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

Vallensbækvej 51 - 53, DK-2605 Brøndby

## **Annual Report for 1 April - 31 December 2019**

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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  
29/5 2020

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 April - 31 December             | 11          |
| Balance Sheet 31 December                          | 12          |
| Statement of Changes in Equity                     | 14          |
| Notes to the Financial Statements                  | 15          |

# 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 April - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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, 15 April 2020

## 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 2019 and of the results of the Company's operations for the financial year 1 April - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Link Logistics A/S for the financial year 1 April - 31 December 2019, 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, 15 April 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Allan Kamp Jensen  
statsautoriseret revisor  
mne15126

Mads Haugegaard Albrechtsen  
statsautoriseret revisor  
mne45846

## Company Information

### **The Company**

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

Telephone: + 45 70104500

Website: [www.linklog.dk](http://www.linklog.dk)

CVR No: 28 65 90 24

Financial period: 1 April - 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:

|  | 2019<br>TDKK<br>9 months | 2018/19<br>TDKK | 2017/18<br>TDKK | 2016/17<br>TDKK | 2015/16<br>TDKK |
|--|--------------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key figures</b>                               |                          |                 |                 |                 |                 |
| <b>Profit/loss</b>                               |                          |                 |                 |                 |                 |
| Gross profit/loss                                | 41,599                   | 56,907          | 50,165          | 39,843          | 37,740          |
| Operating profit/loss                            | 10,841                   | 15,046          | 13,655          | 7,638           | 9,761           |
| Profit/loss before financial income and expenses | 10,841                   | 15,046          | 13,655          | 7,638           | 9,761           |
| Net financials                                   | -28                      | 178             | 164             | 1,199           | -3,633          |
| Net profit/loss for the year                     | 8,426                    | 11,898          | 10,794          | 7,154           | 4,076           |
| <b>Balance sheet</b>                             |                          |                 |                 |                 |                 |
| Balance sheet total                              | 63,876                   | 65,566          | 67,772          | 58,739          | 51,064          |
| Equity   | 21,207                   | 23,299          | 22,434          | 20,207          | 18,605          |
| Investment in property, plant and equipment      | 215                      | 1,229           | -1,188          | -2,325          | 3,212           |
| Number of employees                              | 78                       | 73              | 68              | 62              | 53              |
| <b>Ratios</b>                                    |                          |                 |                 |                 |                 |
| Return on assets                                 | 17.0%                    | 22.9%           | 20.1%           | 13.0%           | 19.1%           |
| Solvency ratio                                   | 33.2%                    | 35.5%           | 33.1%           | 34.4%           | 36.4%           |
| Return on equity                                 | 37.9%                    | 52.0%           | 50.6%           | 36.9%           | 16.8%           |



# 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 BtB and BtC customers across industries.

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

Link Logistics is established in Denmark and recently in Sweden, with the ambition of developing the customer offering and at the same time starting up new 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 very high loyalty and very low churn rates, and the +800 customers are supported by 110 (grown by 10% in 2019) dedicated employees, who all strive to deliver 5-star performance every day.

The last five years has shown a constantly positive and above market level growth rate as well as positive strong earnings. For Link Logistics in Denmark and Sweden combined, the calendar year 2019 has shown the same trend with 13,8% growth in revenue. The revenue growth for Link Logistics A/S showed 12% while the growth for Linklog AB was 40%.

Link Logistics operates under own brand and is represented in Denmark by two offices and sorting terminals respectively in Brøndby and Frederica as well as two locations in Sweden with office and terminal in Gothenburg and Stockholm.

In 2019 Polaris Private Equity (member of DVCA) acquired the majority of the shares in Link Logistics and the transfer of the new ownership including a management buy-in was executed in December 2019 and January 2020.

# 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, Momentum Group AB, DistIT AB, PROBI 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 fiscal year in Link Logistics A/S and Linklog AB was changed to follow the calendar year, hence the respective annual reports for these companies only cover 9 months (April 1st till December 31st).

The income statement shows a profit of DKK 8,426k and the Balance sheet shows equity of DKK 21,207k.

## Risk management

The Group 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 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 governates.

## 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's Review

Group 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.

### *Foreign exchange risks*

The Group operates in different currency's but in all material aspects in EUR, DKK and SEK. DKK is bound to the EUR, which means no exchange risk. The SEK is a bit volatile but the investment in Sweden are immaterial from a group perspective.

### *Credit risks*

The Group has a solvency ratio at 38% and the credit risk is considered low. The Group has external debt of DKK 95 mio. The amended terms and conditions, to this debt, includes financial covenant. The covenant is tested quarterly, based upon rolling 12 months results. The next covenant test is 30 June 2020.

### *Looking forward*

After the change in ownership in December 2019, a new board was elected, and the priorities for 2020 as well as the/a new 5-year plan has been developed and will be implemented early 2020.

While the new ownership of Link will accelerate our strategy execution, the core values will remain the same – high focus on 5-star service and performance to our customers.

We expect to continue the high growth rates in the coming years – both in Denmark, and even more so in new markets.

#### *Key elements of the 2020 Focus Plan:*

- A new terminal will be opened in Århus, supporting the customers and growth in this region.
- Strengthening our digital platform as well as organization to support the growth ambition
- Further strengthen the BtC/ecommerce platform including social media and marketing
- Growing the business in Sweden

#### *Growth into new markets:*

Link Logistics has shown a proven business model and concept at the Danish market with 16 years of successful business and development of the business to become market leading within our sector.

The concept has been established, and next step is to grow further in Sweden and to potentially expand the Link concept to new markets.

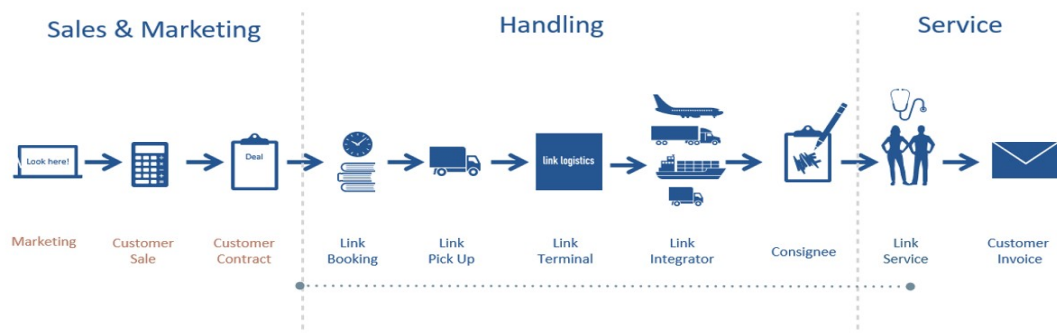
To document and keep all learnings and best practice for future expansion, Link in a Box has been developed. This is a manual describing how to open a new Link terminal – from market selection, location selection and day to day management of a new Link facility.

## Management's Review

*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 are 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*



### Subsequent events

The outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak.

Many customers have indicated that they will continue projects in progress, but there is high likelihood that COVID-19 will have negative impacts on revenue and earnings in 2020.

Management is monitoring developments closely. It is, however, too early to give an opinion as to what extent COVID-19 will impact revenue and earnings in 2020.

Naturally, Management will make an effort to recapture any lost revenue now and later in the year primarily through growth within the ecommerce segment, which is not as hard affected by the COVID-19 outbreak as traditional BtB businesses.

## Income Statement 1 April - 31 December

|  | Note | 2019<br>9 months<br>DKK | 2018/19<br>12 months<br>DKK |
|--|------|-------------------------|-----------------------------|
| <b>Gross profit/loss</b>   |      | <b>41,599,421</b>       | <b>56,907,163</b>           |
| Staff expenses   | 1    | -28,509,570             | -38,813,619                 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | 2    | -2,249,347              | -3,047,838                  |
| <b>Profit/loss before financial income and expenses</b>  |      | <b>10,840,504</b>       | <b>15,045,706</b>           |
| Income from investments in subsidiaries  |      | 73,391                  | 225,339                     |
| Financial income   | 3    | 10,599                  | 108,002                     |
| Financial expenses   |      | -111,564                | -155,046                    |
| <b>Profit/loss before tax</b>  |      | <b>10,812,930</b>       | <b>15,224,001</b>           |
| Tax on profit/loss for the year  | 4    | -2,386,871              | -3,326,052                  |
| <b>Net profit/loss for the year</b>  |      | <b>8,426,059</b>        | <b>11,897,949</b>           |

# Balance Sheet 31 December

## Assets

|  | Note     | 2019<br>31 December<br>DKK | 2019<br>31 March<br>DKK |
|--|----------|----------------------------|-------------------------|
| Software   |          | 382,662                    | 304,555                 |
| Goodwill   |          | 8,862,593                  | 9,926,105               |
| <b>Intangible assets</b>                         | <b>5</b> | <b>9,245,255</b>           | <b>10,230,660</b>       |
| Other fixtures and fittings, tools and equipment |          | 2,300,752                  | 3,169,914               |
| Leasehold improvements                           |          | 335,677                    | 515,923                 |
| <b>Property, plant and equipment</b>             | <b>6</b> | <b>2,636,429</b>           | <b>3,685,837</b>        |
| Investments in subsidiaries                      | 7        | 5,317,648                  | 5,261,847               |
| Other receivables                                | 8        | 1,386,808                  | 1,039,445               |
| <b>Fixed asset investments</b>                   |          | <b>6,704,456</b>           | <b>6,301,292</b>        |
| <b>Fixed assets</b>                              |          | <b>18,586,140</b>          | <b>20,217,789</b>       |
| Trade receivables                                |          | 35,248,671                 | 35,615,982              |
| Receivables from group enterprises               |          | 248,500                    | 2,102,116               |
| Other receivables                                |          | 1,181,097                  | 26,446                  |
| Corporation tax                                  |          | 578,794                    | 1,889,560               |
| Prepayments                                      | 9        | 1,285,804                  | 1,789,252               |
| <b>Receivables</b>                               |          | <b>38,542,866</b>          | <b>41,423,356</b>       |
| <b>Cash at bank and in hand</b>                  |          | <b>6,746,690</b>           | <b>3,924,386</b>        |
| <b>Currents assets</b>                           |          | <b>45,289,556</b>          | <b>45,347,742</b>       |
| <b>Assets</b>                                    |          | <b>63,875,696</b>          | <b>65,565,531</b>       |

# Balance Sheet 31 December

## Liabilities and equity

|  | Note | 2019<br>31 December<br>DKK | 2019<br>31 March<br>DKK |
|--|------|----------------------------|-------------------------|
| Share capital  |      | 4,000,000                  | 4,000,000               |
| Retained earnings  |      | 6,207,236                  | 15,798,767              |
| Proposed dividend for the year                                 |      | 11,000,000                 | 3,500,000               |
| <b>Equity</b>  |      | <b>21,207,236</b>          | <b>23,298,767</b>       |
| Provision for deferred tax                                     | 11   | 2,179,860                  | 2,508,581               |
| <b>Provisions</b>  |      | <b>2,179,860</b>           | <b>2,508,581</b>        |
| Lease obligations  |      | 1,261,893                  | 1,771,384               |
| Other payables   |      | 1,053,236                  | 0                       |
| <b>Long-term debt</b>  | 12   | <b>2,315,129</b>           | <b>1,771,384</b>        |
| Lease obligations  | 12   | 618,527                    | 578,544                 |
| Trade payables   |      | 26,753,853                 | 26,086,103              |
| Payables to group enterprises                                  |      | 2,646,106                  | 2,311,452               |
| Other payables   | 12   | 8,154,985                  | 9,010,700               |
| <b>Short-term debt</b>   |      | <b>38,173,471</b>          | <b>37,986,799</b>       |
| <b>Debt</b>  |      | <b>40,488,600</b>          | <b>39,758,183</b>       |
| <b>Liabilities and equity</b>                                  |      | <b>63,875,696</b>          | <b>65,565,531</b>       |
| Distribution of profit   | 10   |                            |                         |
| 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 April                                 | 4,000,000        | 15,798,767        | 3,500,000                      | 23,298,767        |
| Ordinary dividend paid                            | 0                | 0                 | -3,500,000                     | -3,500,000        |
| Extraordinary dividend paid                       | 0                | -7,000,000        | 0                              | -7,000,000        |
| Exchange adjustments relating to foreign entities | 0                | -17,590           | 0                              | -17,590           |
| Net profit/loss for the year                      | 0                | -2,573,941        | 11,000,000                     | 8,426,059         |
| <b>Equity at 31 December</b>                      | <b>4,000,000</b> | <b>6,207,236</b>  | <b>11,000,000</b>              | <b>21,207,236</b> |



# Notes to the Financial Statements

|   | 2019<br>9 months<br>DKK | 2018/19<br>12 months<br>DKK |
|---|-------------------------|-----------------------------|
| <b>1 Staff expenses</b>   |                         |                             |
| Wages and salaries  | 26,995,080              | 37,186,120                  |
| Pensions  | 1,071,325               | 1,288,022                   |
| Other social security expenses  | 443,165                 | 339,477                     |
|   | <b>28,509,570</b>       | <b>38,813,619</b>           |
| Including remuneration to the Executive Board and Board of Directors of:                                  |                         |                             |
| Executive Board   | 3,146,147               | 2,745,450                   |
| Supervisory Board   | 167,669                 | 333,044                     |
|   | <b>3,313,816</b>        | <b>3,078,494</b>            |
| <b>Average number of employees</b>  | <b>78</b>               | <b>73</b>                   |
| <b>2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment</b> |                         |                             |
| Amortisation of intangible assets   | 1,199,940               | 1,580,720                   |
| Depreciation of property, plant and equipment   | 1,049,407               | 1,467,118                   |
|   | <b>2,249,347</b>        | <b>3,047,838</b>            |
| <b>3 Financial income</b>   |                         |                             |
| Interest received from group enterprises  | 0                       | 89,969                      |
| Other financial income  | 10,599                  | 15,870                      |
| Exchange adjustments  | 0                       | 2,163                       |
|   | <b>10,599</b>           | <b>108,002</b>              |
| <b>4 Tax on profit/loss for the year</b>  |                         |                             |
| Current tax for the year  | 2,715,592               | 3,631,826                   |
| Deferred tax for the year   | -328,721                | -305,774                    |
|   | <b>2,386,871</b>        | <b>3,326,052</b>            |

# Notes to the Financial Statements

## 5 Intangible assets

|   | Software<br>DKK | Goodwill<br>DKK  |
|---|-----------------|------------------|
| Cost at 1 April                                   | 2,754,192       | 28,360,303       |
| Additions for the year                            | 214,534         | 0                |
| Cost at 31 December                               | 2,968,726       | 28,360,303       |
| Impairment losses and amortisation at 1 April     | 2,449,637       | 18,434,198       |
| Amortisation for the year                         | 136,427         | 1,063,512        |
| Impairment losses and amortisation at 31 December | 2,586,064       | 19,497,710       |
| <b>Carrying amount at 31 December</b>             | <b>382,662</b>  | <b>8,862,593</b> |

## 6 Property, plant and equipment

|  | Other fixtures<br>and fittings,<br>tools and<br>equipment<br>DKK | Leasehold<br>improvements<br>DKK |
|--|--|----------------------------------|
| Cost at 1 April                                    | 12,154,416   | 1,648,354                        |
| Cost at 31 December                                | 12,154,416   | 1,648,354                        |
| Impairment losses and depreciation at 1 April      | 8,984,503  | 1,132,431                        |
| Depreciation for the year                          | 869,161  | 180,246                          |
| Impairment losses and depreciation at 31 December  | 9,853,664  | 1,312,677                        |
| <b>Carrying amount at 31 December</b>              | <b>2,300,752</b>   | <b>335,677</b>                   |
| Including assets under finance leases amounting to | 1,498,129  | 0                                |

# Notes to the Financial Statements

|                                       | 2019<br>31 December<br>DKK | 2019<br>31 March<br>DKK |
|---------------------------------------|----------------------------|-------------------------|
| <b>7 Investments in subsidiaries</b>  |                            |                         |
| Cost at 1 April                       | 9,398,054                  | 9,398,054               |
| Cost at 31 December                   | 9,398,054                  | 9,398,054               |
| Value adjustments at 1 April          | -4,136,207                 | -4,328,572              |
| Exchange adjustment                   | -17,590                    | -32,974                 |
| Net profit/loss for the year          | 73,391                     | 225,339                 |
| Value adjustments at 31 December      | -4,080,406                 | -4,136,207              |
| <b>Carrying amount at 31 December</b> | <b>5,317,648</b>           | <b>5,261,847</b>        |

Investments in subsidiaries are specified as follows:

| Name       | Place of<br>registered office | Share capital | Votes and<br>ownership | Equity    | Net profit/loss<br>for the year |
|------------|-------------------------------|---------------|------------------------|-----------|---------------------------------|
| Linklog AB | Sverige                       | 357,750       | 100%                   | 5,317,648 | 73,391                          |

## 8 Other fixed asset investments

|                                       | Other receiv-<br>ables<br>DKK |
|---------------------------------------|-------------------------------|
| Cost at 1 April                       | 1,039,445                     |
| Additions for the year                | 347,363                       |
| Cost at 31 December                   | 1,386,808                     |
| <b>Carrying amount at 31 December</b> | <b>1,386,808</b>              |

## 9 Prepayments

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

# Notes to the Financial Statements

|                                  | 2019<br>9 months<br>DKK | 2018/19<br>12 months<br>DKK |
|----------------------------------|-------------------------|-----------------------------|
| <b>10 Distribution of profit</b> |                         |                             |
| Extraordinary dividend paid      | 7,000,000               | 3,000,000                   |
| Proposed dividend for the year   | 11,000,000              | 3,500,000                   |
| Retained earnings                | -9,573,941              | 5,397,949                   |
|                                  | <b>8,426,059</b>        | <b>11,897,949</b>           |

## 11 Provision for deferred tax

|   |                  |                  |
|---|------------------|------------------|
| Provision for deferred tax at 1 April                   | 2,508,581        | 2,814,355        |
| Amounts recognised in the income statement for the year | -328,721         | -305,774         |
| <b>Provision for deferred tax at 31 December</b>        | <b>2,179,860</b> | <b>2,508,581</b> |
| Immaterielle anlægsaktiver                              | 2,033,956        | 2,250,611        |
| Materielle anlægsaktiver                                | 276,719          | 381,000          |
| Forudbetalinger   | 282,877          | 394,000          |
| Leasingforpligtelse                                     | -413,692         | -517,000         |
| Tax loss carry-forward                                  | 0                | -30              |
|   | <b>2,179,860</b> | <b>2,508,581</b> |

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

## 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:

### Lease obligations

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Between 1 and 5 years | 1,261,893        | 1,771,384        |
| Long-term part        | 1,261,893        | 1,771,384        |
| Within 1 year         | 618,527          | 578,544          |
|                       | <b>1,880,420</b> | <b>2,349,928</b> |

# Notes to the Financial Statements

## 12 Long-term debt (continued)

|                           | 2019<br>31 December<br>DKK | 2019<br>31 March<br>DKK |
|---------------------------|----------------------------|-------------------------|
| <b>Other payables</b>     |                            |                         |
| Between 1 and 5 years     | 1,053,236                  | 0                       |
| Long-term part            | 1,053,236                  | 0                       |
| Other short-term payables | 8,154,985                  | 9,010,700               |
|                           | <b>9,208,221</b>           | <b>9,010,700</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 | 7,409,555 | 10,113,711 |
|--------------------------------------|-----------|------------|

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.

### 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 & MTJ Holding af 3. maj 2004 ApS, 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.

# Notes to the Financial Statements

## 14 Related parties

|   | <u>Basis</u>              |
|---|---------------------------|
| <b>Controlling interest</b>                 |                           |
| Polaris Private Equity IV K/S, CVR 36486597 | Ultimative Parent Company |

### Consolidated Financial Statements

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

| <u>Name</u>                   | <u>Place of registered office</u> |
|-------------------------------|-----------------------------------|
| Polaris Private Equity IV K/S | Axeltorv 2<br>1609 København V    |
| Link Top Holding A/S          | Vallensbækvej 51<br>2605 Brøndby  |

# Notes to the Financial Statements

## 15 Accounting Policies

The Annual Report of Link Logistics A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 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.

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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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.

### 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.

## 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.



# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### Expenses for raw materials and consumables

Expenses for raw materials and consumables 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 raw materials and consumables 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.

### 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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 5-7 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.

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.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

### 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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

### **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.

### **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.

### **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.

# Notes to the Financial Statements

## 15 Accounting Policies (continued)

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.

## 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 | $\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$      |