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# ***Link Logistics A/S***

Vallensbækvej 51 - 53, DK-2605 Brøndby

## **Annual Report for 1 January - 31 December 2020**

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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  
29/4 2021

Charlotte Gaarn Hansson  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company Information	5
Financial Highlights	6
Management's Review	7
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	12
Balance Sheet 31 December	13
Statement of Changes in Equity	15
Notes to the Financial Statements	16

# 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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 25 February 2021

## Executive Board

Anders Martin Martens  
CEO

Mads Koch Jensen  
Executive Officer

## Board of Directors

Charlotte Gaarn Hansson  
Chairman

Henrik Bonnerup

Mads Koch Jensen

# 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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial 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.

# Independent Auditor's Report

## **Management's responsibilities for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the Financial Statements 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.

## Independent Auditor's Report

- 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, 25 February 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden  
statsautoriseret revisor  
mne32209

Mads Haugegaard Albrechtsen  
statsautoriseret revisor  
mne45846

## Company Information

### **The Company**

Link Logistics A/S  
Vallensbækvej 51 - 53  
DK-2605 Brøndby

Telephone: + 45 32488888  
Website: [www.linklog.dk](http://www.linklog.dk)

CVR No: 28 65 90 24  
Financial period: 1 January - 31 December  
Incorporated: 1 April 2006  
Financial year: 14th financial year  
Municipality of reg. office: Brøndby

### **Board of Directors**

Charlotte Gaarn Hansson, Chairman  
Henrik Bonnerup  
Mads Koch Jensen

### **Executive Board**

Anders Martin Martens  
Mads Koch Jensen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

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

	2020 TDKK	2019 TDKK 9 months	2018/19 TDKK	2017/18 TDKK	2016/17 TDKK
<b>Key figures</b>					
<b>Profit/loss</b>					
Gross profit/loss	59,619	41,599	56,907	50,165	39,843
Operating profit/loss	19,493	10,841	15,046	13,655	7,638
Profit/loss before financial income and expenses	19,493	10,841	15,046	13,655	7,638
Net financials	56	-28	178	164	1,199
Net profit/loss for the year	14,838	8,426	11,898	10,794	7,154
<b>Balance sheet</b>					
Balance sheet total	84,766	63,876	65,566	67,772	58,739
Equity	25,152	21,207	23,299	22,434	20,207
Investment in property, plant and equipment	3,650	215	1,229	-1,188	-2,325
Number of employees	82	78	73	68	62
<b>Ratios</b>					
Return on assets	23.0%	17.0%	22.9%	20.1%	13.0%
Solvency ratio	29.7%	33.2%	35.5%	33.1%	34.4%
Return on equity	64.0%	37.9%	52.0%	50.6%	36.9%

For definitions, see under accounting policies.



# Management's Review

## Key activities

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

## Link Logistics

Link Logistics is the largest independent transport provider in the Nordics within express and courier related transport, offering digital one-stop shopping to premium Industry and e-commerce customers across industries.

Link Logistics vision is to eliminate barriers in the courier industry. Our passion is to offer Industry and e-commerce customers tailor-made transport solutions structured around the best global networks.

Link Logistics is established in Denmark and Sweden as well as a recent start-up in USA. Our ambition is to offer unique logistics services across markets through the Link-in-a-Box concept, supporting and developing our main products - courier, warehousing, Pharma and Special Services.

The business model is founded on long term customer relations characterized by high loyalty and very low churn rates, and our +800 customers are supported by +110 dedicated employees, who all strive to deliver 5-star performance every day.

2020 has shown a significant growth within the e-commerce segment – a segment where Link Logistics offer our customers a unique and market leading transport platform. Due to the e-commerce growth and despite COVID-19 effects, Link Logistics show the same growth rates in 2020 as the previous years, with double digit growth rates on top and bottom line.

For Link Logistics in Denmark and Sweden combined the revenue growth is 10% during 2020. The entity revenue growth was 9% for Denmark and 25% for Sweden.

Link Logistics operates under own brand and is represented in Denmark by three offices and sorting terminals respectively in Brøndby, Aarhus and Frederica as well as two locations in Sweden with office and terminal in Gothenburg and Stockholm and newly opened operations in the US.

Link Logistics is owned by Polaris Private Equity (member of DVCA).

# Management's Review

## Board of Directors

The board of directors are:

Name	Role	Nominated by	Other Positions
Charlotte Hansson	Chair	Polaris Private Equity	Chairman in Orio AB and Board Member in Green Cargo AB, Bergman & Beving AB, DistIT AB, Probi AB, Senergia Nordic AB, and Stena Trade & Industry AB
Henrik Bonnerup	Member	Polaris Private Equity	Partner Polaris Private Equity, and boardmember in: Allianceplus Holding A/S, Rely On Nutec Holding A/S as well as other Holding companies owned by Polaris Private Equity.
Mads Koch Jensen	Member	MASH Holding	CCO Link Logistics

Board, Senior Management and key employees are included in a share program.

## Development in the year

The income statement of the Company for 2020 shows a profit of DKK 14,838,344, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 25,151,683.

2020 has been a year highly influenced by the global Covid-19 pandemic. We have seen a decline in the revenue and volumes from industrial customers, while the e-commerce segment has compensated the decline and further growth resulting in record revenue and bottom line for the year.

Activities to expand Link Logistics to new markets have been put on hold during 2020 due to Covid-19, and efforts has been targeted at optimizing and developing business model in Denmark and Sweden.

For the Group, the new board of directors has been elected, and 2 new members with expertise within e-commerce has joined the team during 2020.

## Risk management

Link Logistics has a traditional organizational structure with a board of directors and an executive board. The executive board is working closely together with key employees to make sure that operational risk is managed at the expected level as well as the control-environment is considered effective.

The Group is following the DVCA's recommendations as well as recommendations on corporate governance. Reference is also made to management review in Link Top Holding A/S.

# Management's Review

## ***Operating risks***

The business-model and operational activities are not exposed to any material risk in addition to general industry conditions such as completion, pricing and regulation.

Management routinely monitor the risks and opportunities that may occur. It has been assessed that there are no single significant risk relating to the operations of the group.

During 2020 the Covid-19 has affected mainly our industrial customers with lower volumes, though this drop has been outgrown by growth within the e-commerce segment. The customer spread has been reducing risk exposure during the pandemic, and the customer mix will be a strong part of the business going forward.

## ***Foreign exchange risks***

The Group operates in different currency's, DKK, SEK, USD and EUR, but in all material aspects most transactions is handled in local currency i.e., DKK in Denmark and SEK in Sweden. In a consolidated view the SEK shows volatility but the investment in Sweden is immaterial from a group perspective.

## ***Credit risks***

The Company has a solvency ratio at 29.7% and the credit risk is considered low. The Group has external debt of DKK 49 mio. The amended terms and conditions, to this debt, includes financial covenant. The covenant is tested quarterly, based upon rolling 12 months results. Reference is made to consolidated financial figures and management review in Link Top Holding A/S.

## **Strategy and objectives**

### **Sustainability**

During 2020 Link Logistics has initiated a range of initiatives within the area of sustainability as we believe we have a responsibility to address current global challenges and act on them. Our responsible business conduct is based on managing potential and actual adverse impacts on the internationally agreed core areas of sustainable development: social, environmental, and economic sustainability (ESG).

The focus has been on establishing a sustainability framework that will serve as a backbone of our efforts to create transparency in our operations and transport network and to find ways to reduce our negative impacts and increase our positive impacts. In 2020 Link Logistics has made great progress in establishing a reporting structure that enables tracking, prioritizing, and communicating the progress made within sustainability. Onwards, we will be sharing our latest updates within ESG on the website.

### **Growth into new markets**

Link Logistics has proved a solid business model and concept almost 20 years of successful business at the Danish market and becoming market leading within our sector.

## Management's Review

In Sweden, the concept has been established, and next step is to grow further and to potentially expand the Link concept to several new markets, and US was started up in 2020, and we expect the next European markets to be opened during 2021.

To document and keep all learnings and best practice for future expansion, Link in a Box has been developed. This is a manual describing how to open a new Link terminal – from market selection, location selection and day to day management of a new Link facility.

*The customers interact with Link at various stages – from initial contact and contract signing till booking and pick-up and ultimately invoicing.*

*Link strives to deliver a 5-star performance and customer experience in all touchpoints and this focus is supported by the Management Plan, our values as well as the Linker concept.*

*The one stop shopping transport concept adds value to our customers throughout the entire chain and all transport solutions are focused on a seamless customer experience*

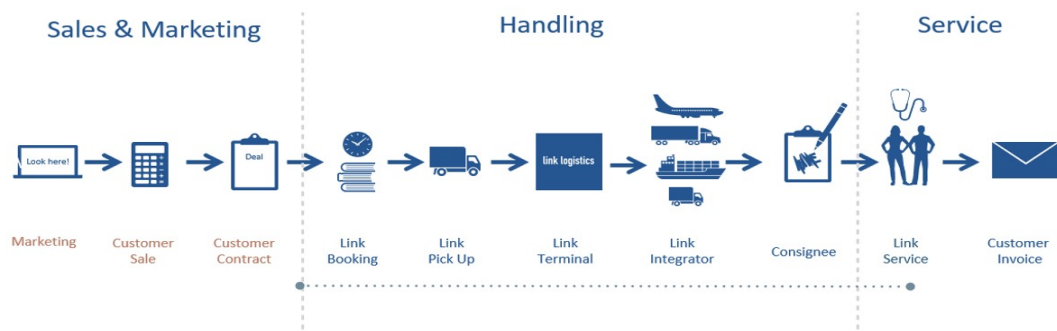
### Looking forward

We expect continued increasing volumes from the e-commerce segment in 2021, and we also expect the industrial segment to catch up once the Covid-19 restrictions are lifted globally.

Main focus for 2021 will be to develop and expand our e-commerce offering ensuring that we continue to be market leading within this segment.

During 2021 Link will take next step for expanding to new markets both in US as well as in Europe.

Our efforts within sustainability will continue in 2021 integrated in our business model with a number of measures including a strong focus on climate change and working towards creating the optimal transport mix based on lowest possible CO2 emission.



## **Management's Review**

### **Subsequent events**

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

## Income Statement 1 January - 31 December

	Note	2020 12 months DKK	2019 9 months DKK
<b>Gross profit/loss</b>		<b>59,619,190</b>	<b>41,599,421</b>
Staff expenses	1	-36,862,042	-28,509,570
<b>EBITDA</b>		<b>22,757,148</b>	<b>13,089,851</b>
Depreciation and amortisation of intangible assets and property, plant and equipment	2	-3,264,029	-2,249,347
<b>Profit/loss before financial income and expenses</b>		<b>19,493,119</b>	<b>10,840,504</b>
Income from investments in subsidiaries		544,184	73,391
Financial income		43,201	10,599
Financial expenses		-531,210	-111,564
<b>Profit/loss before tax</b>		<b>19,549,294</b>	<b>10,812,930</b>
Tax on profit/loss for the year	3	-4,710,950	-2,386,871
<b>Net profit/loss for the year</b>		<b>14,838,344</b>	<b>8,426,059</b>

# Balance Sheet 31 December

## Assets

	Note	2020 DKK	2019 DKK
Software		1,517,218	382,662
Goodwill		7,444,577	8,862,593
<b>Intangible assets</b>	<b>4</b>	<b>8,961,795</b>	<b>9,245,255</b>
Other fixtures and fittings, tools and equipment		3,419,658	2,300,752
Leasehold improvements		1,496,130	335,677
<b>Property, plant and equipment</b>	<b>5</b>	<b>4,915,788</b>	<b>2,636,429</b>
Investments in subsidiaries	6	6,065,665	5,317,648
Deposits	7	1,405,435	1,386,808
<b>Fixed asset investments</b>		<b>7,471,100</b>	<b>6,704,456</b>
<b>Fixed assets</b>		<b>21,348,683</b>	<b>18,586,140</b>
Trade receivables		45,511,726	35,248,671
Receivables from group enterprises		38,794	248,500
Other receivables		97,878	1,181,097
Corporation tax		652,035	578,794
Prepayments	8	1,253,598	1,285,804
<b>Receivables</b>		<b>47,554,031</b>	<b>38,542,866</b>
<b>Cash at bank and in hand</b>		<b>15,863,455</b>	<b>6,746,690</b>
<b>Currents assets</b>		<b>63,417,486</b>	<b>45,289,556</b>
<b>Assets</b>		<b>84,766,169</b>	<b>63,875,696</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		4,000,000	4,000,000
Retained earnings		6,151,683	6,207,236
Proposed dividend for the year		15,000,000	11,000,000
<b>Equity</b>		<b>25,151,683</b>	<b>21,207,236</b>
Provision for deferred tax	10	2,034,428	2,179,860
Other provisions	11	1,750,000	500,000
<b>Provisions</b>		<b>3,784,428</b>	<b>2,679,860</b>
Lease obligations		2,466,306	1,261,893
Other payables		0	1,053,236
<b>Long-term debt</b>	12	<b>2,466,306</b>	<b>2,315,129</b>
Lease obligations	12	499,246	618,527
Trade payables		37,105,450	30,359,807
Payables to group enterprises		7,268,471	2,646,106
Other payables	12	8,490,585	4,049,031
<b>Short-term debt</b>		<b>53,363,752</b>	<b>37,673,471</b>
<b>Debt</b>		<b>55,830,058</b>	<b>39,988,600</b>
<b>Liabilities and equity</b>		<b>84,766,169</b>	<b>63,875,696</b>
Distribution of profit	9		
Contingent assets, liabilities and other financial obligations	13		
Related parties	14		
Accounting Policies	15		



## Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	4,000,000	6,207,236	11,000,000	21,207,236
Net effect from merger with Link Logistics Holding A/S	0	-90,944	0	-90,944
Adjusted equity at 1 January	4,000,000	6,116,292	11,000,000	21,116,292
Ordinary dividend paid	0	0	-11,000,000	-11,000,000
Exchange adjustments relating to foreign entities	0	197,047	0	197,047
Net profit/loss for the year	0	-161,656	15,000,000	14,838,344
<b>Equity at 31 December</b>	<b>4,000,000</b>	<b>6,151,683</b>	<b>15,000,000</b>	<b>25,151,683</b>

# Notes to the Financial Statements

	2020 12 months DKK	2019 9 months DKK
<b>1 Staff expenses</b>		
Wages and salaries	35,016,020	26,995,080
Pensions	1,295,918	1,071,325
Other social security expenses	550,104	443,165
	<b>36,862,042</b>	<b>28,509,570</b>
Including remuneration to the Executive Board of: Executive Board- and Supervisory Board	2,523,922	3,313,816
	<b>2,523,922</b>	<b>3,313,816</b>
<b>Average number of employees</b>	<b>82</b>	<b>78</b>
<b>2 Depreciation and amortisation of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	1,893,687	1,199,940
Depreciation of property, plant and equipment	1,285,682	1,049,407
Gain and loss on disposal	84,660	0
	<b>3,264,029</b>	<b>2,249,347</b>
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	4,352,920	2,715,592
Deferred tax for the year	-145,432	-328,721
Adjustment of tax concerning previous years	503,462	0
	<b>4,710,950</b>	<b>2,386,871</b>

# Notes to the Financial Statements

## 4 Intangible assets

	Software DKK	Goodwill DKK
Cost at 1 January	2,968,726	28,360,303
Additions for the year	1,610,227	0
Disposals for the year	-2,208,326	0
Cost at 31 December	2,370,627	28,360,303
Impairment losses and amortisation at 1 January	2,586,066	19,497,710
Amortisation for the year	475,669	1,418,016
Reversal of amortisation of disposals for the year	-2,208,326	0
Impairment losses and amortisation at 31 December	853,409	20,915,726
<b>Carrying amount at 31 December</b>	<b>1,517,218</b>	<b>7,444,577</b>

## 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	12,154,416	1,648,354
Additions for the year	2,329,367	1,320,333
Disposals for the year	-1,415,500	-631,452
Cost at 31 December	13,068,283	2,337,235
Impairment losses and depreciation at 1 January	9,853,664	1,312,677
Depreciation for the year	1,126,838	158,843
Reversal of impairment and depreciation of sold assets	-1,331,877	-630,415
Impairment losses and depreciation at 31 December	9,648,625	841,105
<b>Carrying amount at 31 December</b>	<b>3,419,658</b>	<b>1,496,130</b>
Including assets under finance leases amounting to	2,432,200	0

# Notes to the Financial Statements

	2020 DKK	2019 DKK
<b>6 Investments in subsidiaries</b>		
Cost at 1 January	9,398,054	9,398,054
Additions for the year	6,786	0
Cost at 31 December	9,404,840	9,398,054
Value adjustments at 1 January	-4,080,406	-4,136,207
Exchange adjustment	197,047	-17,590
Net profit/loss for the year	544,184	73,391
Value adjustments at 31 December	-3,339,175	-4,080,406
<b>Carrying amount at 31 December</b>	<b>6,065,665</b>	<b>5,317,648</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Linklog AB	Sverige	369,850	100%	6,027,576	709,928
Link Logistics Inc.	USA	6,058	100%	38,089	31,303

## 7 Other fixed asset investments

	Deposits DKK
Cost at 1 January	1,386,808
Additions for the year	18,627
Cost at 31 December	1,405,435
<b>Carrying amount at 31 December</b>	<b>1,405,435</b>

## 8 Prepayments

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

# Notes to the Financial Statements

	2020 12 months DKK	2019 9 months DKK
<b>9 Distribution of profit</b>		
Extraordinary dividend paid	0	7,000,000
Proposed dividend for the year	15,000,000	11,000,000
Retained earnings	-161,656	-9,573,941
	<b>14,838,344</b>	<b>8,426,059</b>

## 10 Provision for deferred tax

Provision for deferred tax at 1 January	2,179,860	2,508,581
Amounts recognised in the income statement for the year	-145,432	-328,721
<b>Provision for deferred tax at 31 December</b>	<b>2,034,428</b>	<b>2,179,860</b>
Immaterielle anlægsaktiver	1,971,595	2,033,956
Materielle anlægsaktiver	511,099	276,719
Forudbetalinger	275,792	282,877
Tilgodehavender fra salg og tjenesteydelse	-71,637	0
Leasingforpligtelse	-652,421	-413,692
	<b>2,034,428</b>	<b>2,179,860</b>

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

## 11 Other provisions

Provision for restoration obligation on leases	1,750,000	500,000
	<b>1,750,000</b>	<b>500,000</b>

# Notes to the Financial Statements

## 12 Long-term debt

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:

	2020 DKK	2019 DKK
<b>Lease obligations</b>		
Between 1 and 5 years	2,466,306	1,261,893
Long-term part	2,466,306	1,261,893
Within 1 year	499,246	618,527
	<b>2,965,552</b>	<b>1,880,420</b>
<b>Other payables</b>		
Between 1 and 5 years	0	1,053,236
Long-term part	0	1,053,236
Other short-term payables	8,490,585	4,049,031
	<b>8,490,585</b>	<b>5,102,267</b>

## 13 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with bankers:

The shares are pledged in accordance with a pledge agreement (Share Pledge Agreement) of 17 December 2019 with first priority for Nykredit Bank A/S (CVR no. 10 51 96 08, Kalvebod Brygge t-3, DK-1560 Copenhagen), which implies that no additional collateral rights may be established over the shares without Nykredit's prior written consent.

### Rent obligations

Rental obligations, period of notice	6,963,177	7,409,555
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The company has provided a bank guarantee to the landlord to guarantee the fulfillment of its obligations, cf. the lease contract of DKK 333,200.

# Notes to the Financial Statements

## 13 Contingent assets, liabilities and other financial obligations (continued)

### Other contingent liabilities

The 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 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.

## 14 Related parties

### Basis

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### 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

Link Logistics A/S is included in the Consolidated Financial Statements for:

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

# Notes to the Financial Statements

## 15 Accounting Policies

The Annual Report of Link Logistics A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

With regards to the true and fair view of the financial statements, certain reclassifications have been made in the balance sheet and notes. Comparative figures have been adjusted accordingly.

Comparative figures consist of 9 months.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements 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.

### 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.



# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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.

### **Business combinations**

#### ***Uniting of interests***

Intragroup business combinations are accounted for under the uniting-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 uniting-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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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.

## 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.

### Expenses for direct costs

Expenses for direct costs 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.

### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for direct costs and other external expenses.

### Staff expenses

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

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### 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 onaccount 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance Sheet

### Intangible assets

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.

### 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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

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.

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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### **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 equity 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 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.

### **Financial debts**

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

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Financial Highlights

#### Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$