprint tool ©.

Databases used are DEFRA, IEA, EPA & supplier specific emission factors.

Method: GHG protocol, operational control, and market-based method for results.

Environmental	Unit	2023	2024	2025	2026	2027
<b>GHG Emissions</b>						
Total CO <sub>2</sub> e company	t CO <sub>2</sub> e	21.151,66				
Total CO <sub>2</sub> e pr. FTE	t CO <sub>2</sub> e	111,91				
Total scope 1	t CO <sub>2</sub> e	127,09				
Total scope 2	t CO <sub>2</sub> e	58,28				
Total scope 3	t CO <sub>2</sub> e	20.966,29				
CO <sub>2</sub> emissions in own pick-up cars	t CO <sub>2</sub> e	88,956				
<b>Avoided Emissions</b>						
Renewable energy produced on site	kWh	27991,8				
<b>Energy consumption</b>						
Total energy consumption	MWh	1.654,317				
Electricity consumption	MWh	414,031				
% of electricity covered by EACs	%	96,61				
<b>Waste</b>						
Percentage of waste recovered for recycling	%	82,19				
<b>Water</b>						
Water consumption	m <sup>3</sup>	749,05				
<b>Employee commuting</b>						
Total CO <sub>2</sub> e across all transport modes	t CO <sub>2</sub> e	279,966				
Working from home	t CO <sub>2</sub> e	14,098				

# Management's review

## Social data descriptions

Databases used: data is drawn from personnel and payroll systems in each country.

Method: All social data calculations are made based on the SFDR requirements and international standards for ESG reporting.

Social	Unit	2023	2024	2025	2026	2027
<b>Employees</b>						
Total company	HC	234				
Salaried employees	HC	189				
Part-time employees	HC	45				
Trainees	HC	6				
<b>Gender Distribution</b>						
All employees	%	41,88% (F)				
Senior Management	%	12,5% (F)				
Extended Management	%	31,57% (F)				
<b>Gender Gap</b>						
WEP – gender gap score	%	n/a for Link A/S				
Unadjusted Gender Pay Gap (excluding hourly paid)	%	n/a for Link A/S				
<b>Engagement</b>						
Average seniority	Years	n/a for Link A/S				
Full-time voluntary turnover	%	n/a for Link A/S				
Hourly-paid voluntary turnover	%	n/a for Link A/S				
Return after parental leave	%	100				
<b>Health &amp; Safety</b>						
Absenteeism rate (percentage of total working hours)	%	5,25				
Number of work-related accidents	Qty	4				

## Governance data descriptions

Method: data is collected from IT systems and our third-party contractor handling our whistleblower scheme.

Governance	Unit	2023	2024	2025	2026	2027
<b>Board composition</b>						
Board composition	HC (m/f)	2/2				
- Of which independent / non-independent	HC	3/1				
- Percentage of underrepresented gender in independent board members	%	33,3 (m)				
Data security breaches	Qty	1				
Reports via whistleblower	Qty	0				

## Learn more

Link has for the fourth time developed an independent Sustainability Report, which will be available on our website from the 26<sup>th</sup> of April 2024. The report contains a more in-depth description of our sustainability journey, targets, goalsetting, and projects towards becoming a more sustainable company.



# Management's review

## Gender Representation in Link Logistics

Databases used: data is drawn from personnel and payroll systems in each country.

Method: All social data calculations are made based on the SFDR requirements and international standards for ESG reporting.

Underrepresented gender	2023	2024	2025	2026	2027
<b>Top management (board of directors)</b>					
Total members	4				
Underrepresented gender in %	50				
Goal in %	50				
Year for expected completion	Goal reached in 2023				
<b>Other management levels</b>					
<b>Senior Management Team (new upper management established in 2023)</b>					
Total members	8				
Underrepresented gender in %	12,5% (F)				
Goal in %	15% / 30%				
Year for expected completion	2025 / 2030				
<b>Extended Management Group *</b>					
Total members	19				
Underrepresented gender in %	31,57 (F)				
Goal in %	40%				
Year for expected completion	2025				

\*Extended management is considered as other management, as defined by Erhvervsstyrelsen. (SMT is a part of the EMG group)

### Top Management:

In 2023 we have 4 members in top management which is our board of directors, and we maintained an equal gender distribution. We will continue to ensure that we maintain an equal distribution in our top management.

### Other Management:

As previously described, we wish for all our employees to be treated equally, to have the same opportunities for development, and for nobody to experience discrimination. This also applies to employees seeking management training and leadership roles. To be friendly is a part of our values, and essentially, this includes avoiding any kinds of biases in management, when promoting or hiring. Therefore, an equal work environment is a top priority and is part of our six KPIs.

We have set two main targets for increasing the percentage of the underrepresented gender in extended management (other management) and in the company. We want to reach our goal of 40% of the underrepresented gender by 2025, in both categories.

To further reduce the gender inequalities, we have set different sub-targets. We wish to have 30% of the underrepresented gender in the senior management team, and to decrease the unadjusted gender pay gap to 12% by 2030.

In 2023, we changed our leadership structure from an Executive Committee that included only C-suite executives to a Senior Management Team that also comprises Country Managing Directors and Department Directors. This change was made to provide a space where strategic and operational management can align and communicate, helping the organization to move in a unified direction. Moreover, this change was made to increase diversity in senior management, showcasing Links determination to gender equality across all management levels.

During 2023 the focus has been on ensuring data availability and tracking from all locations in all countries. We are now able to gather equivalent data across all of Link.

# Management's review

## Corporate governance, ownership and capital allocation

### Risk Management

Risk management forms an integral part of Link's operations and decision-making process and aims to create and safeguard business value and customers, secure continuity of operations and ensure the safety of people.

The Risk Management process is designed to manage uncertainties and risks affecting the Group and its business units in the global marketplace identifying, prioritizing, and managing key risks at all levels of the business to support the Group in better decision making, proper allocation of resources and better and faster utilization of opportunities as they arise. Identified potential risks are addressed directly with business unit management.

At Link Logistics, we have a holistic view of sustainability and continuously work to minimize potential and actual adverse impact. Please refer to the ESG/sustainability section for further information on this.

### Risk Governance

The responsibility for the governance of risks lies with the Board of Directors who works closely together with the Executive Management on the overall risk management of the company. The Executive Management is accountable for the operational part of risk management and the primary driver of risk identification and mitigation as well as responsible for design and maintenance of risk management systems.

### Risk Management Procedure

The company applies a structured approach to risk management, organized according to the following four elements:

- Identification and initial reporting - Executive Management receives input through the monthly reports from the most significant business areas.
- Analysis and assessment - Identified risks are recorded in a work register and assessed in terms of likelihood of occurrence and potential financial impact.
- Risk review and mitigation - Key risks are selected for further review and design of mitigating actions. These include avoidance, transfer, reduction, or acceptance.
- Risk reporting - Key risks and mitigating actions are reported to the Board of Directors and are reviewed and discussed at Board Meetings.

### Compliance risks

As a large company with international activities, Link Logistics operate according to a range of regulatory requirements. Compliance with relevant legislation and regulatory standards is imperative for Link. As we contract with independent carriers, non-compliance is both an internal and external risk factor.

Our continuous compliance work includes codes of conduct and instructions to suppliers and employees, communication of guidelines in the employee handbook as well as the whistleblower scheme. On an on-going basis, we monitor relevant regulatory areas to ensure timely identification and implementation of new or updated rules affecting our business.

### Market risks

Link Logistics' business model has shown strong resilience and robustness during challenging market conditions, geopolitical challenges with the war in Ukraine as the epicenter as well as the remaining challenges of the tailend of the COVID-19 pandemic. While Management considers the company to be downside protected in many ways, Link Logistics and our customers are, however, not invulnerable to recessions. Rising inflation, interest rates and growing geopolitical uncertainty creating faster-than-expected economic decline might adversely impact customer demand within the various industries of our customers. This may jeopardize the Group's operational strategic plans and targeted market growth.

## Management's review

The management closely monitors market conditions, and the managing directors of the different countries provide operational insights and assess current market developments. The Group aims to enhance its resilience towards economic downturns through a continued focus on sales to the core customer segments.

### Foreign exchange risks

The Company is exposed to currency fluctuations, mainly from USD, SEK, NOK, and EUR, but in all material aspects most transactions is handled in local currency i.e., DKK in Denmark and SEK in Sweden.

### Credit risks

The Company has a solvency ratio of 26% and the credit risk is considered low. The company has external debt of 140 mDKK.

### Employee risks

Having the right competencies with adequate experience is vital. Therefore, it is important that the Company continues to attract, retain, and develop skilled employees. Failure to do so has the potential to negatively impact the expected development of the Company.

### Supplier risks

The Company relies on suppliers to deliver both transport and related services. Shortage on subcontractor capacity due to either market factors or political developments may affect the Company's ability to service its customers. The Company keeps close contact with critical suppliers and ensures an adequate standardization of the supply-chain to ensure contingencies in case of individual subcontractor's inability to deliver.

### IT and cyber security risk

As the company becomes increasingly digitalized and globalized, more devices and control systems are connected online. The threat to the Group's cybersecurity and data security continues to be a key risk area and a cyber-attack could result in an extended period of downtime, non-compliance with applicable laws and legislation or cause adverse effects on the company's reputation. Operational disruptions or vulnerabilities in key information systems could significantly affect the Group's ability to carry out daily operational business processes and servicing customers. Mitigation Link Logistics' IT function continuously seeks to minimize the above risks by revising strategy, governance, and development plans. The Group invests in employee training, additional relevant internal competences, governance, and technological measures to curb the cyber threat and increase overall resilience and compliance with information security standards. Monitoring of controls and continuous update of systems alleviates the risk and impact of security breaches, and the company only contracts with well renowned service providers to guarantee a secure IT platform. Annual external IT reviews are conducted, and results are reported to and reviewed with the Board of Directors.

## Corporate Governance

The Board of Directors and the Executive Board work constantly to ensure that appropriate and sufficient control systems are in place, managed by a robust management team structure. The Board of Directors and the Executive Board have various duties which are defined by the Companies Act, the Danish Financial Statements Act and the Articles of Association and Rules of Procedure for the Board of Directors, among other regulations and policies. On this basis, the necessary internal procedures are continually being developed, refined, and maintained to ensure active, reliable and profitable management of the Company.

The Board of Directors ensure that the Executive Board complies with the approved objectives, strategies, business procedures and rules of procedure for the Executive Board. The information presented to the Board of Directors is provided systematically before and during meetings as well as in written and verbal reports. The topics of these reports include market development and the Company's development and profitability. The Board of Directors and

## Management's review

the Executive Management have overall responsibility for risk management and internal controls related to financial reporting.

The Board of Directors of the Company meet at least five times a year. Furthermore, information about the Company, results and financial position is shared with the Board of Directors on a monthly call. If relevant, extraordinary meetings are held.

### Board of directors

The Board of directors are:

Name	Charlotte Hansson	Henrik Bonnerup	Pascar Sivam	Sophie Öhrström
Position:	Chair of the Board	Member of the Board	Member of the Board	Member of the Board
Nominated by:	Polaris Private Equity	Polaris Private Equity	Polaris Private Equity	Polaris Private Equity
Chair of the Board in:	vChain AB		Nordgreen Aps	
Deputy Chairman of the Board in:				
Member of the Board in:	Green Cargo AB Bergman & Beving AB DistIT AB Probi AB Stena Trade & Industry AB	RelyOn Nutec Holding A/S Sinful Holdco A/S As well as other Holding companies owned by Polaris Private Equity		
Member of the Executive Board in:		Polaris Private Equity (Partner)	Blazar Capital (Founder & CCO)	GANT (EVP Global Operations)

### Ownership and capital structure

The Parent Company Link Top Holding A/S owns 100% of the share capital in Link Logistics A/S.

## Data ethics

### Introduction

The Executive Management in Link recognize the importance of data and data ethics and reviewing data management and data ethics are well incorporated in the annual cycle of the Executive Management.

This statement is done following Links entry to new financial category and the implementation of §99 in the Danish Financial Act. The statement covers all types of data and is thus a supplement to Links Privacy Policy

<https://gdpr.complycloud.com/externaldocument?id=2936961396c63db3489ea7aaf8a9524ea22e6374174409830862117019> which covers the processing of personal data.

### Data management

At Link we only collect the necessary data to operate our daily business. We do not resell data, even if data is legally obtained.

At Link we strive for full transparency of data. Employees, customers, suppliers, and all other partners must know which data Link holds to cooperate with said partners and how and why we process the data. Data policies ensure that data is only used for the purpose it was obtained.

At Link we are convinced that data will be more important in the future, which is why we take our data management seriously. High quality data will be the foundation for all operations in the future and building artificial intelligence will only succeed if the data is top quality.

### Third party data

When third parties are operating on behalf of Link, we use well known and established partners who takes their data responsibility seriously. If Link in any way suspect that third party data, we encounter, are illegally obtained, we act on it and report our suspicions to relevant authorities.

# Management's review

## IT security

IT and data security are always top of mind at Link. We have state of the art IT security and technical safeguards to protect the data we hold and the data we exchange with our partners. All data held or processed at Link, being both master data or transactional data have a clear ownership in the organization.

## Artificial intelligence

When we use artificial intelligence, we make sure that the result produced is not discriminatory or biased. Use of artificial intelligence in Link is still in its early days and we learn as we go. With focus on data and process ownership and data ethics in general, we have initiated a project that will map all data related to Links primary processes. The project will ensure that data is collected and processed responsibly, as well as data having the highest possible quality. Data quality is essential in creating valuable artificial intelligence solutions. In the same project all data under the GDPR regulation are anonymized unless user holds privileged rights.

## Employee awareness

IT security and data ethics are two important topics when new employees are attending the "New in Link intro day". Furthermore, regular posts are made on Links Intranet and regular mails are distributed on the very same topics. Link are using standard software solutions to support awareness of the IT security, data management and GDPR topics.

Employees are encouraged to report any suspicious behavior regarding data management and can even do it anonymously via our whistleblower system. Employees are also encouraged to ask any questions regarding data, data management, GDPR, IT security and IT in the broadest term and can do so to IT Support or directly to Links Data Protection Officer.

## Application development

In Link we develop our own selected IT applications. Data management and data ethics is an inherent part of the development process and are defined and implemented in approval processes. Before an self-developed application is released for operation, all data going into the application, being generated by the application, or leaving the application are covered by Links data map and has a clearly defined ownership.

## Knowledge resources

At Link logistics we are constantly focusing on attracting and retaining the best knowledge resources in the market for the core business of delivering express and courier related transport and logistics as well as for the Freight Forwarding business. Despite the fierce competition on knowledge resources as well as the current limited supply in the overall workforce, the Company is experiencing a continually increasing volume of applicants with the needed competencies. Internally, the common IT platform and standardized processes ensure that the Company employees' knowledge is shared and documented. The Company's vulnerability related to individual knowledge of employees is therefore limited.

## Research and development activities

The Company continuously and vigorously invests in development both externally in new geographical markets and terminals as well as internally in IT infrastructure and employees, all aspects which are key levers in the continued successful development and growth of the Company. The Company has no research activities. In 2023 the company has developed new internal IT-systems of which 13.8 mDKK has been capitalized. Of the 13.8 mDKK, 5.1 mDKK can be attributed to internal development resources.

## Unusual events

There have been no unusual circumstances which should be referred to in relation to the accounts or the Annual Report for 2023.

## Management's review

### Subsequent events

At the beginning of 2024, one of the company's larger customers is undergoing reconstruction, which is why a significant provision of 5 mDKK has been made in the accounts for 2023. The provision negatively affects both EBITDA and earnings.

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
Revenue	1	542,056	623,625
Other operating income		670	2,027
Direct expenses		-365,701	-435,278
Other external expenses		-60,984	-58,623
<b>Gross profit</b>		<b>116,041</b>	<b>131,751</b>
Staff expenses	2	-93,364	-82,518
<b>Earnings Before Interest Taxes Depreciation and Amortization</b>		<b>22,677</b>	<b>49,233</b>
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-8,036	-5,506
<b>Profit/loss before financial income and expenses</b>		<b>14,641</b>	<b>43,727</b>
Income from investments in subsidiaries		6,985	11,069
Financial income	4	2,370	2,145
Financial expenses	5	-3,610	-1,767
<b>Profit/loss before tax</b>		<b>20,386</b>	<b>55,174</b>
Tax on profit/loss for the year	6	-3,810	-9,494
<b>Net profit/loss for the year</b>	7	<b>16,576</b>	<b>45,680</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Completed development projects		18,823	0
Software		967	1,448
Goodwill		3,186	4,930
Development projects in progress		0	8,351
<b>Intangible assets</b>	<b>8</b>	<b>22,976</b>	<b>14,729</b>
Other fixtures and fittings, tools and equipment		3,859	3,151
Leasehold improvements		1,857	1,581
<b>Property, plant and equipment</b>	<b>9</b>	<b>5,716</b>	<b>4,732</b>
Investments in subsidiaries	10	32,782	25,771
Deposits	11	4,944	3,446
<b>Fixed asset investments</b>		<b>37,726</b>	<b>29,217</b>
<b>Fixed assets</b>		<b>66,418</b>	<b>48,678</b>
Trade receivables		107,738	102,170
Receivables from group enterprises		11,171	21,058
Other receivables		5,580	812
Corporation tax		647	122
Prepayments	12	3,071	1,884
<b>Receivables</b>		<b>128,207</b>	<b>126,046</b>
<b>Cash at bank and in hand</b>		<b>2,900</b>	<b>0</b>
<b>Current assets</b>		<b>131,107</b>	<b>126,046</b>
<b>Assets</b>		<b>197,525</b>	<b>174,724</b>



## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		5,000	5,000
Reserve for net revaluation under the equity method		20,596	13,653
Reserve for development costs		14,682	6,514
Retained earnings		1,329	9,839
Proposed dividend for the year		10,000	40,000
<b>Equity</b>		<b>51,607</b>	<b>75,006</b>
Provision for deferred tax	13	2,391	1,719
Other provisions	14	3,250	2,850
<b>Provisions</b>		<b>5,641</b>	<b>4,569</b>
Lease obligations		775	1,437
<b>Long-term debt</b>	15	<b>775</b>	<b>1,437</b>
Credit institutions		26,116	3,729
Lease obligations	15	620	514
Trade payables		76,473	67,826
Payables to group enterprises		19,687	9,236
Other payables		16,606	12,407
<b>Short-term debt</b>		<b>139,502</b>	<b>93,712</b>
<b>Debt</b>		<b>140,277</b>	<b>95,149</b>
<b>Liabilities and equity</b>		<b>197,525</b>	<b>174,724</b>
Contingent assets, liabilities and other financial obligations	16		
Related parties	17		
Accounting Policies	18		

## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the year	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	5,000	13,653	6,514	9,839	40,000	75,006
Ordinary dividend paid	0	0	0	0	-40,000	-40,000
Exchange adjustments relating to foreign entities	0	25	0	0	0	25
Development costs for the year	0	0	8,168	-8,168	0	0
Net profit/loss for the year	0	6,918	0	-342	10,000	16,576
<b>Equity at 31 December</b>	<b>5,000</b>	<b>20,596</b>	<b>14,682</b>	<b>1,329</b>	<b>10,000</b>	<b>51,607</b>

# Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>1. Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	542,056	623,625
	<b>542,056</b>	<b>623,625</b>
<b>Business segments</b>		
Courier	427,499	469,479
Freight Forward	114,557	154,146
	<b>542,056</b>	<b>623,625</b>

	2023	2022
	TDKK	TDKK
<b>2. Staff Expenses</b>		
Wages and salaries	88,170	78,214
Pensions	7,575	6,517
Other social security expenses	1,513	1,144
Other staff expenses	1,212	0
	<b>98,470</b>	<b>85,875</b>
Transfer to production wages	-5,106	-3,357
	<b>-5,106</b>	<b>-3,357</b>
<b>Including remuneration to the Executive Board</b>	<b>3,593</b>	<b>3,794</b>
<b>Average number of employees</b>	<b>190</b>	<b>172</b>

A part of the remuneration to the Executive Board disclosed above is paid by the Parent Company Link Top Holding A/S and invoiced to the Company as a Management fee.

	2023	2022
	TDKK	TDKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	6,007	3,105
Depreciation of property, plant and equipment	2,029	2,401
	<b>8,036</b>	<b>5,506</b>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>4. Financial income</b>		
Interest received from group enterprises	979	381
Other financial income	1,117	1,703
Exchange gains	274	61
	<u>2,370</u>	<u>2,145</u>
	2023	2022
	TDKK	TDKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	619	0
Other financial expenses	1,254	1,767
Exchange adjustments, expenses	1,737	0
	<u>3,610</u>	<u>1,767</u>
	2023	2022
	TDKK	TDKK
<b>6. Income tax expense</b>		
Current tax for the year	2,847	9,386
Deferred tax for the year	673	383
Adjustment of tax concerning previous years	291	-275
Adjustment of deferred tax concerning previous years	-1	0
	<u>3,810</u>	<u>9,494</u>
	2023	2022
	TDKK	TDKK
<b>7. Profit allocation</b>		
Proposed dividend for the year	10,000	40,000
Reserve for net revaluation under the equity method	6,918	11,068
Retained earnings	-342	-5,388
	<u>16,576</u>	<u>45,680</u>

## Notes to the Financial Statements

### 8. Intangible fixed assets

	Completed development projects	Software	Goodwill	Develop- ment projects in progress
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	0	4,658	32,388	8,351
Additions for the year	0	444	0	13,810
Transfers for the year	22,161	0	0	-22,161
Cost at 31 December	22,161	5,102	32,388	0
Impairment losses and depreciation at 1 January	0	3,210	27,458	0
Depreciation for the year	3,338	925	1,744	0
Impairment losses and depreciation at 31 December	3,338	4,135	29,202	0
<b>Carrying amount at 31 December</b>	<b>18,823</b>	<b>967</b>	<b>3,186</b>	<b>0</b>
Amortised over	3-5 years	3 years	20 years	

Completed development projects and development projects in progress relate to the development of new versions and additions to current IT-systems and internal procedures. The projects are progressing according to updated development plan through the use of the resources allocated by Management to the development and are expected to be completed in different steps during 2024-2025. The projects are expected to be utilised within the Company to provide more effective use of the IT- systems and ultimately result in more effective internal procedures which intends to reduce costs. Furthermore the projects are intended to increase the customer service level experience and ultimately increase the number of customers the company can onboard.

# Notes to the Financial Statements

## 9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improve- ments
	TDKK	TDKK
Cost at 1 January	17,712	4,170
Additions for the year	2,128	885
Cost at 31 December	<u>19,840</u>	<u>5,055</u>
Impairment losses and depreciation at 1 January	14,561	2,589
Depreciation for the year	1,420	609
Impairment losses and depreciation at 31 December	<u>15,981</u>	<u>3,198</u>
<b>Carrying amount at 31 December</b>	<u><b>3,859</b></u>	<u><b>1,857</b></u>
Including assets under finance leases amounting to	<u>833</u>	<u>0</u>

## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>10. Investments in subsidiaries</b>		
Cost at 1 January	12,118	12,193
Disposals for the year	0	-75
Transfers for the year	68	0
Cost at 31 December	<u>12,186</u>	<u>12,118</u>
Value adjustments at 1 January	13,653	3,799
Disposals for the year	0	409
Exchange adjustment	25	-1,214
Net profit/loss for the year	7,005	10,723
Other adjustments	-19	-64
Transfers for the year	-68	0
Value adjustments at 31 December	<u>20,596</u>	<u>13,653</u>
<b>Carrying amount at 31 December</b>	<u><b>32,782</b></u>	<u><b>25,771</b></u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>5,811</u>	<u>0</u>
Remaining positive difference included in the above carrying amount at	<u>5,118</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Linklog AB	Sweden	335	100%	18,317	3,575
Link Logistics US Inc.	USA	7	100%	8,049	2,083
Link Logistics AS	Norway	85	100%	1,299	2,040
				<u>27,665</u>	<u>7,698</u>

## Notes to the Financial Statements

Link Logistics Inc. has been liquidated during the financial year 2022. The results during 2022 has been recognised as net profit/loss for the year and the negative equity related to the liquidation is recognized in the disposals for the year (comparative figures).

In the financial year 2022 the subsidiaries Linklog AB and YOYO Global Freight Sweden AB merged with Linklog AB as the continuing entity. The merger did not result in any change of ownership or subsidiary value.

In the financial year YOYO Global Freight Norway ApS has changed name to Link Logistics AS. Furthermore Link Logistics AS has with accounting effect as of 1 January 2023 merged with its subsidiary Tangen Logistics AS which was acquired in December 2022 by Link Logistics AS. As a result of the merger with Tangen Logistics AS and Link Logistics AS a positive difference on initial measurement of DKK 5,811k has been recognized. The positive difference was previously recognized in Link Logistics AS prior to the merger. The positive difference relates to goodwill and acquired customer rights in Tangen Logistics AS and are amortized over a period of 8-10 years. The amortization is recognized in the "Net profit/loss for the year".

### 11. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	3,446
Additions for the year	1,498
Cost at 31 December	4,944
Carrying amount at 31 December	4,944

### 12. Prepayments

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



## Notes to the Financial Statements

	2023	2022
	TDKK	TDKK
<b>13. Provision for deferred tax</b>		
Deferred tax liabilities at 1 January	1,719	1,336
Amounts recognised in the income statement for the year	672	383
<b>Deferred tax liabilities at 31 December</b>	<b>2,391</b>	<b>1,719</b>
Intangible assets	4,952	3,041
Property, plant and equipment	177	-115
Trade receivables	-2,391	-954
Prepayments	675	0
Lease obligations	-307	-429
Restructuring asset	0	264
Restructuring liability	-715	-462
Tax loss carry-forward	0	374
	<b>2,391</b>	<b>1,719</b>

Deferred tax has been provided at 22% corresponding to the current tax rate.

	2023	2022
	TDKK	TDKK
<b>14. Other provisions</b>		
Provision for restoration obligation on leases	3,250	2,850
	<b>3,250</b>	<b>2,850</b>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>15. Long-term debt</b>		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
<b>Lease obligations</b>		
After 5 years	0	0
Between 1 and 5 years	<u>775</u>	<u>1,437</u>
Long-term part	775	1,437
Within 1 year	<u>620</u>	<u>514</u>
	<u><b>1,395</b></u>	<u><b>1,951</b></u>
	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>16. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
The Company has a letter of indemnity to Nykredit Bank A/S with a principal amount of TDKK 5,000. Nykredit Bank A/S has a floating charge in goodwill, property plant and equipment and trade receivables which as of 31 December amounts to a booked value of:	122,739	111,832
The Company has provided a surety(ship) to Link Top Holding A/S' bank in which all creditors of Link Top Holding A/S can demand payment from the company in case of overdue payments for Link Top Holding A/S.		
<b>Contingent assets</b>		
The Company has entered into lease contracts for office premises and storage facilities with external parties. The lease contracts has a security of tenure of 10 years with effect from 01 July 2018. The lease asset as of 31 December amounts to:	4,963	5,722

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>16. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Rental- and lease obligations, period of notice between 6 - 60 months. The obligation as of 31 December amounts to:	28,757	21,989
The Company has provided a bank guarantee to a landlord to guarantee the fulfillment of its obligations, cf. a lease contract	333	333

### Other contingent liabilities

The Company is on an ongoing basis involved in legal disputes with customers, suppliers and other parties. As of 31 December 2023 there are no legal disputes which can potentially cause a material economic burden for the Company.

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of P-Link 2019 A/S, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 17. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
Polaris Private Equity IV K/S, København, CVR 36 48 65 97	Ultimative Parent Company
P-Link 2019 A/S, København, CVR 39 86 01 04	Intermediate Parent Company
Link Top Holding A/S, København, CVR 39 86 06 35	Immediate Parent Company

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
P-Link 2019 A/S	Malmøgade 3 2100 København Ø
Link Top Holding A/S	Vallensbækvej 51 2605 Brøndby

# Notes to the Financial Statements

## 18. Accounting policies

The Annual Report of Link Logistics A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of Link Top Holding A/S, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Link Top Holding A/S, the Company has not prepared a cash flow statement.

### Fee to auditors appointed at the general meeting

With reference to section 96(3) of the Danish Financial Statements Act, the Company has not disclosed information regarding the fee to auditors appointed at the general meeting as the Company is included in the consolidated financial statements of Link Top Holding A/S, where the information is disclosed for the Group as a whole.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

# Notes to the Financial Statements

## Business combinations

### *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied at the date of acquisition, and comparative figures have not been restated.

## Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

## Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

## Segment information on revenue

Information on business segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income statement

### Revenue

Net sales from the sale of express and courier shipments and related transport services are recognised in the income statement if delivery and risk transfer to the buyer have taken place before the year-end.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Direct expenses

Direct expenses comprise the expenses consumed to achieve revenue for the year.

### Other external expenses

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

### Staff expenses

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

# Notes to the Financial Statements

## **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

## **Other operating income and expenses**

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

## **Income from investments in subsidiaries**

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## **Financial income and expenses**

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## **Tax on profit/loss for the year**

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with its parent companies. The tax effect of the joint taxation with the parent companies is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Software are measured at the lower of cost less accumulated amortisation and recoverable amount. Software are amortised over the remaining software period, however not exceeding 3 years.

#### *Development projects*

Development costs for development projects and development projects in progress are recognized in profit or loss as they are incurred unless the conditions for capitalization have been met. The costs includes wages and salaries, depreciation and other external expenses which directly and indirectly relates to the development activities.

Development costs are capitalized if the development projects are clearly defined and identifiable and where the technical rate of utilization of the project, the availability of adequate resources and a potential development opportunity can be demonstrated. Furthermore, such costs are capitalized only where the intention is to use the project, when the cost can be measured reliably and when it is probable that future economic benefits that will flow to the company can cover administrative expenses and development costs.

After completion of the development work, development costs are amortized over the estimated useful life of 3-5 years, determined on Management's expectation of the technological obsolescence. Ongoing development projects are tested for impairment at least annually or when there is indication of impairment.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.



# Notes to the Financial Statements

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## **Other fixed asset investments**

Other fixed asset investments consist of deposits.

## **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **Equity**

### **Dividend**

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

### **Provisions**

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### **Deferred tax assets and liabilities**

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

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

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

# Notes to the Financial Statements

## Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial Highlights

### Explanation of financial ratios

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Revenue}$
Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$