
P-Link 2019 A/S

C/O Polaris Management A/S, Malmøgade 3, DK-
2100 København Ø

Annual Report for 1 January - 31 December 2022

CVR No 39 86 01 04

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/06 2023

Allan Bach Pedersen
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 P-Link 2019 A/S for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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.

København, 30 June 2023

Executive Board

Henrik Bonnerup

Board of Directors

Allan Bach Pedersen
Chairman

Jan Johan Kühl

Henrik Bonnerup

Independent Auditor's Report

To the Shareholders of P-Link 2019 A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of P-Link 2019 A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group's and 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 Group or 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 and the Group'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 Group's and 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 Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, 30 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Lunden

State Authorised Public Accountant

mne32209

Company Information

The Company

P-Link 2019 A/S
C/O Polaris Management A/S
Malmøgade 3
DK-2100 København Ø

CVR No: 39 86 01 04
Financial period: 1 January - 31 December
Incorporated: 14 September 2018
Municipality of reg. office: København

Board of Directors

Allan Bach Pedersen, Chairman
Jan Johan Kühl
Henrik Bonnerup

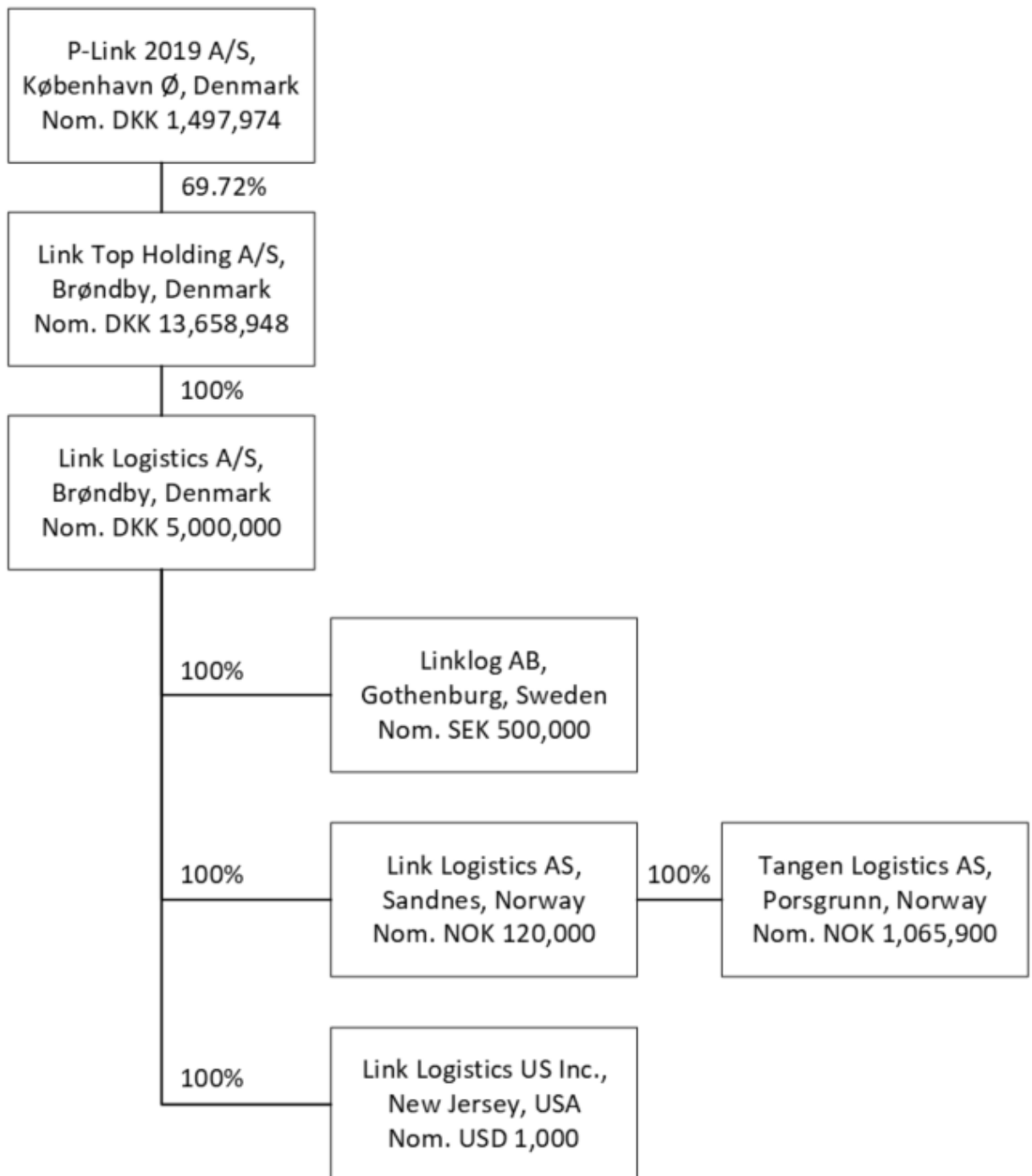
Executive Board

Henrik Bonnerup

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Group Chart



Financial Highlights

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

	Group				
	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Key figures					
Profit/loss					
Revenue	939,291	595,080	281,371	8,360	0
Gross profit/loss	175,027	108,429	67,200	-2,373	-40
Operating profit/loss	25,463	3,673	-2,366	-5,718	-40
Profit/loss before financial income and expenses	26,334	7,046	-2,366	-5,718	-40
Net financials	-4,786	-2,458	-3,387	-127	0
Net profit/loss for the year	10,455	-168	-7,516	-5,550	-40
Balance sheet					
Balance sheet total	384,926	424,606	250,466	255,512	499
Equity	145,837	136,596	94,550	98,601	460
Cash flows					
Cash flows from:					
- operating activities	33,293	16,856	12,515	11,945	-1
- investing activities	-19,809	-92,796	-4,544	-192,971	0
including investment in property, plant and equipment	-2,230	-1,954	-3,799	-2,865	0
- financing activities	-18,809	79,611	-4,331	198,533	500
Change in cash and cash equivalents for the year	-5,325	3,671	3,640	17,507	499
Number of employees	217	180	95	83	0
Ratios					
Gross margin	18.6%	18.2%	23.9%	-28.4%	0.0%
Profit margin	2.8%	1.2%	-0.8%	-68.4%	0.0%
Return on assets	6.8%	1.7%	-0.9%	-2.2%	-8.0%
Solvency ratio	37.9%	32.2%	37.7%	38.6%	92.2%
Return on equity	7.4%	-0.1%	-7.8%	-11.2%	-17.4%

Management's Review

Key activities

The Parent Company's key activities are investment in companies in Denmark and abroad, engaged in trade, industry and production including consultancy services such as financial, management, strategy and similar services to group enterprises.

The Group's main activity is to carry transport and freight business as well as any related business, including express and courier shipments.

Services and main activities

Link Logistics is one of the largest independent transport providers in the Nordics within Courier and Freight Forwarding related transport, offering digital one-stop shopping to premium High-end Industrial and e-commerce customers across all main sectors.

Our promise is to eliminate barriers within the logistic networks. Our passion is to offer BtB and BtC customers tailor-made one-stop-shop transport solutions structured around the best global setup and the company is represented in Denmark, Norway, Sweden and in USA – and ensure that our customers are “Simply Connected”.

- **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 free CO2 reporting for your shipments.

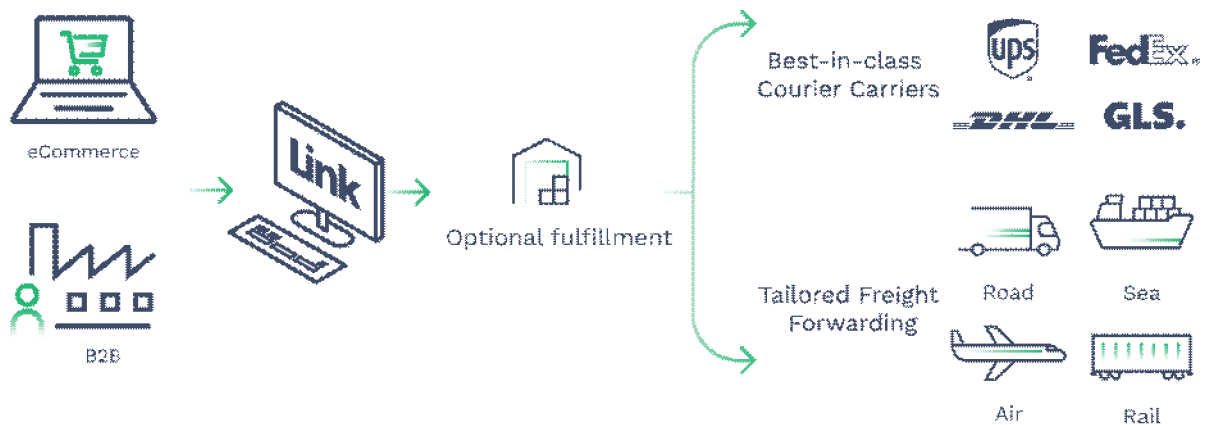
Management's Review

Business model

The business model is founded on long term customer relations characterized by high loyalty and very low churn rates. Our +2.500 customers are supported by more than 250 dedicated employees, all strive to deliver 5-star performance every day.

At Link Logistics, we're passionate about our customers and our values – and both are cornerstones in everything we do. Our customers transportation and goods are organized across the world's leading logistics companies. We are the global and independent logistics link making sure that shipments reach their destination quickly and securely on time – always aided by innovative technology.

We offer one-stop shopping, which means that customers only have to talk to us and have Link Logistics' staff monitor the shipments all the way to their destination - whether it be courier or freight forwarding, warehousing or fulfillment or special solutions.



Management's Review

Financial performance and outlook

Development in the year

The income statement of the Group for 2022 shows a profit of TDKK 10,455, and at 31 December 2022 the balance sheet of the Group shows equity of TDKK 145,837.

The income statement of the Parent Company for 2022 shows a profit of TDKK 7,356, and at 31 December 2022 the balance sheet of the Parent Company shows equity of TDKK 109.120.

2022 was the year, in which we could celebrate Link's 20 years in the business. When the Link brand was founded, the internet-based one-stop-shop concept seemed like a radical idea, but the word soon spread that this was a valuable and sustainable solution and still is.

Our company has continuously been developing over the past 20 years - a journey from being 8 people to now being more than 250 colleagues around the world and a revenue of more than 900 mDKK.

Together, we have managed to navigate in a year which has been extraordinary in many ways. Our activity level has been very high, in particular, during the first half of our financial year. Our people worked very hard to meet customer needs in a challenging marketplace.

Revenue grew by 58% compared to 2021, primarily due to full year revenue effect of the acquisition of YOYO in 2022. YOYO was acquired in August 2021, so YOYO revenue was only included for 4½ months in 2021 but 12 months in 2022.

In a full year comparison total revenue grew by 6% compared to 2021 and revenue exclusive duty grew by 13%. The growth was fueled by strong underlying market demand in the first half of the year.

The reported EBITDA was 62 mDKK and adjusted for any non-recurring items of approximately 10 mDKK, the expected EBITDA exclusive any non-recurring items of 70 mDKK was exceeded by 2 mDKK. Both revenue and EBITDA is considered satisfying though revenue increased slightly less than what was expected.

Non-recurring items should mainly be attributed to external counseling regarding post-merger activities subsequently to the YOYO transaction.

Management's Review

Especially within courier, road and warehousing, we outperformed 2021 level. In the last part of the year, the market has been more challenging and characterized by decreasing freight rates and higher uncertainty primarily caused by the significant worldwide inflation as well as the impact from the geopolitical conflict in Ukraine.

Navigating the remaining Covid-19 restrictions in some parts of the world continued to be a challenge in the transport networks during the first months of the year. The health and safety of employees and customers was the Group's main priority, and fortunately, we did not experience any severe outbreaks at any of our facilities.

The merger of Link Logistics and YOYO Global Freight served as a steppingstone for strengthening the organization. In the central support functions to the benefit of the entire business by creating scalable platforms and supporting policies and guidelines for employees and management making operational and administrative tasks and decisions more efficient.

We have worked intensively with realigning our commercial focus, sharpening the commercial platform and tools for the combined business, utilizing our in-depth knowledge within logistics for the benefit of our customers. We see a clear place in the market for our unique one-stop shop for courier, supported by freight forwarding, warehousing and eCommerce solutions. This commercial push has been supported by an extensive branding initiative to clearly communicate our mission to towards a "Simply Connected" future.

The integration of YOYO Global Freight continued as a key strategic project in 2022 with a primary focus on building the digital platform for the future ensuring smooth integrations within our company, with our customers as well as our business partners.

Management's Review

Development in the markets

We experienced strong competition in the Danish market with both customers and suppliers being affected by the increasingly challenging market conditions. The Danish business unit is the largest entity in the Group and is working closely with the functional areas in terms of testing and implementing new processes and platforms for the benefit of the entire organization.

Solid financial performance allowed us to reinvest in our business. In the past year, we continued the acquisition journey and welcomed Tangen Logistics in our Norwegian business, which provided a platform to cater for existing and new clients in the Southeastern part of Norway. With the strong competencies especially within road transportation and customs handling, the addition of Tangen Logistics improved our offering to local Norwegian customers who value proximity, professional advice, and ease of working with us through our digital solution. Simultaneously, the acquisition was a strong boost to the company's smallest business entity in Norway - adding an ambitious growth agenda. Our teams are onboarding Tangen Logistics into the Link family, consolidating operations, IT, sales, and administration. While we integrate, we make sure day-to-day business and service levels stay at a 5-star level for our customers, and we strive to keep momentum and progress in our other key strategic projects.

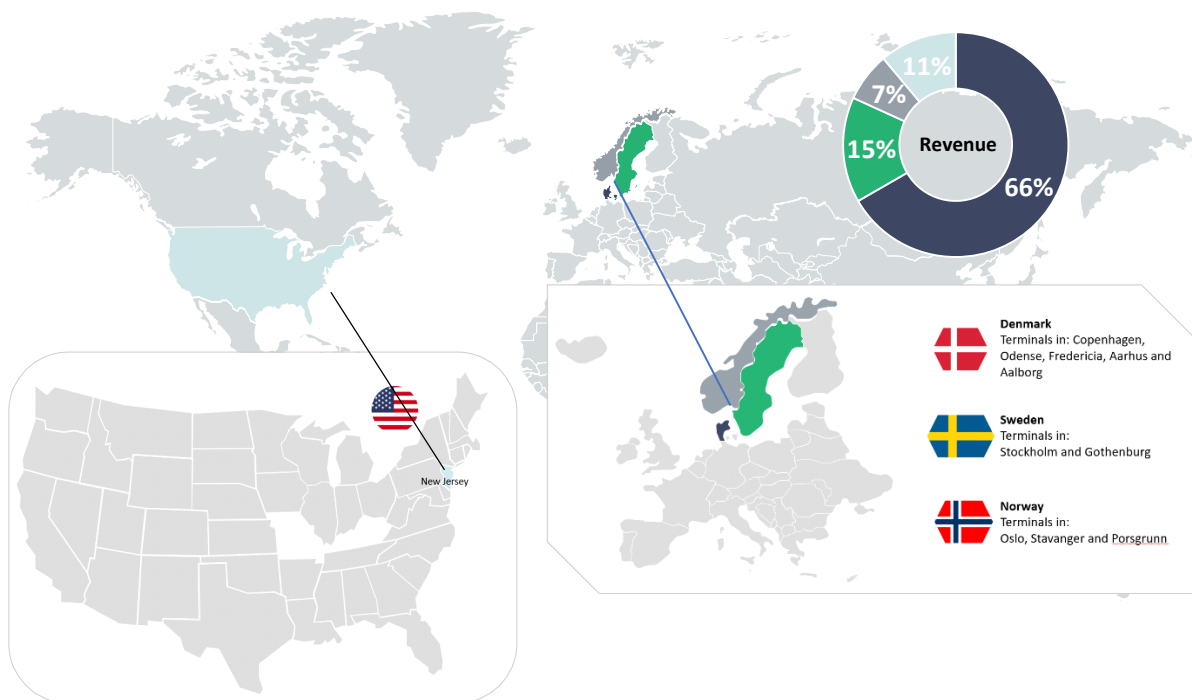
In our Swedish business, hard work has been put into merging the Link Logistics and YOYO Global Freight business units and on top of that adding new customers to our warehouse facility in Gothenburg. We have also strengthened our branch in Stockholm and added experienced sales resources to the branch.

In late summer we moved into new facilities in New Jersey, US - allowing us to add a warehouse offering to our US customers during the fall, which resulted in a very busy December. The team has worked to further develop the existing business and organization in the US, and we have managed to add great new colleagues to the team preparing for a busy 2023.

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. In Sweden Link Logistics operates from two terminals in Gothenburg and Stockholm and in Norway the operation is run from offices in Oslo, Porsgrunn and Stavanger. Finally in the US, Link Logistics operates from our terminal in New Jersey.



Success built by our people

Finally, as a concluding remark, we want to acknowledge the huge contribution of our employees and thank them for their valuable effort during the year. 2022 taught us many valuable lessons; most importantly, it reminded us that we will always be a people-centered business – supported by digital tools and a flexible approach to how we operate and service our customers.

Management's Review

Market Outlook

Assumptions for the 2023 financial outlook

We prepare for a continuation of a challenged macro-economic environment and geopolitical unrest for some time. We expect that this will continue to adversely impact consumer purchasing power and global activity levels - consequently also impacting recent years' significant growth in the logistics industry.

The Group expects a small top line growth for the coming year which should be seen in the light of the decreasing freight rates especially within sea freight and partly within air freight. Inflation is expected to remain high for the first months, before stabilizing later in the year. Activity in the market is expected to be a bit lower compared to the first half of 2022.

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 2023 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 2023

The budget for 2023 includes a revenue target on group level of 1 bDKK, a gross profit level of 265-275 mDKK and an EBITDA-level of 80-85 mDKK; a significant increase from 2022 due to higher revenue and especially an improved gross margin for the business in total.

In 2023, focus will be on optimizing the existing business, controlling cost, and executing our growth strategy. Alongside the integration of recently completed acquisitions and harvesting of synergies, we will pursue new relevant and value creating M&A opportunities.

We expect to see growth within courier products from our two main customer segments - high end industrial as well as eCommerce customers across all markets, with strongest growth rates in Sweden and the US.

The efforts to strengthen our eCommerce offering in Sweden and US with dedicated ecommerce facilities in both countries, creating same offering as seen in Denmark, are mirrored in the budget with high expectations for the warehouse revenue growth.

The decreasing freight rates within especially sea, and to some extent road show in the numbers as we on group level expect negative growth within these segments in 2023.

Our efforts within sustainability will in 2023 continue to be integrated in our business model with several measures to be implemented including a strong focus on climate change working towards creating the optimal transport mix based on lowest possible CO2 emission.

Management's Review

Non-financial performance

ESG at a glance

Being a proud signatory to the UN Global Compact, Link Logistics is mindful of how our business impacts environmentally, socially, and economically sustainable developments. Most prominent is the commitment to the Science Based Target initiative which was signed in 2022. Link Logistics further expanded our sustainability effort by the recruitment of a sustainability specialist and the initiation of a sustainability network of Green Runners across the Group.

As part of its commitment to promoting gender equality and women's empowerment in the workplace, marketplace, and community, Link Logistics has adopted the United Nations Women's Empowerment Principles (WEPs) in 2022. As a workplace, Link Logistics works to ensure equal treatment and opportunities for all employees. We take pride in belonging to a community that supports the inclusion of all people, regardless of gender, age, ethnicity, ability, sexual orientation, faith, or religion. Link Logistics is committed to upholding a high standard of responsible business conduct, sustainable operations, and high data ethics to meet the expectations of our customers and business partners. In relation to this we have in the past year implemented a whistleblower solution on our webpage and thereby met the requirements and obligations of the EU whistleblowing directive.

Introduction to Sustainability at Link

Sustainability was set high on the agenda in Link Logistics in 2020 and has gained increased focus and importance in the organization over the past years, to a point where sustainability was anchored strategically in the organization's promise, strategy and 2025-plan. As described in Link's business model, found on page 9, we're passionate about delivering innovative solutions for our customers and sustainability has officially become a part of what we do.

At Link Logistics, we have a holistic view of sustainability and our business. As part of the transportation and logistics sector, we need to acknowledge and take responsibility for the large environmental impact caused by our company and industry. Additionally, as an employer of over 250 full-time employees and a corporate citizen in more than ten cities worldwide, we can significantly impact several social areas.

Link Logistics 2025 ambition manifests this holistic view and defines our four main sustainability focus areas towards 2025 to be: Increase gender Equality and diversity, ensure Health and safety, improve transparency and reduce our carbon footprint.

In 2021 Link Logistics committed to the UN Global Compact, and as a signatory member, we embrace the 10 principles and make them operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. Together with the SDGs, the principles lay a foundation for how we manage potential and actual adverse impacts on areas for sustainable development.

Management's Review

A responsible and transparent business

In 2020, Link conducted its first impact assessment based on the UNGPs and OECD guidelines. The outcome of this assessment was a policy commitment on how we work with sustainability as well as a code of conduct for business relationships. The policy was approved by the board and became an integrated part of the company's business strategies. The impact assessment was previously up for review biannually but will from 2023 be reviewed annually going forward.

The following statement on responsibility is an excerpt from the content of the Policy Commitment on Sustainability, which was re-assessed in February 2023. The policy commitment can be found on our company website; <https://linklog.com/en/sustainability/>.

Environmental footprint

Climate change posts a potential risk of creating long-term negative impact on our industry. In 2020, we made the first environmental impact assessment, through implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework. This framework helped identify key risk areas and opportunities for how we can reduce our climate impact. Based on ongoing assessments of our operation and value chain impact, we continuously monitor and evaluate our main impact and key risks regarding our environmental impact. We are working on being more data-driven, making sure our governance and target-setting frameworks are built upon solid data so we can track our journey.

With the increased company focus on sustainability, it is time to document and develop policies for strategic and development purposes. We are actively working towards reducing our negative environmental impact, across the entire value chain. To support this work, we are conducting annual environmental assessments, identifying the carbon footprint of our activities. Results from the assessment can be found in our annual Sustainability report, which is available on our website (<https://linklog.com/en/sustainability/>). The work ahead is focused on increasing supplier data for the organization and providing customers with more emissions transparency.

Working together to decrease negative environmental impact.

Link has, in 2022, been focusing on its internal environmental footprint and in collaboration with our newly established internal Network of local sustainability representatives, we initiated several projects, which will help bring down our scope 1 and 2 emissions. Projects such as reducing energy consumption, recycling, and greener packaging materials, are just the beginning of our plans to reduce our environmental footprint.

We have engaged in dialogue with our suppliers, to discuss how we can reduce our transport-related emissions. It is important for us at Link, as a service company, that we engage in the discussions of developing a greener logistics sector. We have a responsibility to our customers, who want to lower their transport-related emissions, as well as to investigate and help promote alternative options.

Management's Review

Powered by solution-oriented people

Link prides itself on its high level of service, which cannot be achieved and maintained without our employees. Their dedication, drive, and ability to be solution-oriented and work together across departments, functions, and countries to deliver the best products and services to our customers, are of high value. Our employees are challenged by the continuous development in the field of courier and freight services, but at Link we are pioneers at heart and are not afraid to try new ideas and innovations, or of failing by doing so.

As part of our work with SDG 8, we care about creating safe, secure, and healthy working environments. This means ensuring all new warehouse and operations employees receive instructions in safe and proper lifting and carrying techniques for different parcels aligned with the Work Environment in Denmark (WEA) guidelines. Additionally, Link has safety requirements, including mandatory yellow vests and safety shoes in risk areas, to help improve the safety measures. We encourage our employees to report near misses, so that they can be talked over, and processes can be reviewed for flaws and revised if needed, to decrease the risk of repeats. In 2022 we reduced the amount of work-related accidents from 3 to 1. The accident recorded, was minor, and not related to any work procedures, and did not lead to lost time, personal injury and/or absence due to illness. Neither financial expenditure nor repercussions were necessary in this case and the employee was back to work after being checked at the ER.

In 2023 Link will have an increased focus on work environment, employee satisfaction and well-being. The company will conduct a new and improved employee satisfaction survey, with the goal of identifying key risk areas and improving the working environment. Moreover, a Code of Conduct for Employees will be introduced to ensure our employees are familiar with our work with the UNGPs and OECD guidelines and know our company policy and how to conduct responsible business, no matter their job function.

Management's Review

Human Rights

Link is an international company, and we have a responsibility to adhere to the laws and regulations of the countries in which we operate. As a logistics service company with several logistics suppliers across the globe, we are at risk of breaches against human rights related to our business activities. As previously mentioned, we annually review our policy commitment and go through our potential risks of impact. In our 2022 impact assessment we have a total of 26 potential risks, across the 48 specific rights forming the minimum for identifying adverse impacts.

We encourage our employees to react and inform, either nearest management or via our whistleblower scheme if they experience or identify impacts on human rights. We have not had any reports of breaches or incidents related to human rights during 2022. Through the upcoming implementation of our Business Relationships Code of Conduct, we will hold our suppliers and stakeholders responsible to the same standards we set for ourselves. This means holding ourselves and our entire supply chain accountable for, living up to the global minimum standard for responsible business conduct, as well as national laws in all countries, we are operating in.

Our Business Relationships Code of Conduct is publicly available on our website: www.linklog.com.

Anti-corruption

We as a service company, handle high value shipments and move large amounts of goods each day. Link has potential corruption risks within bribes, through facilitation payments and gifts, and moreover, Link is at risk of cronyism and nepotism, as well as lack of clearly defined job duties. We have a responsibility to investigate these potential impacts and set in place actions that lower these risks. Through our yearly impact assessments, we continuously evaluate these risks and adapt where needed. Link has zero tolerance for corruption and bribery and as a part of our CSR policy, we highlight our ethical guidelines for responsible business conduct. In 2022, we did not receive any reports on incidents of corruption. The Link Logistics Whistleblower scheme was set up in 2021 and is handled by third-party law firm IUNO. The purpose of the whistle-blower scheme is to give our employees, as well as others with relation to the company, access to report on actual or potential breaches of law or other serious matters, or a suspicion hereof, without the fear of consequences for the individual. We take our business seriously and do not condone illegal conduct – the whistleblower scheme and policy are, therefore, important systems to have available. We are yet to receive a report through the scheme. We plan to include Sustainability due diligence/compliance in regular management meetings, as well as management training within anti-corruption risks. Furthermore, we will implement a code of conduct for employees that includes economic risk areas.

Management's Review

The impact of a diverse workplace

At Link we believe in supporting all genders in opportunities and career goals and have a zero tolerance for gender discrimination. Gender diversity is a priority at Link and a significant part of our 2025 Ambition. We encourage our employees to act with kindness, be friendly and help foster an inclusive culture to avoid adverse impacts on human rights.

The board in P-Link 2019 A/S consists of three men and zero women. The overall goal is to have at least 40% representation of each gender at relevant management levels in the group including the board of directors. This goal was not met in 2022 but still remains for 2023 and onwards. As a representative company for the majority owner of Link, the board in P-Link 2019 A/S is recruited from the partners in the fund manager company Polaris Management A/S which currently has no female members. It has therefore not been possible to recruit female candidates to the board in P-Link 2019 A/S. We do not expect to reach our goal of 40% in 2023.

P-Link 2019 A/S have less than 50 employees. According to section 139 c, subsection 7 of the Danish Companies Act, the Company is therefore not required to formulate a policy to increase the proportion of the underrepresented gender at other management levels.

The Link group of companies does however focus on increasing the share of female leaders in management positions going forward, including C-level, country- and branch managers as well as department heads. Despite being a company in a normally male-dominated industry, we at Link have a current share of 32,14% female leaders and have an ambition that by 2025, 40% of management positions will be occupied by women.

To help reach our 2025 ambition, Link committed in 2022 to actively working with the Women's Empowerment Principles, developed by the UN Global Compact and UN Women. Through 2023 we will work on how to incorporate the principles in our strategy and policymaking, and general corporate culture.

Learn more

Link has for the third time developed an independent Sustainability Report, which will be available on our website from April 2023. 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

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.

Risk Governance

The responsibility for the governance of risks lie with the Board of Directors who work 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.

Management's Review

Compliance risks

As a large company with international activities, Link Logistics operates 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 ongoing basis, we monitor relevant regulatory areas to ensure timely identification and implementation of new or updated rules affecting our business.

Market risks

As stated under the Market Outlook section above, the Company has shown strong resilience and robustness during a challenging 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.

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 are handled in local currency i.e., DKK in Denmark and SEK in Sweden.

Credit risks

The Group has a solvency ratio of 38% and the credit risk is considered low. The Group has total debt of 222 mDKK in which debt to credit institutions amounts to 106 mDKK. The amended terms and conditions, to the debt to credit institutions, include financial covenants. The covenants are tested quarterly, based upon rolling 12 months results.

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.

Management's Review

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 cybersecurity risks

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. 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.

Management's Review

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 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.

Management's Review

Board of Directors

The Board of Directors are:

Name	Jan Johan Kühl	Allan Bach Pedersen	Henrik Bonnerup
Position:	Chair of the Board	Member of the Board	Member of the Board
Nominated by:	Polaris Private Equity	Polaris Private Equity	Polaris Private Equity
Chair of the Board in:	Polaris V Invest Fonden		
Deputy Chairman of the Board in:			
Member of the Board in:	Vikingbus Gruppen A/S Inter Primo A/S Brøndum A/S Brøndum Holding A/S Advantage Investment Partners A/S Part Unique ApS	Polaris V Invest Fonden Cepheo A/S Configit A/S Sealing System A/S	Link Logistics A/S Sinful ApS RelyOn Nutec Holding A/S Polaris Flexible Invest
Member of the Executive Board in:	Business Synergy Group ApS Polaris Management A/S	ØstPeder Holding ApS	CEKA Holding ApS PFC I - Debt ApS Polaris Flexible Invest I ApS
Other management position:	Apart from the above other various management positions in holding companies related to Polaris Private Equity	Apart from the above other various management positions in holding companies related to Polaris Private Equity	Apart from the above other various management positions in holding companies related to Polaris Private Equity

The Board of Directors, the senior management and key employees are included in a share program.

Management's Review

Ownership and capital structure

The ultimate owner is Polaris Private Equity IV K/S (Polaris). Polaris, a private equity company, owns 98,5% of P-Link 2019 A/S and is a member of Active Owners Denmark (formerly the "Danish Venture Capital Association" or "DVCA") and is therefore covered by Active Owners Denmark's guidelines and recommendations for responsible ownership and corporate governance for private equity companies and their portfolio companies. Please revert to aktiveejere.dk for more information.

Data Ethics

Introduction

The Executive Management in Link recognizes 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 a 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 come in contact with, are illegally obtained, we act on it and report our suspicions to relevant authorities.

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.

Management's Review

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 is evaluating 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.

Management's Review

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 2022 the company has developed new internal IT-systems of which 8.4 mDKK has been capitalized. Of the 8.4 mDKK, 3.4 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 2022.

Subsequent events

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

Income Statement 1 January - 31 December

	Note	Consolidated		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Revenue	1	939,291	595,080	0	0
Other operating income		871	3,373	0	0
Expenses for direct costs		-696,761	-449,158	0	0
Other external expenses		-68,374	-40,866	-183	-109
Gross profit/loss		175,027	108,429	-183	-109
Staff expenses	2	-113,331	-72,530	0	0
EBITDA		61,696	35,899	-183	-109
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-35,362	-28,853	0	0
Profit/loss before financial income and expenses		26,334	7,046	-183	-109
Income from investments in subsidiaries		0	0	7,483	8,978
Financial income		2,400	832	0	2
Financial expenses		-7,186	-3,290	0	0
Profit/loss before tax		21,548	4,588	7,300	8,871
Tax on profit/loss for the year	4	-11,093	-4,756	56	35
Net profit/loss for the year		10,455	-168	7,356	8,906

Balance Sheet 31 December

Assets

	Note	Consolidated		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Software		1,447	1,854	0	0
Acquired customer rights		53,808	62,369	0	0
Goodwill		137,908	154,400	0	0
Development projects in progress		8,351	0	0	0
Intangible assets	5	201,514	218,623	0	0
Other fixtures and fittings, tools and equipment		4,337	5,223	0	0
Leasehold improvements		1,495	1,970	0	0
Property, plant and equipment	6	5,832	7,193	0	0
Investments in subsidiaries	7	0	0	108,118	101,481
Deposits	8	3,827	3,357	0	0
Fixed asset investments		3,827	3,357	108,118	101,481
Fixed assets		211,173	229,173	108,118	101,481
Trade receivables		150,857	166,900	0	0
Other receivables		230	1,587	0	0
Deferred tax asset	9	73	64	0	0
Corporation tax		0	0	868	0
Corporation tax receivable from group enterprises		0	0	177	0
Prepayments	10	2,602	1,566	0	0
Receivables		153,762	170,117	1,045	0
Cash at bank and in hand		19,991	25,316	1,027	3,106
Currents assets		173,753	195,433	2,072	3,106
Assets		384,926	424,606	110,190	104,587

Balance Sheet 31 December

Liabilities and equity

	Note	Consolidated		Parent company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital	11	1,498	1,498	1,498	1,498
Reserve for net revaluation under the equity method		0	0	21,112	14,370
Reserve for development costs		6,514	0	0	0
Other reserves		-805	41	-846	0
Retained earnings		91,928	91,153	87,356	86,742
Equity attributable to shareholders of the Parent Company		99,135	92,692	109,120	102,610
Minority interests		46,702	43,904	0	0
Equity		145,837	136,596	109,120	102,610
Provision for deferred tax	9	13,441	13,048	0	0
Other provisions	13	3,269	3,253	0	0
Provisions		16,710	16,301	0	0
Credit institutions		77,823	103,912	0	0
Lease obligations		1,437	1,960	0	0
Long-term debt	14	79,260	105,872	0	0

Balance Sheet 31 December

Liabilities and equity

	Note	Consolidated		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Credit institutions	14	28,165	20,369	0	0
Lease obligations	14	514	507	0	0
Trade payables		83,618	117,886	65	65
Payables to group enterprises		0	0	0	1,620
Corporation tax		1,967	6,938	0	292
Payables to group enterprises relating to corporation tax		0	0	1,005	0
Deposits		0	539	0	0
Other payables		28,855	19,598	0	0
Short-term debt		143,119	165,837	1,070	1,977
Debt		222,379	271,709	1,070	1,977
Liabilities and equity		384,926	424,606	110,190	104,587
Distribution of profit	12				
Contingent assets, liabilities and other financial obligations	17				
Related parties	18				
Fee to auditors appointed at the general meeting	19				
Accounting Policies	20				

Statement of Changes in Equity

Consolidated

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Other reserves	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,498	0	0	41	91,153	92,692	43,904	136,596
Exchange adjustments	0	0	0	-846	0	-846	-368	-1,214
Development costs for the year	0	0	6,514	0	-6,514	0	0	0
Net profit/loss for the year	0	0	0	0	7,289	7,289	3,166	10,455
Equity at 31 December	1,498	0	6,514	-805	91,928	99,135	46,702	145,837

Parent company

	Share capital	Reserve for net revaluation under the equity method	Reserve for development costs	Other reserves	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	1,498	14,370	0	0	86,742	102,610	0	102,610
Exchange adjustments	0	0	0	-846	0	-846	0	-846
Net profit/loss for the year	0	6,742	0	0	614	7,356	0	7,356
Equity at 31 December	1,498	21,112	0	-846	87,356	109,120	0	109,120

Cash Flow Statement 1 January - 31 December

	Note	Consolidated	
		2022 TDKK	2021 TDKK
Net profit/loss for the year		10,455	-168
Adjustments	15	50,832	36,007
Change in working capital	16	-9,169	-12,578
Cash flows from operating activities before financial income and expenses		52,118	23,261
Financial income		2,400	832
Financial expense		-7,186	-3,290
Cash flows from ordinary activities		47,332	20,803
Corporation tax paid		-14,039	-3,947
Cash flows from operating activities		33,293	16,856
Purchase of intangible assets		-9,099	-1,225
Purchase of property, plant and equipment		-2,230	-1,954
Fixed asset investments made etc		-470	-132
Sale of warrants		0	604
Sale of warrants, minority interests		0	262
Cash flow from business combinations		-8,010	-90,351
Cash flows from investing activities		-19,809	-92,796

Pengestrømsopgørelse 1. januar - 31. december

	Note	2022	2021
		TDKK	TDKK
Repayment of loans from credit institutions		-18,293	38,746
Reduction of lease obligations		-516	-499
Movement minority interests		0	255
Cash capital increase minority interests		0	29,312
Cash capital increase		0	11,797
Cash flows from financing activities		-18,809	79,611
Change in cash and cash equivalents		-5,325	3,671
Cash and cash equivalents at 1 January		25,316	21,645
Cash and cash equivalents at 31 December		19,991	25,316
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		19,991	25,316
Cash and cash equivalents at 31 December		19,991	25,316

Notes to the Financial Statements

	Consolidated		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
1 Revenue				
Geographical segments				
Revenue, Denmark	623,647	452,912	0	0
Revenue, Sweden	143,431	84,298	0	0
Revenue, Norway	69,082	17,444	0	0
Revenue, USA	103,131	40,426	0	0
	939,291	595,080	0	0
Business segments				
Courier	557,028	404,042	0	0
Freight Forward	382,263	191,038	0	0
	939,291	595,080	0	0
2 Staff expenses				
Wages and salaries	100,963	72,398	0	0
Pensions	7,559	114	0	0
Other social security expenses	4,448	18	0	0
Other staff expenses	361	0	0	0
	113,331	72,530	0	0
Average number of employees	217	180	0	0

Remuneration to the Executive Board and the Board of Directors have not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

We refer to the subsidiaries Link Top Holding A/S and Link Logistics A/S for the disclosure of remuneration to the Executive Board and Board of Directors at the lower Group levels.

In March 2020, an incentive scheme was established comprising both the Board of Directors, the Executive Board and other executives and the scheme is made to maintain the management. The scheme runs from 6 March 2020 to 19 November 2025. When an option has vested, the option holder may subscribe for one new share in Link Top Holding A/S at a exercise price of DKK 10 with addition of 10% p.a. from the date of subscription. As it is the Company's practice to settle the schemes by way of shares (equity-settled share-based payment arrangements), no costs have been recognised in 2021 or 2022.

Notes to the Financial Statements

	Consolidated		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	32,647	26,062	0	0
Depreciation of property, plant and equipment	2,715	2,791	0	0
	35,362	28,853	0	0
4 Tax on profit/loss for the year				
Current tax for the year	11,926	8,502	-40	-24
Deferred tax for the year	-542	-3,736	0	0
Adjustment of tax concerning previous years	-291	-10	-16	-11
	11,093	4,756	-56	-35

Notes to the Financial Statements

5 Intangible assets

Consolidated

	Software TDKK	Acquired customer rights TDKK	Goodwill TDKK	Development projects in progress TDKK	Total TDKK
Cost at 1 January	3,541	82,000	182,343	0	267,884
Additions for the year	748	4,209	1,376	8,351	14,684
Transfers for the year	0	0	855	0	855
Cost at 31 December	<u>4,289</u>	<u>86,209</u>	<u>184,574</u>	<u>8,351</u>	<u>283,423</u>
Impairment losses and amortisation at 1 January	1,688	19,631	27,943	0	49,262
Amortisation for the year	<u>1,154</u>	<u>12,770</u>	<u>18,723</u>	<u>0</u>	<u>32,647</u>
Impairment losses and amortisation at 31 December	<u>2,842</u>	<u>32,401</u>	<u>46,666</u>	<u>0</u>	<u>81,909</u>
Carrying amount at 31 December	<u>1,447</u>	<u>53,808</u>	<u>137,908</u>	<u>8,351</u>	<u>201,514</u>

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 plan through the use of the resources allocated by Management to the development and are expected to be completed in 2023. 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.

Notes to the Financial Statements

6 Property, plant and equipment

Consolidated

	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January	8,310	3,127	11,437
Exchange adjustment	-49	-14	-63
Additions for the year	1,762	468	2,230
Transfers for the year	-855	0	-855
Cost at 31 December	<u>9,168</u>	<u>3,581</u>	<u>12,749</u>
Impairment losses and depreciation at 1 January	3,087	1,157	4,244
Exchange adjustment	-33	-9	-42
Depreciation for the year	1,777	938	2,715
Impairment losses and depreciation at 31 December	<u>4,831</u>	<u>2,086</u>	<u>6,917</u>
Carrying amount at 31 December	<u>4,337</u>	<u>1,495</u>	<u>5,832</u>
Including assets under finance leases amounting to	<u>1,352</u>	<u>0</u>	<u>1,352</u>

Notes to the Financial Statements

	Parent company	
	2022	2021
	TDKK	TDKK
7 Investments in subsidiaries		
Cost at 1 January	87,111	85,306
Additions for the year	0	13,798
Disposals for the year	-105	-11,993
Cost at 31 December	<u>87,006</u>	<u>87,111</u>
Value adjustments at 1 January	14,370	-6,951
Disposals for the year	-17	977
Exchange adjustment	-846	0
Net profit/loss for the year	7,605	3,445
Other equity movements, net	0	606
Other adjustments	0	16,293
Value adjustments at 31 December	<u>21,112</u>	<u>14,370</u>
Carrying amount at 31 December	<u>108,118</u>	<u>101,481</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Link Top Holding A/S	Brøndby, Danmark	13,658,948	69.72%	155,079	10,908

8 Other fixed asset investments

	Consolidated
	Deposits TDKK
Cost at 1 January	3,357
Exchange adjustment	-4
Additions for the year	474
Cost at 31 December	<u>3,827</u>
Carrying amount at 31 December	<u>3,827</u>

Notes to the Financial Statements

	Consolidated		Parent company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
9 Provision for deferred tax				
Provision for deferred tax at 1 January	12,984	12,915	0	0
Amounts recognised in the income statement for the year	-542	-3,736	0	0
Amounts recognised in equity for the year	926	3,805	0	0
Provision for deferred tax at 31 December	13,368	12,984	0	0
Intangible assets	3,041	1,626	0	0
Property, plant and equipment	-155	20	0	0
Acquired customer rights	11,722	13,652	0	0
Accounts receivable	-954	-195	0	0
Provisions for restoration obligation on leases	-198	0	0	0
Prepaid expenses	414	182	0	0
Lease obligations	-429	-543	0	0
Tax loss carry-forward	-73	-1,758	0	0
Transferred to deferred tax asset	73	64	0	0
	13,441	13,048	0	0
Deferred tax asset				
The deferred tax asset relates to losses in subsidiaries.				
Calculated tax asset	73	64	0	0
Carrying amount	73	64	0	0

The recognised tax asset comprise tax loss carry-forwards related to the Group's activities in Norway and is expected to be utilised within the next three to four years. In connection with the assessment of the utilization of the tax asset, special emphasis has been placed on the Company having implemented efficiency measures which are expected to increase the Company's activities within Norway. Therefore, it is expected that the taxable income for the Norwegian entity will become positive.

10 Prepayments

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

Notes to the Financial Statements

11 Equity

The share capital is broken down as follow:

	Number	Nominal value TDKK
A-shares	5,765,028	577
B1-shares	3,629,506	363
B2-shares	5,446,983	545
B3-shares	55,272	5
B4-shares	82,949	8
		1,498

The share capital has developed as follows:

	2022 TDKK	2021 TDKK	2020 TDKK	2019 TDKK	2018 TDKK
Share capital at 1 January	1,498	1,380	1,380	500	500
Capital increase	0	118	0	880	0
Capital decrease	0	0	0	0	0
Share capital at 31 December	1,498	1,498	1,380	1,380	500

12 Distribution of profit

	Consolidated		Parent company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Reserve for net revaluation under the equity method		0	0	14,370
Minority interests' share of net profit/loss of subsidiaries	3,166	-29	0	0
Retained earnings	7,289	-139	614	-5,464
	10,455	-168	7,356	8,906

Notes to the Financial Statements

	Consolidated		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
13 Other provisions				
Provision for restoration obligation on leases	3,269	3,253	0	0
	3,269	3,253	0	0

14 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:

Credit institutions

Between 1 and 5 years	77,823	103,912	0	0
Long-term part	77,823	103,912	0	0
Other short-term debt to credit institutions	28,165	20,369	0	0
	105,988	124,281	0	0

Lease obligations

Between 1 and 5 years	1,437	1,960	0	0
Long-term part	1,437	1,960	0	0
Within 1 year	514	507	0	0
	1,951	2,467	0	0

Notes to the Financial Statements

	Consolidated	
	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
15 Cash flow statement - adjustments		
Financial income	-2,400	-832
Financial expenses	7,186	3,290
Depreciation, amortisation and impairment losses, including losses and gains on sales	35,362	28,853
Tax on profit/loss for the year	11,093	4,756
Other adjustments	-409	-60
	<u>50,832</u>	<u>36,007</u>
16 Cash flow statement - change in working capital		
Change in receivables	16,364	-48,998
Change in other provisions	17	-8,870
Change in trade payables, etc	-25,550	45,290
	<u>-9,169</u>	<u>-12,578</u>

Notes to the Financial Statements

17 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

The shares in Link Logistics A/S 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 consent.

Link Logistics A/S has a letter of indemnity to Nykredit Bank A/S. Nykredit Bank A/S has a floating charge in goodwill, property plant and equipment and trade receivables which as of 31 December 2022 amounts to a booked value of TDKK 111.832.

Contingent assets

Link Logistics A/S has entered into a lease contract for office premises and storage facilities. The lease contract has a security of tenure of 10 years with effect from 01 July 2018. The lease asset as of 31 December 2022 amounts to TDKK 5,722 (2021: TDKK 6,558)

Notes to the Financial Statements

17	Contingent assets, liabilities and other financial obligations (continued)	Consolidated		Parent company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK

Rent obligations

Rent obligations, period notice	34,285	25,871	0	0
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Guarantee obligations

The Group has provided a bank guarantee to a landlord to guarantee the fulfillment of its obligations, cf. a lease contract

	333	333	0	0
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Link Top Holding A/S has provided a payment guarantee to a creditor to guarantee the fulfillment of its obligations. The guarantee expires at 30 January 2023.

	123	0	0	0
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Other contingent liabilities

The Group subsidiary Link Logistic A/S has agreed to become an additional borrower and to be bound by the terms of the financial agreement between Link Top Holding A/S and Nykredit Bank A/S

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. 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

18 Related parties

Basis

Controlling interest

Polaris Private Equity IV K/S, CVR 36 48 65 97 Ultimate 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		Parent company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
19 Fee to auditors appointed at the general meeting				
PricewaterhouseCoopers				
Audit fee	912	1,013	21	20
Other assurance engagements	67	148	0	0
Tax advisory services	343	529	11	9
Andre ydelser	3,868	3,138	35	23
	5,190	4,828	67	52

Notes to the Financial Statements

20 Accounting Policies

The Annual Report of P-Link 2019 A/S for 2022 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 Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, P-Link 2019 A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

20 Accounting Policies (continued)

Business combinations

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the 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 as if the enterprises had always been combined by restating comparative figures.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Leases

Leases in terms of which the Group 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 Group.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to the Executive Board and a number of senior employees is not recognised in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Revenue segments

Information on business segments and geographical segments based on the Group'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.

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.

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, 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 changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

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 is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

20 Accounting Policies (continued)

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 10 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 5-8 years.

Customer rights acquired is measured at cost less accumulated amortisation. Customer rights is amortised on a straight-line basis over its useful life, which is assessed at 5 - 8 years.

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. 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

Notes to the Financial Statements

20 Accounting Policies (continued)

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.

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

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.

Notes to the Financial Statements

20 Accounting Policies (continued)

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group 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

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Notes to the Financial Statements

20 Accounting Policies (continued)

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Notes to the Financial Statements

20 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
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	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$