ANNUAL REPORT 2021

Managing supply chains for the world's leading brands.

EVCARGO

Annual Report 2021

EV Cargo provides a technology-enabled supply chain management and logistics execution platform for the world's leading brands.

We are a purpose-led organisation focused on powering the global economy by offering unique mission-critical end-to-end supply chain solutions to more than 3,000 customers across the retail, consumer and industrial sectors.

Guided by our core values of growth, innovation and sustainability, and powered by our skilled global workforce, EV Cargo is committed to its vision of driving the digital transformation of logistics, through its proprietary tech platform ONE EV Cargo.

Simply put, EV Cargo is all about excellent people providing industry-leading technology-enabled supply chain solutions to great businesses.

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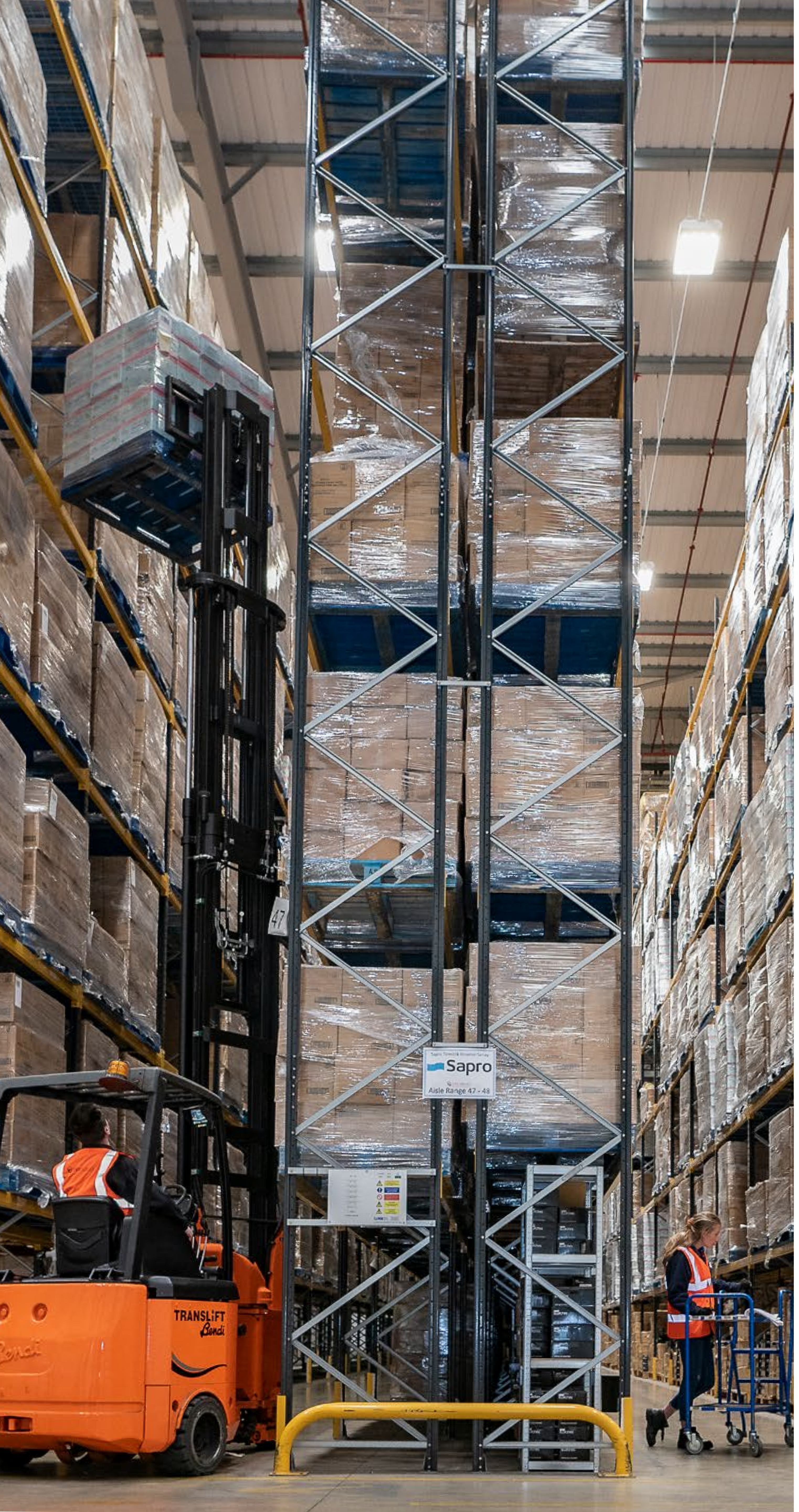
This annual report covers the financial year ending 31 December 2021. Information on pages 2-40 is unaudited. Financial information on pages 45-68 is taken from audited accounts.



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EV Cargo Founder, Chairman and CEO Heath Zarin.

Welcome From Our Founder, Chairman & CEO

In 2021, the impact of COVID-19 continued to be felt both in our industry and worldwide.

Our mission to manage supply chains for the world's leading brands has become ever more purposeful as the pandemic highlighted the fundamental importance of the international flow of goods and data both in powering the global economy, and in supporting the ongoing medical response.

Our agility came to the fore as we worked closely with customers to help them navigate the challenges of a new operating environment and used our experience and innovative thinking to develop technology-led solutions to minimise the impact of wide-spread disruption to their global supply chains.

We also shared our strategic plan to surpass £2.5 billion of revenue by 2025, guided by our fundamental values of growth, innovation and sustainability.

I'm proud of the record-breaking financial performance during 2021, and the progress we have made as EV Cargo has exceeded even my own ambitious targets. That success is down to the dedication and service of all our excellent colleagues right across the business.

Managing Supply Chains For The World's Leading Brands

Throughout 2021, global supply chains faced ongoing disruption and volatility with COVID-19 restrictions, economic stimulus programs and upstream supply and labour shortages all combining to create an imbalance between supply and demand.

As we undertook our mission of managing supply chains for the world's leading brands against a backdrop of global supply chain disruption, our colleagues excelled in managing our strategic relationships with air, ocean and road carriers, ensuring volume and price commitments were honoured.

The ability to procure freight capacity combined with agility, investments in innovative technology and an impressive speed to market allowed us to launch new solutions in response to the challenges and move at pace to ensure continuity of service for our customers and minimise disruption to their flow of goods.

Despite the global supply chain challenges, our expertise and focus on service meant we were able to grow both customer numbers and volumes, leveraging our ability to secure capacity and maintain service. This success was driven by our people and their hard work, tenacity, expertise and creative problem solving, allowing EV Cargo to grow during 2021 from a resilient foundation.

Transforming Logistics Into A Technology Sector

Throughout the year, we continued the commitment to our vision of driving the digital transformation of logistics, something we undertake every day through our integrated technology platform ONE EV Cargo, combining our own proprietary systems with best in class third party software. Together with the insight and expertise of our global team of EV Cargo subject matter experts, we offer a unique technology enabled service proposition.

We are guided by our values of growth, innovation and sustainability and remain committed to investing in and developing EV Cargo to deliver our exciting growth strategy.

Thanks to the dedication and service of our global team, EV Cargo is financially strong and robust with significant resources available to execute our growth strategy, complemented by an unparalleled breadth of capabilities in the markets in which we operate.

Our sustainability strategy picked up huge momentum during 2021. Led by a commitment to the UN Global Compact, we have a clear target to become carbon neutral across scope 1 and 2 emissions driven by an ambitious decarbonisation roadmap. Our progress on diversity, equality and inclusivity has been significant and we've improved gender equality with more women in senior roles.

EV Cargo is an incredible business, we are a purpose-led organisation and our purpose is to power the global economy.

> "We are a purpose-led organisation and our purpose is to power the global economy."

Record Financial Results

EV Cargo had a strong year in 2021 and posted record revenues of £1.127 billion, an increase of 70.5% from 2020. Gross profit increased by 47.1% to £144.5m and profit before tax increased from £6.0m in 2020 to £35.6m in 2021.

The progress we have made during 2021 is due to our colleagues across the business and these exceptional financial results have been hard-earned by the collective efforts of our people globally.

EV Cargo is a solid, secure and successful business. Put simply, it is all about excellent people providing leading global supply chain and logistics services empowered by innovative technology.

I want to acknowledge and thank all our EV Cargo colleagues for their efforts and contribution during 2021 and we all look forward with collective optimism to future growth and success.

Heath Zarin

Heath Zarin
EV Cargo Founder, Chairman and CEO

Introducing EV Cargo

EV Cargo's experienced team of 2,300 employees offers unique mission-critical, end-to-end supply chain solutions to over 3,000 customers across the retail, consumer, industrial and logistics sectors. Our global network includes direct investments in 24 countries and operational coverage in 150. Our 2021 revenue surpassed £1.1 billion as we moved more than £40 billion of merchandise between 700 country pairs.

Core Business Model

Formed in 2018 by EmergeVest and headquartered in Hong Kong, EV Cargo is a leading global freight forwarder and supply chain services provider.

EV Cargo's history dates back further than its founding in 2018, as EmergeVest built the company through a multi-year investment platform strategy, acquiring freight forwarding, logistics and technology companies via leveraged buyouts from founders and financial sponsors, as well as corporate carve-outs.

With our substantial UK logistics platform that complements our global air and sea freight networks, we act as a critical and fully integrated extension of our customers' supply chain organisations. Our proven success in M&A execution and integration has unlocked value and evolved EV Cargo into a leading global logistics provider.

6m sq ft warehousing

286,000 TEU sea freight

35m kg air freight

485 own trucks 1,500 trailers

2,300 supply chain professionals

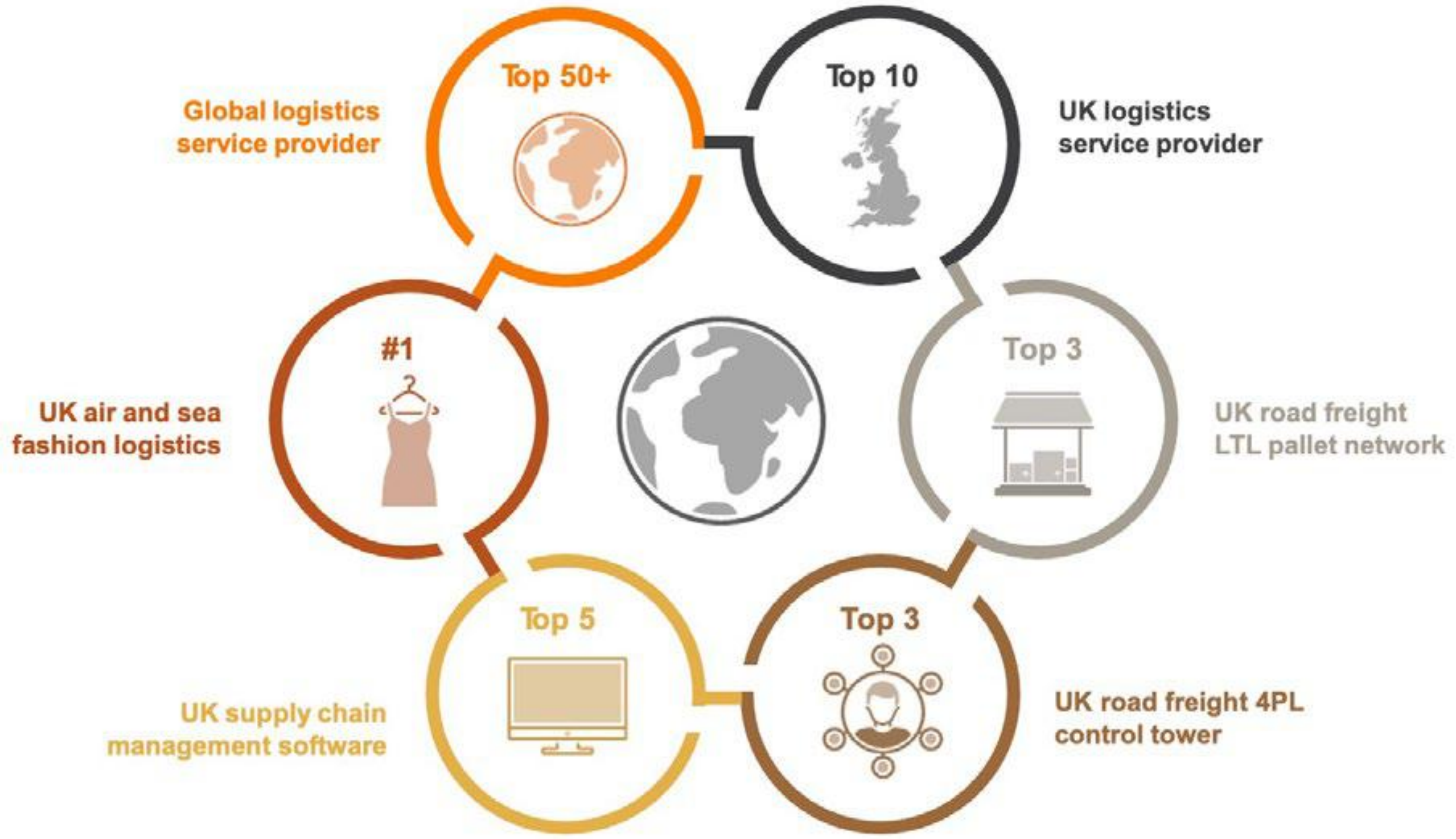
3,000 global customers

20,000 operatives use our software

3.9m orders managed

4.7m pallets LTL road freight

We provide a technology-enabled supply chain management and logistics execution platform for the world's leading brands.



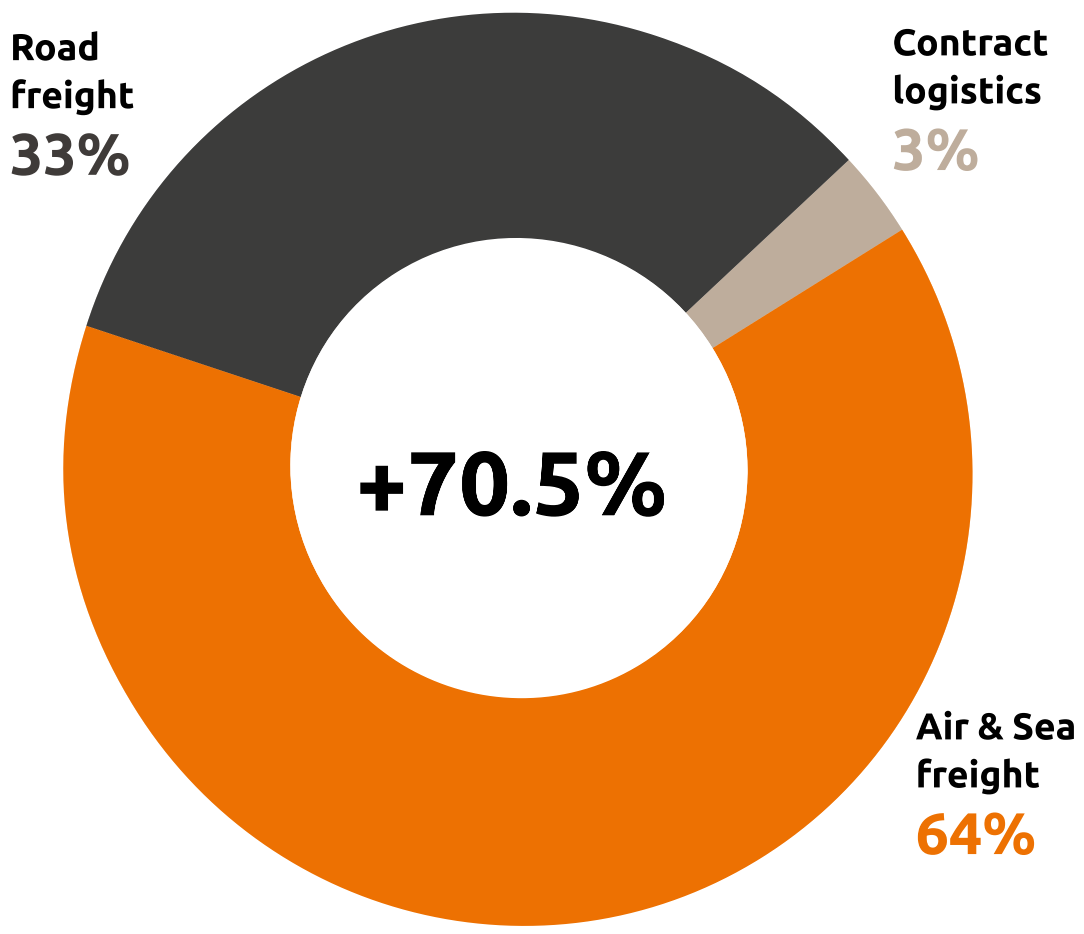
24	Countries where EV Cargo is directly invested, either by subsidiary or joint venture.
150	Countries where EV Cargo operates through a long-established agent partner.
4	Regional hubs: London (UK and Europe), Dubai (Middle East, Africa and South Asia), Singapore (South-east Asia) and Hong Kong (North Asia).

FY21 Highlights

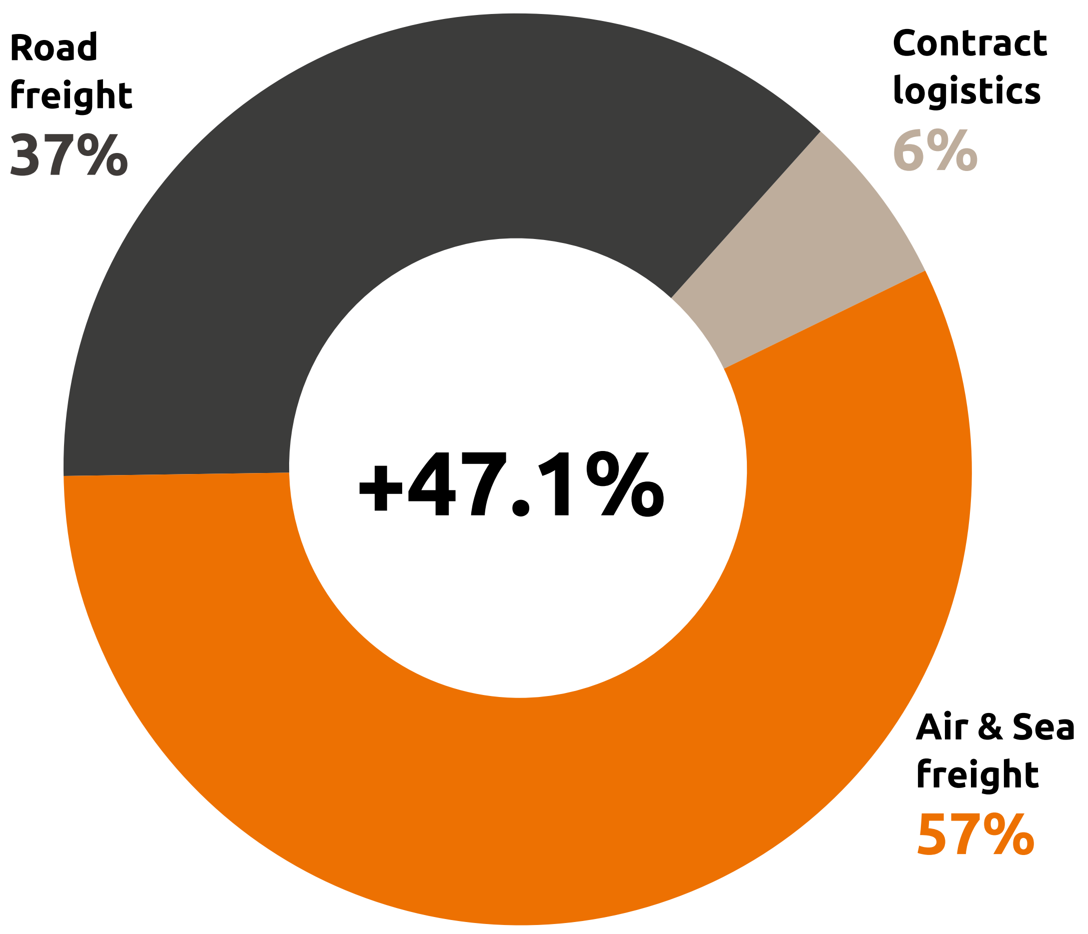
Revenues during 2021 were £1.127 billion, growing from £661 million in 2020, mainly attributable to increased freight volumes across all modes.

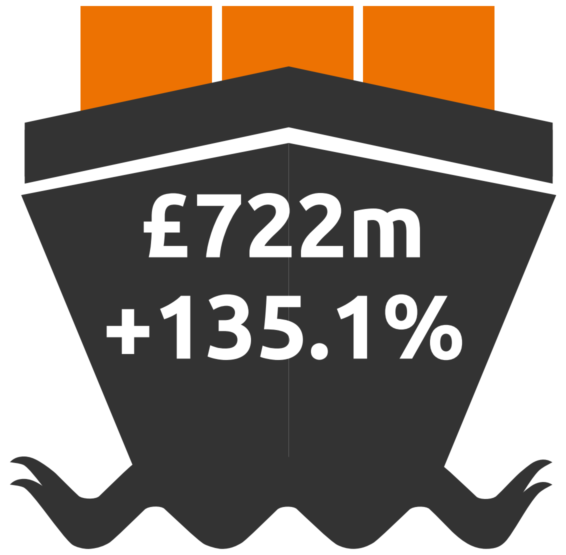
Increased revenues during 2021 were due to a growth in freight volumes and our expanded global operational footprint. In addition to meaningful customer wins, there was also significant year on year volume growth from many existing customers through a combination of strong volume growth on their part and, in some cases, a greater share of wallet for EV Cargo.

2021 Revenue: £1.127 billion
2020 Revenue: £661 million



2021 Gross profit: £144.50 million
2020 Gross profit: £98.25 million

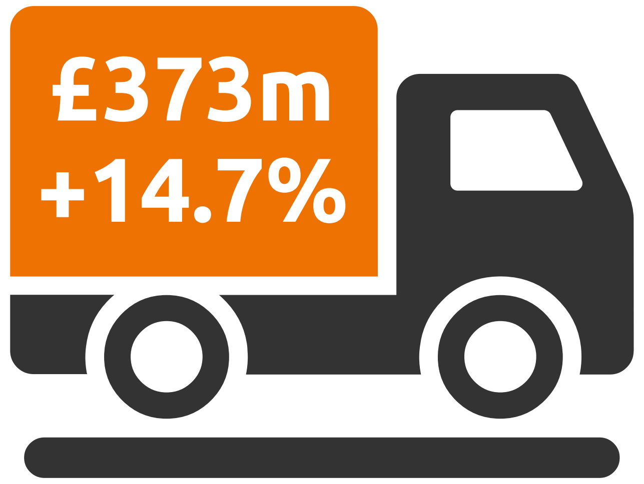




Air & Sea Freight

Revenue: £722 million, an increase of 135.1% from 2020.

Gross profit: £82 million, an increase of 78.2% from 2020.



Road Freight

Revenue: £373 million, an increase of 14.7% from 2020.

Gross profit: £52.5 million, an increase of 14.1% from 2020.

Contract Logistics

Revenue: £32 million, an increase of 14.3% from 2020.

Gross profit: £10 million, a decrease of 16.7% from 2020.

CUSTOMER PROPOSITION & CORPORATE STRATEGY

We help power the global economy by managing supply chains for the world's leading brands.

Our Customer Proposition

EV Cargo is a global supply chain and logistics execution platform providing air and sea freight, road freight and contract logistics, along with associated technology services.

Our combined range of customer solutions enable the secure and sustainable global movement of goods, data and funds spanning the entire value chain.

Core Business Model

EV Cargo's core business model is to provide supply chain management and technology solutions across air, sea, road and rail; through freight forwarding, freight management, contract logistics and SaaS software services.

We operate predominantly across three geographical areas - UK, EMEA and APAC - and have particular strength and expertise in the flow of goods from Asia into Western Europe, especially the United Kingdom, feeding into a substantial and fully integrated logistics platform of warehousing, fulfilment and multimodal final mile delivery.

Cargo Management

Documentation
Network Planning
Order Management
Freight Procurement

Shipment Booking
Collection
Consolidation
Customs Clearance

Transportation

Air
Sea

Road
Rail

Logistics

Deconsolidation
Documentation
Customs Clearance
Network Planning

Inventory Storage
Order Fulfilment
Final Mile Distribution
Proof of Delivery

Air & Sea Freight

Through our air and sea freight forwarding activities and related supply chain technology services, EV Cargo is a leading digital platform for global trade.

We offer technology-enabled global freight forwarding services and are a market leader in the transportation of freight from Asia to the UK, with meaningful competitive scale delivered by a committed and highly experienced team of professionals.

Our global air and sea freight services serve over 1,000 customers with 700 active country-pair trade lanes each month. They include origin cargo management services such as consolidation and quality control, in addition to destination services including customs clearance, cross-border e-commerce fulfilment, storage and final mile delivery services.

We have a specialist source-to-shelf international fashion logistics and garment processing services and our expertise in the fashion sector is relied upon by many international manufacturers and retailers.

Customers use the EV Cargo platform to source, select, order, ship, track, clear customs and deliver their international shipments.

Thousands of buyers, producers and logistics service providers worldwide are connected through ONE EV Cargo, our technology platform enabling the secure and sustainable movement of goods, data and funds.

286,000 TEU
sea freight

35m kg
air freight

Over 80 export
markets each month

Over 130 destination
markets each month

Spotlight On: PO Management

EV Cargo is a leading provider of Purchase Order Management services for large retail customers sourcing internationally and in particular from Asia. This comprehensive 4PL global control tower is powered by our industry leading PO management software LIMA, part of the ONE EV Cargo technology stack.

It provides complete visibility and control of purchase orders and inventory throughout the value chain from concept design, through supplier quote, selection and production to the physical logistics flow and final reconciliation of the cost of acquisition and intake margin.

We provide PO management services to many of the UK's leading fashion and home retailers including Asda, Matalan, The Range, New Look, River Island and Primark, providing total synchronisation and optimisation of their inbound orders and inventory flows.

Road Freight

EV Cargo is a leading UK and European road freight provider, offering our customers managed access to an integrated fleet of over 15,000 trucks.

Our road freight proposition is underpinned by ONE EV Cargo, the proprietary technology stack that enables a fully digital customer experience, and by a deep pool of road carriers supported by EV Cargo's own core fleet to enhance truck supply and network density.

Our road freight operations involve the door-to-door movements of domestic and intra-European shipments, where we operate solutions for less-than-truckload (LTL) and full-truckload (FTL).

Services are delivered across an optimized, asset-right mix of subcontracted assets and resources from third-party road carriers (72%) and our own assets (28%).

We have one of the leading UK express freight delivery networks, which operates under the Palletforce brand, providing daily LTL deliveries to every UK postcode and across 27 European countries.

Our FTL service operates through a central control tower that is underpinned by ONE EV Cargo. The control tower optimizes the mix of subcontracted third-party carriers and our own fleet of over 450 trucks to provide a fully managed solution.

Many of the UK's leading industrial, retail and consumer goods brands use our services to deliver goods from manufacturers to retailers and other end users, in the majority of cases we provide 100% of the customer's road freight needs.

We also undertake movement of international shipments, primarily to and from the UK, serving main markets such as Eastern Europe, the Baltics, Turkey, Southern Europe and North Africa.

4.7m pallets of LTL road freight

524,000 loads FTL road freight

5,000 4PL trucks 485 own trucks

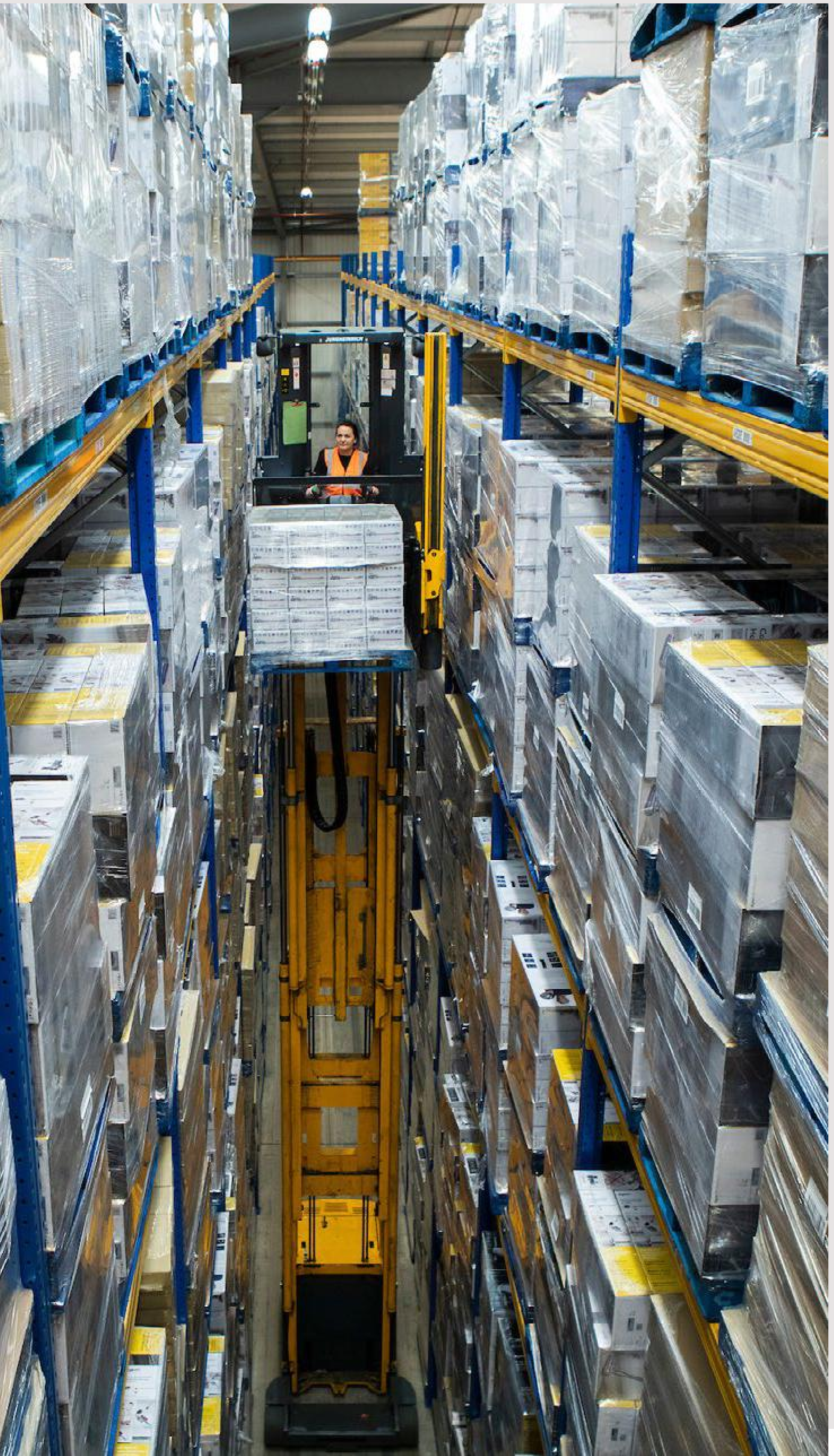
100,000 collection locations served

Spotlight On: 4PL Road Freight

Through our 4PL road freight product, we provide sustainable, customised managed-transport solutions for complex supply chains. A central control tower, using planning and optimisation technology within ONE EV Cargo, harnesses the available capacity embedded in the networks of our strategic carrier partners.

Predicated on the utilisation of empty re-positioning legs within partner carriers' networks, the 4PL product helps us and our customers reduce their carbon foot-print by making maximum use of trucks and drivers that are already on the road.

Our carrier base of over 100 partners provides a pool of over 5,000 trucks each day from which to cover over 5,500 loads a week between over 800 collection and delivery locations across the UK for leading consumer goods companies including AB InBev, Refresco, Whirlpool and M&S.



Contract Logistics

EV Cargo provides integrated warehousing and distribution services primarily focused around serving the final mile requirements of international supply chains.

We offer our customers a global network of 2.3 million sq ft of own-operated warehouse space that is supplemented by over 6 million sq ft of third-party warehouse space underpinned by ONE EV Cargo, the proprietary technology stack.

Our contract logistics solutions involve the provision of logistics and supply chain management services for large retail and manufacturing customers, which feature a relatively high level of bespoke value-added services within the overall customer proposition.

These include a combination of warehouse and final mile distribution underpinned by strategic assets.

More specifically, we provide inventory management and order fulfilment services, order picking, repacking and labelling along with associated inbound transportation and outbound distribution.

We operate several warehouses and distribution centres for dedicated customer use and, more commonly, for a multi-customer and shared-user approach.

Demand is segmented into two high-level verticals, consumer (69%) and industrial (31%) with our diversified customer base falling into 10 discrete industry solutions, each with a distinct demand profile, forward growth forecast and specific needs.

Spotlight On: Magor Logistics Centre

In 2021 we opened a dedicated logistics centre for AB InBev adjacent to its brewery in Magor, South Wales. The centre provides finished goods storage, customer order-assembly and dispatch services. It also provides a specialised storage and asset management service for empty kegs returned to the brewery for refilling. Keg management typifies the bespoke solution design of the overall operation, which leverages our long history of service to AB InBev, and deep experience in managing supply chains for the drinks industry.

We have ensured a high level of operational flexibility and service agility, enabling the customer to respond effectively to a seasonally volatile sales profile. It also minimises the road miles and emissions from the shuttles between the brewery and the logistics centre.

110,000 pallets stored per week

Over 3,000 daily eCommerce orders

20,000 customer SKUs handled

Mission, Vision, Values and Purpose

As we undertook our mission of managing supply chains for the world's leading brand against a backdrop of supply chain disruption, we also announced a strategic plan to surpass £2.5 billion of revenue by 2025, guided by our fundamental values of growth, innovation and sustainability.

The Importance Of Our Mission

In 2021, the impact of COVID-19 continued to be felt both in our industry and worldwide. Our mission to manage supply chains for the world's leading brands become ever more purposeful as the pandemic highlighted the importance of global supply chains and their integrity in mitigating disruption to the flow of goods.

Global supply chains faced ongoing disruption and volatility with COVID-19 restrictions, economic stimulus programs and upstream supply and labour shortages all combining to create an imbalance between supply and demand.

Our agility came to the fore as we worked closely with customers to help them navigate the challenges and used our experience and innovative thinking to introduce a range of new, technology-led solutions to prevent supply chain disruption.

In July, we announced our strategic plan to surpass £2.5 billion of revenue by 2025 through organic growth, mergers and acquisitions. That included building on our strong existing geographic footprint in Asia and Europe in addition to expansion into the USA, driven by an active pipeline of acquisition candidates and well-developed M&A capabilities. This plan was supported by a number of high-level executive appointments and internal promotions during 2021.

Our Mission

We manage supply chains for the world's leading brands. This is the everyday focus of our people in serving and creating value for our customers, powered by a relentless focus on operational excellence and deep domain knowledge. In addition to moving freight and managing physical logistics operations we manage the information flow and the processes of those supply chains on behalf of our customers.

Mission

We manage supply chains for the world's leading brands.

Vision

We will transform logistics into a technology sector.

Purpose

We power the global economy.

Successfully managing global supply chains since the impact of COVID-19 required us to work even more closely with our customers to manage capacity challenges and adopt a mindset of innovation and alternative thinking.

The potential for supply chain disruption from global events has also highlighted the need to prioritise supply chain resilience using a variety of mechanisms including dual sourcing, increasing inventories of critical products and smart investments in supply chain technology.

Our Vision

We will transform logistics into a technology sector. This is what we are working to achieve in the future, a paradigm shift in how the logistics industry thinks about itself and is perceived by its customers and investors, by driving digital transformation of the sector. This is our long-term vision that we will continue to invest in and deliver to ensure we are in the best position to develop and deploy transformational technology to power our operating model and customer proposition.

We are committed to driving the digital transformation of logistics, through our proprietary technology platform ONE EV Cargo. By combining EV Cargo proprietary systems, such as LIMA and Alliance, with best-in-class third-party software, and with the insight of our subject matter experts, we provide a unique technology-enabled service and act as a digital hub enabling global trade.

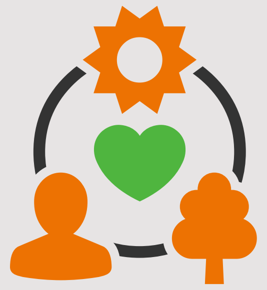
Growth

We don't just focus on growth as an organisation but we strongly believe in providing opportunities for our people and commit to a growth mindset where we all can develop and expand our capabilities.

Innovation

It's not just about using the best technology and data to digitally transform our business but being creative in devising solutions to challenges and problems.

Sustainability



We have an intense focus on being a responsible corporate stakeholder and our sustainability strategy is underpinned by our commitment to the UN Global Compact and its Sustainable Development Goals.

Our Purpose

We power the global economy by enabling international trade and ensuring our customers benefit from a distribution chain with worldwide reach and powered by world-class technology.

EV Cargo is a purpose-led organisation focused on powering the global economy, which includes the flow of goods, data and funds on behalf of pioneering businesses of all sizes.

Our Values

EV Cargo is guided by its fundamental values of growth, innovation and sustainability – which are all inextricably linked.

Growth

We put the success of our customers' businesses at the heart of everything we do and underpin our long-term success with financially sustainable activities, relationships and expenditures.

Our strategic growth plan will see us surpass £2.5 billion of revenue by 2025 and our increasing scale provides our people with the opportunity to realise their full potential and develop long-term careers in the logistics industry.

Innovation

We keep our services fresh and relevant for our customers, always delivering great value, and embed technology in all that we do to make ourselves easy to work with and easy to work for.

That means relentlessly seeking out new ways to work more effectively and better serve our customers and we've leveraged data analysis, artificial intelligence and neural learning to drive efficiency, enhance customer service and deliver environmental benefits for our customers.

Sustainability

We work hard to minimise the environmental impact of our own and our customers' global operations and in 2021 EV Cargo made good progress on sustainability, establishing a strong platform from which to deliver our multi-year objectives.

The appointment of a Chief Sustainability Officer to the Executive Board, the creation of a sustainability committee and sharing our sustainability strategy ensures our employees, customers and suppliers understand where we will focus our efforts over the course of the next 10 years.

As a signatory to the UN Global Compact and the UN Science Based Target Initiative, we continue to be guided by its sustainable development goals and have developed a comprehensive decarbonisation roadmap to help us achieve scope 1 and 2 carbon neutrality by 2030.

Our workplaces create a safe and fair environment for all of our people to work and develop their careers and 130 of our senior managers benefitted from diversity, equity and inclusion training during 2021.

We are ethically responsible and operate to the highest levels of governance, this has seen us refresh our corporate policies on areas including anti-corruption, ethical trade and whistle blowing.

Value Proposition

Our combined range of customer solutions enables the secure and sustainable global movement of goods, data and funds spanning the entire value chain.

Increased Sales

Better customer availability, fewer lost sales.

Increased Profit

Better full-price sell through, fewer markdowns.

Reduced Inventory

Better inventory productivity, lower safety stocks.

Reduced Logistics Costs

Better routing and loading, fewer, cheaper miles.

Reduced Operating Costs

Better employee productivity, fewer, simpler processes.

We enable customer success by creating value in their supply chain operating model using our ONE EV Cargo technology platform.

As a commercial developer and seller of supply chain software, we use the substantial experience of our software development team to build our own proprietary operational systems and applications that complement off-the-shelf systems within the digital environment to bring unique value-added features and functionality.

One of the key objectives is to maximise the degree to which transactional operational processes can be simplified and automated, freeing time for employees to work on value adding activities.

This creates meaningful value for customers by increasing sales through better product availability, increasing profits through fewer markdowns, increasing inventory productivity, reducing logistics costs through better routing and load optimisation, and reducing operating costs through better employee productivity using fewer and simpler processes.

We concentrate on unlocking meaningful and sustainable value for our customers within their supply chain operating models with:

- Intelligent and innovative customer proposition.
- Highly committed workforce, consistently delivering excellence.
- Proprietary technology stack, combining inhouse and external solutions.
- Lean and optimised operations powered by technology and analytics.
- Comprehensive network coverage, economies of scale and volume leverage.

Supply Chain Focus Area	Buyer Success Measures	Buyer Value Levers	EV Cargo Value Delivery	EV Cargo Competencies
Logistics Cost	Better: ✓ Supply Chain % to Sell ✓ Volume Leverage ✓ Asset Utilisation	Reduced: ✓ Inbound Logistic Cost ✓ Outbound Logistic Cost ✓ Rework Cost ✓ Return Cost	Increased: ✓ Efficiency	✓ Forecasting and Planning ✓ Resource Scheduling ✓ Freight Procurement ✓ Network Optimisation ✓ Warehouse Optimisation ✓ Process Automation ✓ Data Analytics
Customer Service	Better: ✓ Customer Availability ✓ Depot Service Level ✓ Fill Rate ✓ Lead Time / Frequency ✓ On Time Delivery	Reduced: ✓ Lost Sales ✓ Lost Customers ✓ Lost Efficiency ✓ Lost Capacity	Increased: ✓ Reliability ✓ Accuracy ✓ Visibility ✓ Agility	✓ On Time Delivery ✓ In Full Delivery ✓ Inventory / Order Status ✓ EOQ Optimisation ✓ Transit Time ✓ Routing Flexibility ✓ Data Analytics
Inventory Productivity	Better: ✓ Inventory Turns ✓ Inventory Accuracy ✓ MOQ ✓ Lead Time / Frequency ✓ Full Price Sell Through	Reduced: ✓ Waste Cost ✓ Shrink Cost ✓ Mark Down Cost ✓ Interest Cost	Increased: ✓ Agility ✓ Visibility ✓ Accuracy ✓ Reliability	✓ On Time Delivery ✓ In Full Delivery ✓ Inventory / Order Status ✓ EOQ Optimisation ✓ Transit Time ✓ Routing Flexibility ✓ Data Analytics

EV Cargo Chief Strategy Officer Simon Pearson.

"EV Cargo plans to grow organically to £1.43bn by 2025, while £1.1bn is to be added through strategic M&A."

Growth Strategy

In 2021, we announced a strategic plan to surpass £2.5 billion of revenue by 2025 through organic growth and M&A, primarily in Asia, Europe, and the USA.

Organic Growth Strategy

We have comprehensive plans to consistently deliver net organic growth above 10% annually. That will be delivered through volume growth and increased activity across all business units and, as the business is well positioned to capitalise on favourable industry dynamics, we believe the target is achievable.

We estimate that global air and sea freight volumes will grow above 5% for the foreseeable future, with air freight rates generally on the rise and sea freight rates peaking in 2022 and then generally moderating.

European road freight is growing above 3.3% with rates consistently increasing above inflation and our plans are focused on growing in these segments at above-market rates.

Most of our top 200 clients have substantial supply chain operations that require air, sea, road freight and contract logistics services, with many only currently active in one segment and product.

Our strong range of existing products, bolstered by new product development, within these segments creates a fertile environment for our business development teams to grow organic sales.

We also benefit from a pronounced network effect where additional customers, shipments and volumes create additional sales opportunities as increasing network density strengthens capability and competitiveness.

Market Development

We have identified several opportunities to drive sales of existing products into new markets, starting with some established UK products into Europe, including:

- **Air and sea freight international supply chain management:** as used by many of the UK fashion and home retailers.
- **4PL transport control tower:** the digital freight brokerage product would build a foundation of European road freight carriers.
- **Palletforce LTL network:** the network model and its enabling technology is transferable to other European markets.

Product Marketing

In addition to the development of our brand, we are also focused on product marketing.

Across EV Cargo, we have more than 25 sub-products that sit below the primary segments of air and sea freight, road freight and contract logistics.

Under the leadership of a Product Development Director, we are building out product marketing briefs and our strategy also drives new product innovation providing a clear framework for devising, developing, validating and bringing new products to market.

These tend to be products that uniquely combine specific aspects of our diverse capabilities underpinned by technology, providing a strong competitive advantage as rivals are unable to easily replicate the new service proposition.

M&A Strategy

EV Cargo is on the cusp of being a top-50 global freight forwarding company. As it is a highly fragmented markets with the largest players having single-digit market share, there is a meaningful opportunity to grow faster than the overall market.

The highly fragmented market provides fertile ground to deliver upon our M&A strategy and we expect the pace of industry consolidation to accelerate, resulting in market leaders with global scale, integrated solutions, digital capabilities and world-class M&A capabilities capturing increased value.

We have long maintained an active pipeline of M&A opportunities, spanning our strategic interests, and our M&A strategy is focused on expanding our global footprint, capturing more value in existing customer relationships and adding scale in strategic markets, with an emphasis on buying at attractive entry valuations.

We are currently in active processes regarding several proprietary and strategic acquisition opportunities, generally involving off-market opportunities to acquire businesses that we have known and followed for years.

The completion of the acquisition of Fast Forward Freight, a Netherlands headquartered air and sea freight forwarder with operations in Belgium, Germany, France, Switzerland, and Greece, in 2022 will see us add more than £132 million of revenue and exposure to several new high value premium industry verticals including automotive, pharma, aerospace, and marine engineering.

Market Penetration

There are two programmes in flight which will drive sales of existing products in existing markets.

Customer success programme: a systematic approach to increase the share of wallet across the installed customer base by identifying and upselling additional products that will create customer value.

Sales effectiveness programme: a transformation of how business development teams prospect to significantly increase conversion strike rate, through training, process improvement, talent acquisition and digital investment.

Diversification

To drive sales of new products in new markets, EV Cargo is driving the innovation and development of its digital freight platform that will enable the launch of two new capabilities in the next two years that significantly expand the target addressable market through a hands-free operating model and self-service customer proposition:

Digital Forwarding – complete a fully digital air and sea freight product that does not require a direct EV Cargo presence on the ground in either the origin or destination market to sell or to operate, substantially increasing the target addressable market to encompass most global trade lanes.

Digital Freight Brokerage – complete a fully digital road freight product that will substantially increase the proportion of the European road freight market that can be targeted by EV Cargo without requiring a direct presence on the ground to either sell or operate.

Technology & Digitalisation

ONE EV Cargo is our proprietary integrated technology platform, which comprises a unique mix of in-house developed and best-in-class, off-the-shelf operational and back-office systems including a global finance system, CRM and HR systems and Horizon, a proprietary data analytics platform.

ONE EV Cargo

Over 20,000 supply chain professionals use ONE EV Cargo to manage over 4 million orders a year, equating to over £40 billion of gross merchandise value. More than 6,000 factories and 3,000 customers rely on ONE EV Cargo to execute their shipments, and more than 3,000 truck drivers interact with ONE EV Cargo every day.

By combining best of breed off-the-self software with specialist in-house developed applications to maximise fitness-for-purpose, it powers our internal operational processes, managing the complexity of a multimode and multi-segment global network.

It also enables our customers to proactively track and manage their shipments in real time. ONE EV Cargo optimises our multi-segment network planning, resource and capacity allocation and operational execution, and drives our internal productivity through systems integration, data free-flow and process automation.

ONE EV Cargo

Built using 50+ years of accumulated knowledge

Used by 20,000 supply chain professionals

Manages over 3.9 million orders annually

Handles goods with £40 billion GMV annually

"ONE EV Cargo integrates data from thousands of stakeholders, acting as an information and communications hub facilitating global trade."

Proprietary Technology

Many elements of the ONE EV Cargo technology stack are proprietary and self-developed for internal operational use or, in the case of LIMA, also as a SaaS product for direct sale to customers. These applications have been developed over the last 25 years with the benefit of over 50 years of accumulated knowledge and experience of operational best practice, customer requirements and workflows.

They complement the off-the-shelf systems within ONE EV Cargo to enrich the available features and functionality and build sustainable competitive advantage, notably:

Alliance has ensured that EV Cargo's LTL pallet network leads the way amongst its competitors in terms of the ongoing delivery of innovation in the use of technology to automate and optimise the operating model and enhance the customer and member experience.

LIMA has been the PO management system of choice for the UK's leading retailers since the late 1990s and has enabled us to capture a market leading share of the significant expansion in direct global sourcing by retailers and brands, while constantly evolving to handle ever increasing levels of supply chain complexity and the need for real time visibility and control.

Digital Transformation

With substantial and ongoing investment in the development of ONE EV Cargo, we are on a multi-year transformation journey to digitalise logistics from the inside out, with four key pillars to out digital strategy.

- To create a digital customer experience.
- To simplify the work of our employees.
- To enable our managers to make better decisions.
- To generate new revenue through innovation.

From our customer's perspective, the key objective is to maximise the degree to which they can self-serve throughout the transactional lifecycle of a job from enquiry and quote, through initiation and tracking to job close, billing and payment. It will also make available to customers, through an intuitive and functionally rich BI platform, all of the live and historical data they require to effectively control their supply chains that we manage.

We also want to enable our employees to create time for value adding activities by increasing the automation of transactional processes. This will be enabled by systems integration and the seamless flow of data through all aspects of the execution lifecycle, both from customer order through to final invoice, and between all operational stakeholders from the customer to EV Cargo and beyond to our third-party logistics partners.

From the managers' perspective, the key objective is to maximise their ability to make agile and accurate data driven decisions using a powerful visualisation and analytics platform that will improve the quality of both commercial and operational execution. Achieving data mastery is a key deliverable for this; how well we maintain our master data, train our users, integrate and exchange data and pay attention to the entry and management of each data element.

ONE EV Cargo powers our internal operational processes, managing the complexity of a multimodal network with over 3,000 truck drivers interacting with it daily.

We want to leverage innovation to maximise revenue generation from new technology-enabled products and services. On-demand Warehousing is an initial example, it launched in 2021 and is already generating good revenue growth.

Further investments will focus on developing ONE EV Cargo into a fully digital freight platform, including brokerage and marketplace capabilities, providing deeper and more forward-looking supply chain insights for customers and offering technology enabled supply chain finance services.

Digital Transformation Highlights

A key objective of our technology investments has been to transform the customer experience. A single sign-on portal enables customers to access ONE EV Cargo and, from there, two in-house developed systems underpin the customer experience. LIMA is EV Cargo's industry-leading PO management system that provides deep SKU level visibility and control to underpin the global sourcing operations of large retailers and brands.

Coeus is our ground-breaking new shipment management system that provides interactive supply chain visibility and management.

The development of Coeus is progressing well with the initial deployment for air freight and sea freight successfully launched in Q3 2021. This highly immersive experience will enable customers to digitally self-serve from initial enquiry and quote, through booking and initiation to tracking, delivery confirmation, billing, and payment.

Powered by advanced analytics and machine learning, customers can manage their entire supply chain including real-time impact analysis and proposed corrective action in the event of external disruptions, such as the blocking of the Suez Canal.

Operationally, for air and sea freight, ONE EV Cargo uses the industry leading CargoWise1 product from WiseTech and we are close to completing the substantial task of migrating global operations and service provision from an in-house, legacy freight-forwarding system.

In road freight LTL operations, ONE EV Cargo features the proprietary in-house developed Alliance operating system, which is widely recognised as the market leader for deployment of technology to manage every aspect of the lifecycle of palletised freight through the network from first collection to final delivery.

For FTL operations, ONE EV Cargo deploys an optimised and integrated mix of industry leading Transport Management System (TMS) solutions including BluJay (4PL), Mandata / Microlise (fleet) and CargoWise1 (forwarding).

A programme is underway to migrate all contract logistics warehouse services from a collection of legacy systems onto the industry leading Blue Yonder warehouse management system. The enhanced functionality and workflow management will meaningfully reduce operational costs by improving labour productivity, reducing the level of manual administration tasks, and improving the utilisation and productivity of mechanical handling equipment.

Underpinning all aspects of EV Cargo's digital strategy is Horizon, the proprietary data visualisation and analytics platform featuring a single central data lake in SQL, hosted in Azure and with a Tableau analytics and visualisation front end. Data from all EV Cargo systems, both operational and back office, is consolidated and available for advanced analytics both for customer facing applications and for internal operational use.

Finance & HR

ONE EV Cargo uses Oracle NetSuite as its global finance system platform. The multi-year programme to migrate all operations and functions on to the new platform is well advanced. This has been achieved in parallel with the transition of most transactional finance processes to the EV Cargo Global Finance Service Centre in Colombo, Sri Lanka.

A new customer relationship management system is being rolled out and is targeted to deliver centralised tracking of sales pipelines, improved prospect qualification, better visibility of opportunities to drive existing customer cross-sell into additional services and underpinning a business-wide sales effectiveness programme to increase conversion rates from pipeline to business win.

The programme to migrate all operations onto a single, global Human Resources Information System within ONE EV Cargo commenced in Q4 2021, with the selection of a leading off-the-shelf system by Ceridian, and is planned to complete in mid 2022.

This will significantly strengthen the quality and efficiency of all people management related processes.

It will also substantially simplify the accurate and timely generation of people related data, providing our leadership teams with the information required to ensure the business is able to meet and exceed its targets in respect of being a diverse and inclusive place to work.

Organising for Digital Success

As a seller of enterprise software to third party customers, we think like a technology business and have unique competitive advantages to deliver a compelling and innovative digital strategy.

Our central corporate IT function is creating the digital platform, including making EV Cargo cyber-secure, and designing the central data-lake that will underpin the entire digital environment.

Using the substantial experience of agile software development in our Dev Ops team, we are building proprietary operational systems and applications that will complement the off-the-shelf systems within our digital environment, bringing unique value-added features and functionality.

"EV Cargo also offers its supply chain management software as a pureplay technology service (SaaS). We estimate that more than 25% of the leading UK retailers manage their international supply chains on EV Cargo's software, either as a direct SaaS customer or through our operations."

SUSTAINABLE ACTIVITIES

Defining targets and implementing measures to limit the environmental impact of our, and our customers', supply chain operations.

Our Commitment To Sustainability

As a fundamental company value, sustainability runs through the veins of our business. Our commitment to the UN Global Compact means we are guided by its sustainable development goals and we prioritise reducing environmental impact through the delivery of innovative solutions to decarbonise supply chains.

Our Strategy Is Led By The Board

Our sustainability strategy is driven from the top, with the sustainable committee, supported by the Executive Board, responsible for all sustainability practices across the business.

Led by our CEO, and comprising of the business unit heads, the sustainability committee meets monthly. Within the committee, there are working groups on thematic initiatives such as the emissions reduction steering group, and the diversity and inclusion steering group. This committee is also responsible for driving the adoption of various environmental, social and governance policies across the business. This approach ensures alignment from top to bottom and across our business units and global functions.

In March 2021 Dr Virginia Alzina was appointed as Chief Sustainability Officer, bringing leadership on sustainability issues, goals and overseeing the monitoring of sustainability performance.

Identification of Material ESG Topics

A formal materiality assessment workshop was conducted by an independent sustainability consultant with active participation from the Chief Sustainability Officer and key representatives from the various business divisions to identify the sustainability matters most relevant and significant to EV Cargo's internal and external stakeholders.

The materiality assessment was conducted based on the Principles of Selecting Material Issues in the Global Reporting Initiative (GRI) standards.

The relevant industry specific standard from Sustainability Accounting Standards Board (SASB) – Road Transportation, was also included as part of the review process.

The material topics identified were then grouped into four focus areas: planet, people, governance and value creation.

	Material ESG topics and our focus areas
PLANET	Carbon emission and reduction (climate change)
	Air pollutants
	Energy consumption & efficiency management
PEOPLE	Employee welfare
	Employee diversity & inclusivity
	Employee training & development
	Employee health, safety & security
	Child labour
	Forced or compulsory labour
	Human rights assessment
	Service & production quality (customer service)
	Local communities
GOVERNANCE	Anti-corruption
	Anti-competition
	Data privacy & security
	Management/transportation of hazardous goods
	Compliance
VALUE CREATION	Financial performance of organisation
	Technological innovation/innovative solutions

Full details of our progress on sustainability during 2021 are available in our Sustainability Report.

Material ESG issues grouped under our focus areas: planet, people, governance and value creation.

In addition to material ESG topics identified, other important topics have also been included in the list as a result of economic, environmental and social charters, principles or initiatives that EV Cargo has committed as part of EV Cargo's commitment to the ten principles of the United Nations Global Compact.

UN Global Compact

EV Cargo became a signatory to the UN Global Compact in May 2021, agreeing to uphold and report on 10 universal principles covering human rights, labour, environment and anti-corruption.

We have also committed to support the UN's Sustainable Development Goals (SDGs), and making many positive contributions to such SDGs as gender equality, affordable and clean energy, decent work and economic growth, responsible production and consumption, and climate action.

We also committed to the Science Based Targets initiative (SBTi) in September 2021 to set a science-based emission reduction target aligned with the SBTi's target-setting criteria.

Adopting the SBTi and its Business Ambition campaign means we have committed to a scenario mirroring the Paris Agreement to keep GMST at 1.5°C or lower than pre-industrial levels.

Planet

- Reduce overall CO_2 emissions.
- Minimise waste and zero to landfill.
- Zero single use plastics.

People

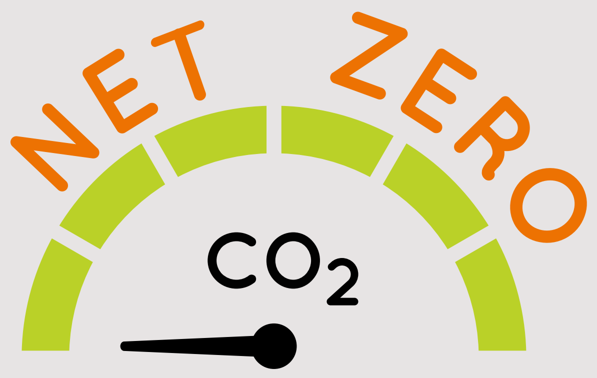
- Create a diverse, equitable and inclusive workplace.
- Embed a culture of safety and regulatory compliance.
- Be active in our communities and make a positive impact.
- Increase training, education and skills opportunities.
- Only work with supplies who share our values.

Governance

- Do business lawfully and with integrity.
- Maintain customer privacy and secure data.
- Zero cases of corruption.

Value Creation

- Increase innovation through pioneering technology.
- Use technology to help customers reduce emissions.
- Create solutions for efficiency and customer cost reduction.



2030

Our goal is to reduce overall CO_2 emissions and be scope 1 and 2 carbon neutral by 2030.

1.5°C

We participated in the Climate Ambition Accelerator, a six-month programme designed to equip companies with the knowledge and skills to accelerate progress towards setting science-based emissions reduction targets aligned with the 1.5°C pathway.

Sustainability In Action: Planet

The ongoing boom in eCommerce and the corresponding growth in demand for transportation solutions is an important driver of global trade today.

While this trend is good for our business, we also recognise that our activities impact the environment and the climate around the world, particularly in the form of greenhouse gas emissions.

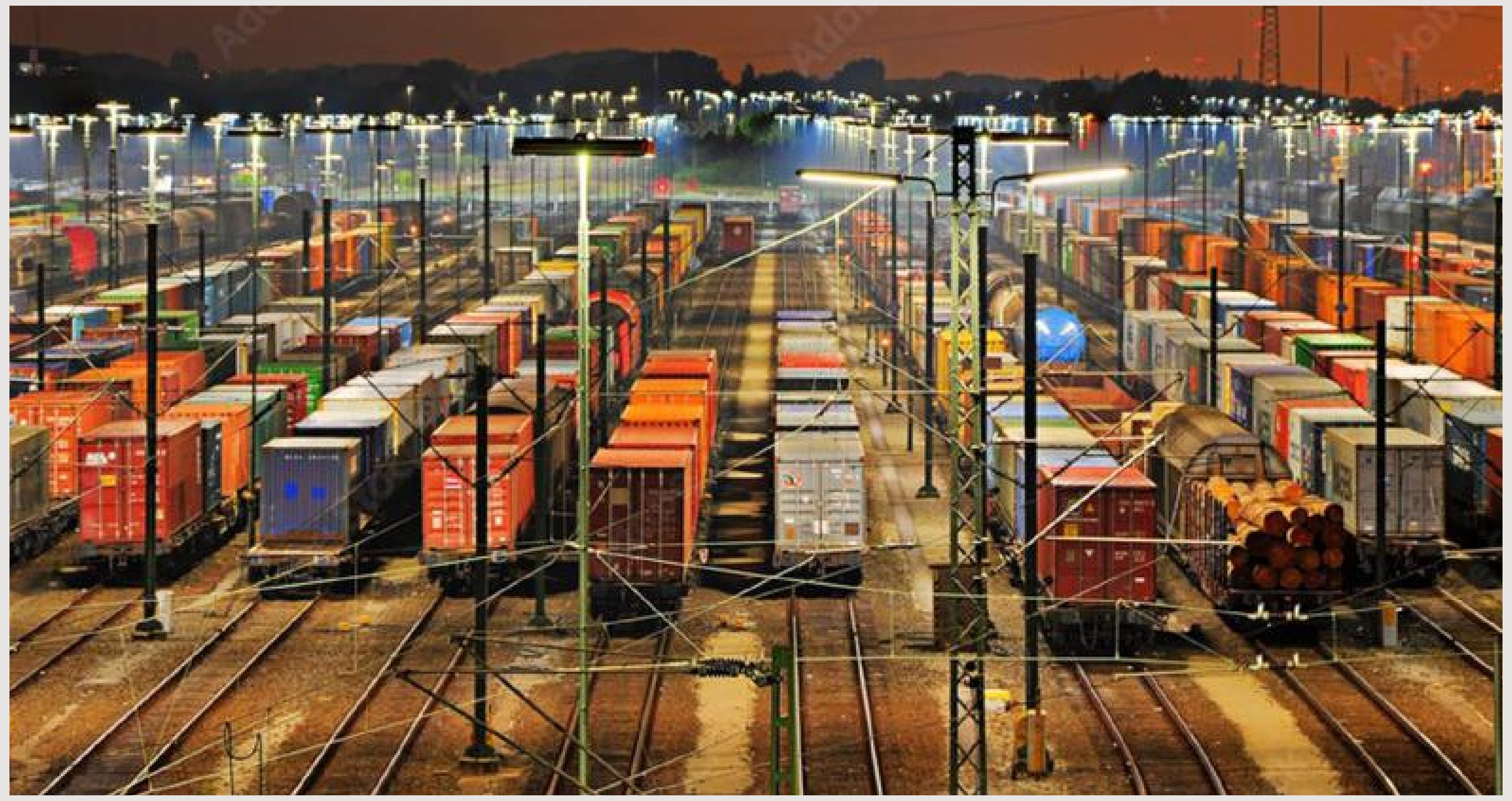
The transportation sector is responsible for roughly 7.5 giga tonnes of carbon emissions – about 14% of greenhouse gas emissions worldwide. To minimise this impact, we have defined targets and implemented measures to help protect the environment and climate.

We are intensely focused on achieving carbon neutrality (scope 1 and 2) by 2030 and on significantly reducing scope 3 emissions. We have calculated our emissions for 2021, which will serve as our baseline emission year, and set reduction targets in line with SBTi and our sustainability strategy.

At COP26, we endorsed a Global Memorandum of Understanding for zero-emission medium and heavy-duty vehicles and have committed to having 30% of new zero emissions mid- and heavy-duty vehicles by 2030 and 100% by 2040 to decarbonise logistics in the road transport sector.

As signatories of the Arctic Pledge, EV Cargo is committed to not routing ships through rapidly melting sea ice and unique habitats of the Arctic and we became a Friend of the Global Logistic Emissions Council Framework, part of the Smart Freight Centre.

Spotlight On: Data-Led Carbon Reduction in Freight Transport



By analysing big data and incorporating technology-led solutions, we are able to modify sea freight shipment timing and size to consolidate and co-load freight into a full container load. In 2021, a total of 2,548 shipments were co-loaded, saving the equivalent of 1,013 20-foot equivalent units (TEU) and eliminating the associated emissions.

We have also increased the twinning of 20-foot shipping containers undertaking final mile delivery by road. Deliveries are planned so both containers can be placed on the same trailer and delivered one after the other, creating a significant saving in road miles and emissions avoidance.

In 2021, a total of 1,410 containers were twinned, resulting in savings of 176,250 miles (or 283,647 km) of road transport, and consequently 326 tCO_2e of greenhouse gas emissions were avoided.

Considering that rail freight offers on average a 55% reduction in emissions compared to road, we have switched freight travelling from UK sea ports to inland terminals from road to rail. In 2021, the use of rail to transport 8,500 shipping containers from the Port of Felixstowe has helped us avoid approximately 7,873 tCO_2e.

Delivering technology-led customer benefits

Our drive to reduce scope 3 emissions is also creating business development and continual improvement opportunities across our customer base as our decarbonisation targets have attracted customers that share similar sustainability targets and objectives.

Ongoing and future initiatives include:

- Improving driver performance: reduction of engine idle times and improvement of driving style through training to deliver enhanced fuel-efficient skills.
- Introduction of hydrotreated vegetable oil (HVO) as a direct replacement to traditional diesel, delivering a 92% reduction in carbon emissions.
- Investment in electric vehicles including the new DAF Electric CF tractor unit.

Sustainability In Action: People

Our employees are important to us and we prioritise ensure that our employees are engaged and empowered to take on new challenges in their jobs. We foster a culture of respect and transparency and practice a management style that both listens to employees and actively addresses any concerns.

We believe that success depends on a skilled and motivated workforce, and that employee engagement is key to employee retention. It is therefore important that our employees have knowledge of our direction and priorities and understand how their efforts and successes contribute to overall goals.

In a volatile labour market where engagement is key, our commitment to people is demonstrated through our culture change programme Delivering Better, where we create a rewarding environment enabling people to grow.

In 2021, over 15,000 hours of training were delivered to our people, with over 900 hours in diversity and inclusion training to our senior managers and over 140 hours in equipping our leaders to manage people related matters. Each employee attended on average, approximately six hours of training in 2021.

Diversity, Equity & Inclusion

Our Diversity, Equity and Inclusion (DEI) policy ensures we are committed to creating an all-inclusive culture where all employees are encouraged and allowed to thrive.

Ensuring that everyone has an awareness of how unconscious bias manifests in the workplace, and how to prevent unconscious bias from impacting daily business decisions, creates a work atmosphere that is open to accepting new diversity and inclusion initiatives.

Sustainability In Action: Governance

We are committed to upholding the highest standard of ethical business conduct in all our activities. We strive to foster a culture of ethical conduct where business activities are conducted with integrity and an effective governance structure is in place. Policies spell out decision-making procedures and actions for all our executives and employees on areas such as anti-bribery and corruption, ethical trade, modern slavery and privacy.

Protecting the privacy and personal data of our employees as well as users of our software is of utmost importance to us and we have implemented technologies and security policies to protect the stored personal data of our users from unauthorised access, improper use, alteration, unlawful or accidental destruction and accidental loss.

In the last 18 months our Global IT function has implemented new cybersecurity defences to defend against phishing and ransom-ware attacks, with the introduction of additional tools, testing and training on an ongoing basis to minimise the chances of a damaging ransom-ware or phishing attack.

As millions of pounds are wasted annually because of poor transit packaging standards, we have assembled an effective combination of people, processes and technology to help customers capture the benefits of optimal transit packaging.

Sustainability In Action: Value Creation

The opportunity to unlock savings at the same time as reducing the overall volumes of cartons, pallets and containers shipped through the supply chain can achieve a 'win-win' for retailers: reduced environmental impact and lower supply chain costs.

Our cloud-based Packaging Compliance module puts the process controls back in the hands of retailers and brand owners. Using a single point of data entry, and with complete visibility for both suppliers and packaging technologists, it can reduce the lead time taken to agree requirements while improving transit packaging compliance, minimising damage and optimising packaging and ultimately container fill.

Our packaging design, testing, and technical services work closely with our clients' origin office, agents, and suppliers to ensure inbound packaging meets the requirements on every order.

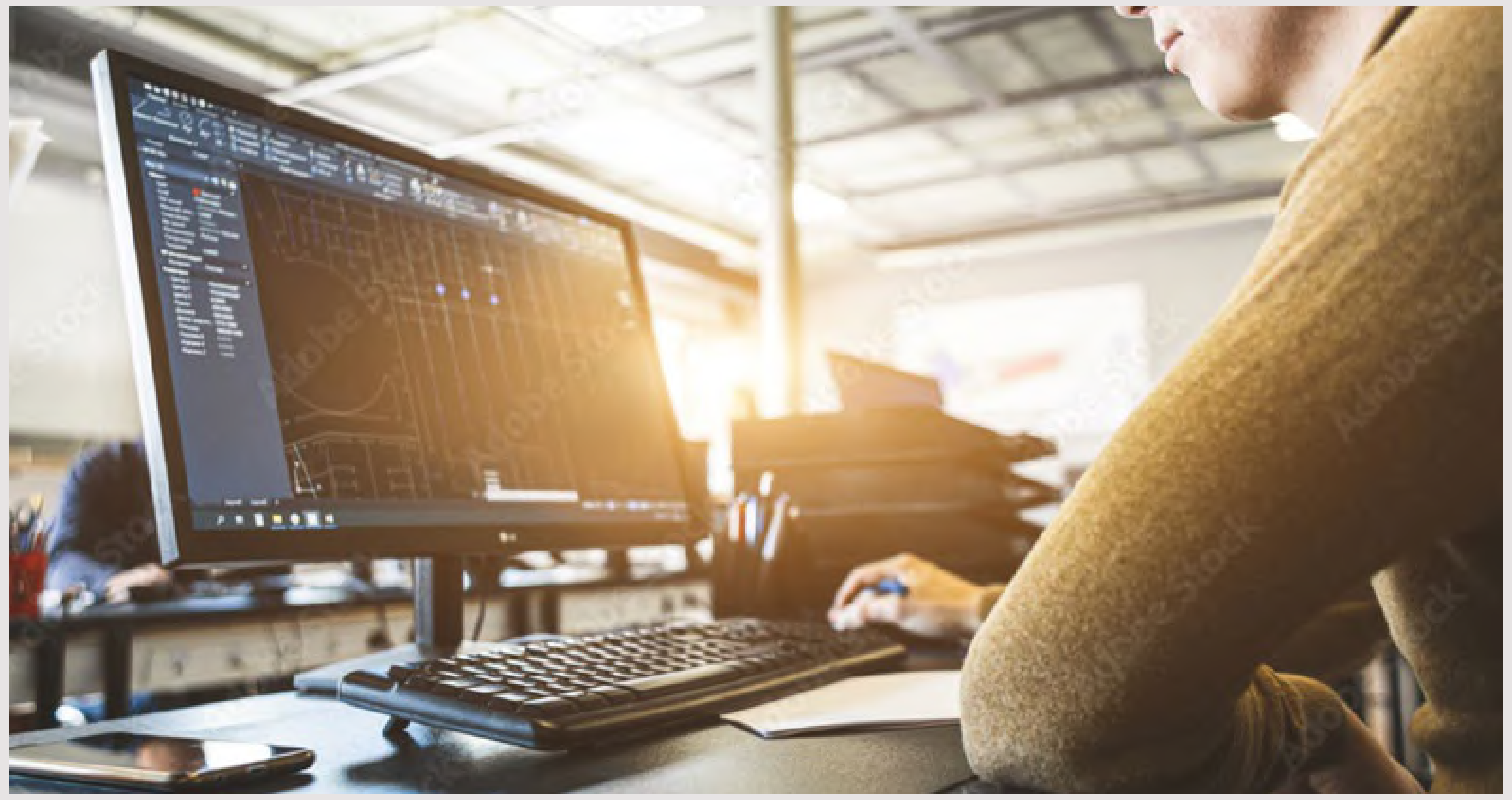
"We are delighted with the results of this programme, which has reduced our overall volumes of packaging and greenhouse gas emissions."

Simon Luxmoore, Primark Head of Central Supply Chain

"EV Cargo's streamlined Packaging Compliance module has provided the data to help us track cartons, establish what was in them and dramatically improve container fill levels. It reduced complexity and cut out the need for lots of extra solutions from a supplier perspective."

Stephen Jarman, M&S Vendor Performance & Compliance

Spotlight On: Packaging Compliance Technology Reducing Waste



The Packaging Compliance module requires suppliers and factories to confirm transit packaging sizes and construction against agreed standards set by retailers; any requests outside of tolerances are flagged, reviewed and, if appropriate, rejected either manually or through automation built into the system.

- Marks & Spencer was able to rationalise 3,800 carton types to just 10, a 99% reduction in under eight weeks, and condense lead times for approval of transit packaging and shipping of goods from 72 hours to just a few minutes
- Increased shipping container fill levels for clothing garments by more than 15% to a market-leading 95%.
- Helped Marks & Spencer exceed its planned benefit of 15% cost savings, part of a three-year initiative to increase efficiency within its international supply chain through packaging optimisation.

- Primark saw a 3.8% reduction in packaging volume (more than 90,000 cubic metres) of shipped and received goods.
- It also benefitted from a 4% reduction in corrugate material (2.26 million square metres) produced and shipped, equivalent to a reduction of 9 million kgCO_2 equivalent.

BUSINESS PERFORMANCE

We had a strong financial year in 2021, posting record revenues, profits, freight volumes and making significant progress towards our environment, diversity and people resource targets.

Financial Review, Chia Min Tan, CFO

Despite unprecedented volatility and supply chain disruption, EV Cargo delivered a strong financial performance in both 2020 and 2021.

EV Cargo CFO Chia Min Tan.

Record revenues of £1.127 billion in 2021 were driven by price increases, higher freight volumes and the company's expanded global operational footprint.

In addition to meaningful customer wins, there was also significant year on year volume growth from many existing customers through a combination of strong volume growth on their part and, in some cases, a greater share of wallet for EV Cargo.

Notable progress was made with organic revenue growth and cross-sales, the targeting and execution of add-on acquisitions, margin expansion through strong commercial and operational execution, and investment in digitalisation through the ongoing development and expansion of ONE EV Cargo, the integrated and proprietary technology stack.

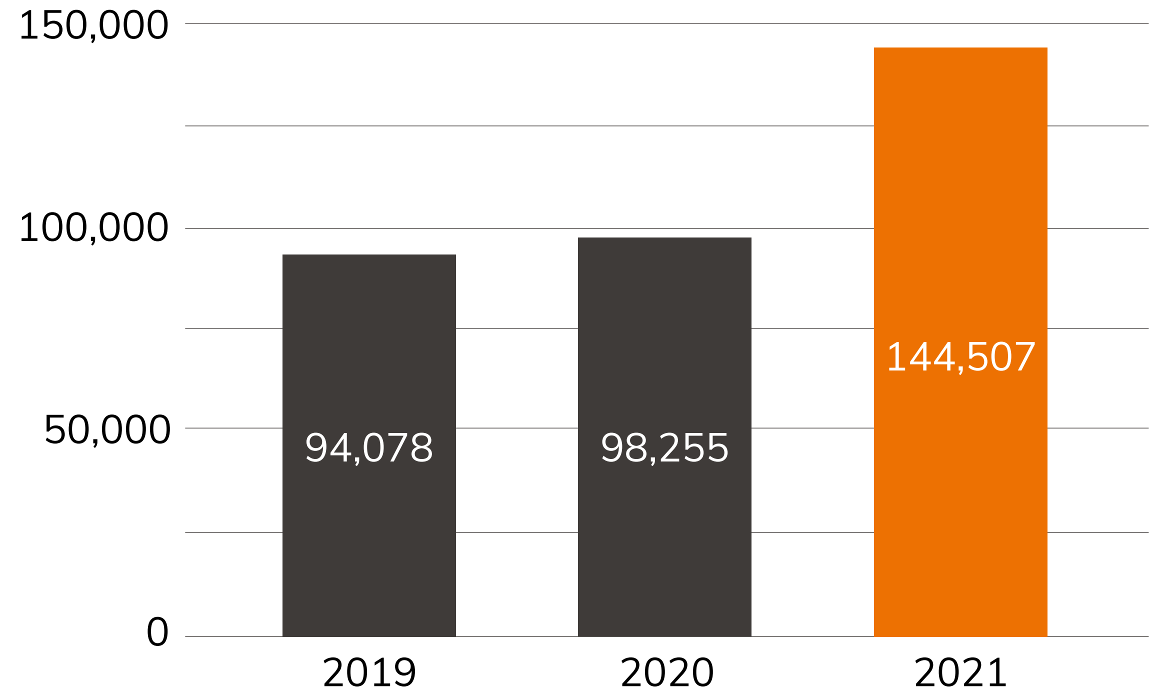
We generated £38 million net cash from operating activities during the year compared to £49 million in 2020. Our net working capital increased in 2021 due to higher freight rates which drove higher trade receivables outstanding from customers.

Consolidated Income Statement £000

	2021	2020
Revenue	**1,127,069**	**660,691**
Cost of sales	(982,562)	(562,436)
Gross profit	**144,507**	**98,255**
Administrative expenses	(111,659)	(88,411)
Other operating income	5,341	4,567
Other operating expenses	(1,229)	(229)
Operating profit	**36,960**	**14,182**
Net finance cost	(7,687)	(10,789)
Share of profit of equity accounted investees	6,284	2,698
Profit before tax	**35,557**	**6,091**
Taxation	(2,150)	(1,466)
Profit for the year	**33,407**	**4,625**

£million	2021	2020	Growth
Air and sea freight	722	307	135.1%
Road freight	373	325	14.7%
Contract logistics	32	28	14.3%
Total revenue	**1,127**	**661**	**70.5%**

Gross profit £000



Revenue

Our revenues in 2021 were £1.127 billion, a 70.5% increase from £661 million in 2020.

Air and sea freight forwarding grew by 135.1% and accounted for £722 million. This increase was due to a combination of significant organic volume growth, particularly for sea freight in key locations, and a global increase in freight transportation rates.

Compared to 2020, revenues from our road freight and contract logistics segments also improved, driven by higher demand for domestic freight due to the shortage of logistics services in the UK. Road freight rates also increased, primarily to recover increases in the cost of sales, most notably around driver employment costs.

Revenue from customers newly added in 2020 increased by £29 million (or 129.7%) from 2020 to 2021. In 2021, we added another 70 new customers who alone contributed £32 million of revenue. In addition to meaningful customer wins, there was also significant year on year volume growth from many existing customers.

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Gross Profit

Gross profit for the period increased by 47.1% to £144.5 million with air and sea freight accounting for 57% of total gross profit. This was driven by volume growth across all areas and the increase in freight rates, particularly in air and sea freight which accounted for 64% of the total revenue.

With freight rates at unprecedented levels, our gross profit yields were protected by the excellent commercial execution of our operations teams, who helped optimise the mix of buy and sell rates. While absolute gross profit was higher in 2021, gross profit margin decreased slightly to 12.8% from 14.9% in 2020.

Furthermore, through a parallel track of robust overhead control, enhanced efficiency and the removal of fixed costs associated with heavy assets, we have been able to convert a substantially higher proportion of gross profit to profit before tax.

Operating profit has increased to £37m (FY20: £14m) with margins now at 3.3% (FY20: 2.1%). The repayment of loans during the year has further boosted profitability with profit before tax margin now at 3.2% (FY20: 0.9%).

Liquidity

Strong trading performance combined with disciplined cost control has led to the business closing out the year with a significantly improved liquidity position. We closed the year with a cash balance of £46 million (up 113.3% from FY20's balance of £21 million). Net assets have increased to £37 million (up 24.0% from FY20 balance of £30 million).

Our gearing position is now at its lowest level in recent years, putting the business in a strong and stable position as it entered the new 2022 year.

Following the end of the financial year, we concluded a significant refinancing project involving our invoice discounting facility allowing access to greater sources of liquidity, further improving the working capital position of EV Cargo.

Corporate Memberships

United Nations Global Compact

Smart Freight Centre

Ocean Conservancy

Climate Ambition Accelerator

Science Based Targets – Driving ambitious corporate climate action

Global Commercial Vehicle Drive to Zero – Pledge Signatory

Non Financial Review

EV Cargo made significant strides towards its environmental, diversity and people resource targets as part of the its wider sustainability strategy.

Sustainability & Environment

In March 2021, Dr Virginia Alzina was appointed as Chief Sustainability Officer with board level accountability for delivering a clear and ambitious sustainability plan.

Dr Alzina has over 25 years of professional experience in ESG matters on a global basis, having served as the CEO of the United Nations Environment Program, among other senior roles.

	2021		2020	
Fuel	kWh	tCO_2e	kWh	tCO_2e
Electricity (scope 2)	6,085,744	1,328	5,637,456	1,315
Gas (scope 2)	719,889	142	840,640	145
Diesel & petrol (scope 1)	189,293,188	44,868	212,042,974	51,027
Liquefied petroleum gas (scope 1)	11,049,814	2,370	9,386,147	2,014
Fuel, heating, electricity (scope 3)		14,262		12,887
Up/downstream transport (scope 3)		497,272		319,514
Total emissions		560,242		386,902
Intensity metric (tCO_2e per £m of revenue)		497.1		585.6

EV Cargo became a signatory to the United Nations Global Compact in May 2021, agreeing to uphold and report on 10 universal principles covering human rights, labour, environment and anti-corruption. Furthermore, we are using the UN's Sustainable Development Goals to assess where best to focus our efforts and make the greatest positive impact across our global operations.

We also committed to the Science Based Targets initiative (SBTi) in September 2021 to set a science-based emission reduction target aligned with its criteria.

All this activity took place against the background the COP26 conference, where we endorsed the ambitious Global Memorandum of Understanding to achieve an interim goal of 30% zero-emission new bus and truck vehicle sales by 2030 and 100 per cent by 2040. This first-ever global agreement was signed by 15 countries and a host of top manufacturers in a coordinated effort to reduce transport emissions, mitigate climate change, improve air quality, reduce the use of fossil fuels and cut energy costs.

Meanwhile we produced our inaugural and highly ambitious Sustainability Report for 2021, using exacting industry standards by adhering to the GLEC framework and establishing a wide variety of stringent and sustainable KPIs using the Global Reporting Initiative, Sustainability Accounting Standards Board and SBTi.

Diversity, Equity & Inclusivity

The EV Cargo Diversity, Equity and Inclusion programme seeks to create a diverse, fair and inclusive workplace that enables equal opportunities for all.

We made a strong start to 2021 with the senior management team undergoing a five-module training course supported by a comprehensive set of DEI policies, which resulted in 1,032 training hours delivered to 147 people.

In 2021, we completed the Target Gender Equality programme, an accelerator programme for companies participating in the United Nations Global Compact which aims to deepen implementation of the Women's Empowerment Principles and to strengthen contribution to Sustainable Development Goal 5.5 which calls for women's full participation and equal opportunities for leadership by 2030.

In 2021 the overall gender ratio of females to males grew from 19% to 25%, with 33% at the senior manager level. Four females joined the executive leadership team in 2021, taking that ratio to 27%.

Meanwhile, our long-term target for a gender pay gap of 2% is industry-leading in its ambition. The focus on gender equality is set to continue into 2022 as we launch our Aspirational Women development programme.

Spotlight On: Delivering Better

Launched in Q3 2021, Delivering Better is our programme to embed a winning culture across the organisation, embracing the diverse history of EV Cargo and placing our values at the heart of everything our employees do.

The programme is wide-ranging and inclusive, but the key features include the appointment of a team of Delivering Better champions to act as role models, ensure great communication and engagement in every department, to share ideas and to celebrate successes across the business.

The work of the champions will be backed up by systematic employee satisfaction surveys to help shape our future action plans – the first online survey was carried out in November 2021 with a 70% engagement score – and the roll-out of the Workplace digital platform to transform employee communications.

The launch of the inaugural Delivering Better Awards will recognise and celebrate those employees who best display the EV Cargo values and behaviours in their day-to-day work.

Investing In People

We reorganised our human resource function into one core People team with additional resource to support the four pillars of People Resourcing, People Relations, People Development, People Projects and a shared services function to implement the new HR information systems being introduced in the summer of 2022 – ensuring that our data is in one place.

We've attracted key talent to the business over the last year and just as importantly, we've promoted career development and spearheaded investment in our people to help them flourish in their work life with us.

Driver attraction and retention has been a key focus as a means of countering an industry-wide driver shortage. Over the last two years we have introduced a programme which has included successive investments in the headline hourly wage to maintain competitiveness, an apprentice academy programme, and a specific focus on embedding new drivers.

This has resulted in a net gain of 90 drivers in the last six months of 2021, creating a new record high level. In order to attract the best recruits to EV Cargo, we have focused on attitude as well as operational skills. This is now backed up with superb onboarding and induction, harmonised pay and benefits, and fair and transparent approach to grading and engagement.

EV Cargo has a solid track record on employee safety and invests appropriately in ongoing employee training to embed safe ways of working and risk awareness across the business, as well as in the management infrastructure to support it. Our safety managers are experts in their field and actively participate in recognised industry standards groups including currently chairing the IOSH Logistics and Retail group in the UK.

For the 13th consecutive year we achieved RoSPA gold status for the highest levels of health and safety and were once again presented with the President's Award.

As of 31 December 2021, EV Cargo employed 2,470 employees globally. A total of 537 new employees were hired in 2021, comprising 25% females and 75% males. Our overall rate of new hires was 21.7%, with employees in the 30-50 years old age range contributing to the largest proportion, or 47%, of our overall new hires.

Air & Sea Freight Segment Review

Throughout 2021 the air and sea freight forwarding market continued to be impacted by ongoing disruption to global supply chains. COVID-19 restrictions, economic stimulus programs and upstream supply shortages all combined to create an imbalance between supply and demand.

45% increase in air freight volumes

77% increase in yield

50% increase in productivity

20% increase in sea freight volumes

Market Overview

In air freight, capacity remained well short of pre-COVID levels as passenger flights and therefore belly hold cargo capacity failed to return on the critical inter-continental routes particularly in an out of Asia.

This combined with surging demand, driven particularly by e-commerce, resulted in rates remaining high throughout the year and meant that the ability to secure capacity became the primary basis of competition for forwarders.

In sea freight the market situation was similar with buoyant demand coming up against an increasingly constrained supply of capacity. Ports and inland congestion, particularly in the US but also in Europe and Asia, along with one off events like the Suez blockage served to substantially reduce capacity.

The result was up to 14 days on average added to east west round-trip sailings, requiring more ships to move the same volume, and the flow of empty containers also suffered substantial disruption as a result.

The effect was an unprecedented level of rate increases through the year and the ability to secure capacity at any price was the key source of competitive advantage for forwarders.

Operational Highlights

The primary focus of our team facing into this highly challenging operating environment was to maintain the best possible level of service for customers in the circumstances.

Key challenges included securing sufficient capacity each week for cargo bookings, planning around significant carrier schedule volatility around origin port departure dates, and managing the impacts of schedule delays en-route resulting from port congestion and other issues.

We successfully utilised the full capability of our extensive UK landside logistics platform to support with final mile delivery of air and sea shipments, including the ability to trans-load freight and provide intermediate storage solutions to help customers with their own network congestion, minimising demurrage and detention charges.

The quality of commercial execution in such a difficult market environment is critical and our air and sea freight teams excelled throughout 2021 in optimising the mix of carrier and customer pricing to sustain margins.

The procurement teams did a solid job throughout the year in managing our strategic relationships with air and ocean carriers, ensuring volume and price commitments were honoured and securing additional capacity at competitive rates.

Year-on-year volume growth for both modes was healthy and above the overall market growth rate.

As well as meaningful new customer wins, we also saw significant year on year volume growth from many of our large existing customers through a combination of strong volume growth on their part and in some cases also a greater share of wallet on our part.

The air and sea freight teams delivered meaningful improvements in efficiency and automation during 2021 through the ongoing deployment of CargoWise throughout the network and the development of several proprietary digital tools to enhance the customer experience. This included the roll out of our mobile app and digital assistant.

Future Focus

The primary focus for 2022 for the air and sea freight team will be the integration of Fast Forward Freight the acquisition of which was completed during the first quarter.

This exciting addition significantly increases the scale, coverage and capability of our air and sea freight platform in Europe, most notably in Netherlands Belgium and Germany. It also brings expertise in new industry verticals including automotive, pharma, aerospace, and marine engineering.

We will make further progress in 2022 on increasing our ownership stakes in the key strategic volume driving origins across Asia to ensure in the future that we maximise our capture of the available value from the volume we control on the behalf of our customers.

As well as driving meaningful organic volume growth through our existing network, we will also continue to seek out additional volume and value accretive acquisition targets in air and sea freight forwarding, focusing primarily on expansion in Asia and on a market entry into the US to substantially extend our global coverage.

Spotlight On: Agile & Responsive Multimodal Freight Solutions

COVID-19 restrictions, global labour challenges and the increase in online retail resulted in both a shortage of shipping containers and shipping capacity. This combined with port closures, reduced port productivity, shipping delays and domestic haulage challenges to create an unprecedented market for rate levels and service.

Underpinned by our agility to respond, we launched a new, cost-effective road-air service from China to help combat the ongoing operational and capacity challenges around sea freight shipping and provide our customers with an additional option to ensure goods reach their intended markets in a timely manner.

With dedicated charter capacity to secure services to key UK and European markets, the bespoke twice-weekly service flies directly into London Heathrow, offering predictable capacity and rate stability in an increasingly volatile market. Handling all associated customs formalities, we arrange onward transport to a number of European countries, ensuring a range of flexible and agile global supply chain solutions for our customers.

Road Freight Segment Review

The road freight market in the UK had another volatile year in 2021 as meaningful demand side volume growth coincided with multiple supply-side capacity constraints. Overall market volume growth was healthy as demand built back from the impact of COVID-19 lockdowns in 2020.

Over 4.7m LTL pallets delivered

14% increase in LTL volume

19% increase in yield

28% increase in productivity

Market Overview

Market growth was characterised by a continuation in the long-term trend from FTL to LTL, as customers increasingly favour a little-and-often distribution model, and the demand for home delivery of bulky e-commerce items continues to grow strongly.

The primary capacity issue in the market in 2021 was the ongoing but significantly worsening truck driver shortage. A combination of an ageing driver population, the failure to attract the younger generation into the industry, pinch points around the capacity to train and licence new drivers, and of course the impact of Brexit on European driver numbers are the long-term causes.

This was exacerbated in 2021 by repeated waves of COVID-19 in the UK resulting in high levels of sickness and absence that further depleted driver numbers.

There was also a meaningful increase in the number of business failures and exits from the industry in 2021 especially of small and medium-sized operators that served to reduce the pool of carriers available for 4PL solutions.

Faced with the prospect of being unable to ship their orders, customers increasingly accepted the need to pay more resulting in a steady increasing in base rate levels throughout the year enabling operators to pass on inflationary pressures such as increased driver wages.

Spotlight On: A Flexible Solution Delivers Record Volumes

As the UK economy came back online after a series of national lockdowns, the agility of the Palletforce express distribution network offered huge advantages for businesses looking to rebuild their operations. Palletforce provides a highly efficient service, able to cope with fluctuating volumes while maintaining the highest levels of quality service, so we were perfectly placed to help UK manufacturers and distributors whose order books had been hit by unpredictable volumes.

Our service is based on a variable, on-demand cost model which is key in today's unpredictable world as it delivers the benefit of removing fixed costs while offering the capacity, technology and scalability to support customer volumes. As non-essential retail, manufacturing and construction industries rebuilt, there was greater demand for less-than truck load services as businesses worked to limit warehousing costs.

Palletforce experienced record volumes during 2021, increasing by 14% to over 4.7 million pallets of freight.

Operational Highlights

The primary focus for our road freight teams in 2021 was ensuring the necessary delivery capacity to support our customers and in maintaining on-time and in-full service levels in a highly challenging operating environment.

Overall road freight volume grew meaningfully year-on-year primarily driven by the LTL segment which saw double-digit growth and resulted in multiple records being broken for the number of pallets of freight handled in a night by the Palletforce SuperHub team.

In the FTL segment, the road freight team continued their work to optimise the network overall, focusing on the mix between 4PL and own fleet solutions to minimise empty miles and maximise overall truck and driver utilisation.

Good progress was made on the road freight digitalisation program through 2021 with increased process automation and flow of data to and from customers, between operational systems and with the driver through in-cab telematics.

The team enjoyed considerable success in 2021 with regards to customer rate increases, securing on average high single digit inflation in Q4 that will have a meaningful full year effect in 2022.

Future Focus

In 2022 the road freight team will focus on driving volume growth, particularly in LTL, in 4PL solutions and in road freight forwarding to and from Europe, where in all cases we have a highly scalable operating model and a winning customer proposition.

We will make significant progress on our decarbonisation roadmap towards scope 1 and scope 2 neutrality by 2030.

This will include working closely with our customers to introduce HVO fuel, which reduces emissions by around 90% compared to traditional diesel, and further investment in electric and alternative fuel vehicles to decarbonise road transport operations further.

Focusing on the twin tracks of fewer and friendlier miles, we will step up our vehicle fill and the use of high cube equipment, further reduce systematic empty running within the network, go again on driver training and awareness on fuel economy.

We will also be increasingly active with our road carrier base to reduce our scope 3 emissions both by sharing best practice and by increasing the weighting of sustainable transport factors in the tendering and allocation of volume.

Fewer Miles

- Increase cube utilisation
- Technology-led packaging reduction
- Improved route planning
- Minimise empty mileage
- Modal shift to rail for linehaul

Friendlier Miles

- Improve fuel economy
- Maximise aerodynamic devices
- Increase alternative fuel use
- Minimise energy use
- Use energy from renewable sources

Contract Logistics Segment Review

The UK contract logistics market had a solid 2021 driven by strong demand for warehouse capacity and a shortage of high-quality space in the market despite substantial new build investment and a very active construction pipeline on the part of the logistics property development sector.

10% increase in revenue per sq ft

7.5% growth in storage occupancy

4% increase in yield per sq ft

Over 3,000 daily eCommerce orders

Market Overview

One of the biggest drivers of the demand for contract logistics was the exponential growth in e-commerce as a sales channel and e-fulfilment as a logistics service. The relentless pressure for ever shorter customer lead times is causing e-commerce platforms and merchants to increasingly hold inventory closer to the final consumer, causing a proliferation of stocking points and demand for warehouse space.

Labour availability was a major factor in the contract logistics market in 2021 with the impact of Brexit being keenly felt. Retail and e-commerce, the two highest growth areas, continued to be very labour intensive, and both have highly seasonal demand profiles that further exacerbated the labour supply issue.

Longer term we believe that this will drive the case within the contract logistics market for ever increasing levels of capital investment in automation both to reduce the labour requirement and to increase storage density and overall space efficiency.

Operational Highlights

The most notable highlight of 2021 in contract logistics was the launch and rapid scaling up of our new asset-light on-demand warehousing service.

Based on a 4PL model and using a proprietary technology platform, EV Cargo deploys the available capacity of a network of 3PL partners to create highly flexible short- and medium-term customer solutions.

In 2021 we opened our brand-new flagship 200k sq ft + distribution centre in Ashby, Leicestershire, which is already being fully utilised on behalf of strategic customers Amazon and ABI. We also opened a new dedicated logistics facility in Magor, South Wales that is adjacent to a large ABI brewery.

This multipurpose operation now provides full logistics support to the manufacturing operation including finished goods storage order fulfilment, keg storage and management, and other related value-added services.

The multi-year task of WMS and operational process convergence in contract logistics continued through 2021 working towards the long-term goal of a standard WMS platform and lean ways of working to drive productivity, accuracy, and on-time in-full order dispatch.

Future Focus

In 2022 the contract logistics team will focus on volume growth to fully utilise the existing network including the European distribution centres in Le Havre and Düsseldorf.

Emphasis will be placed on providing integrated air, sea and contract logistics services for international customers giving them a one-stop-shop door-to-door solutions that further embeds EV Cargo into their supply chain operating models.

Continuing to drive the growth of the on-demand warehousing service will be another key priority for 2022 both in the UK and in continental Europe.

Post COVID, customers are increasingly adopting a just-in-case inventory strategy, increasing safety stocks, and holding them close to the demand, making the distributed solutions of on-demand-warehouse a perfect fit.

Spotlight On: Avoiding Supply Chain Disruption With On-Demand Services

The Department of Health & Social Care (DHSC) faced a huge number of complex problems as it reacted to the rapidly changing COVID-19 situation in the UK. The billions of items of PPE it bought to equip NHS staff needed to be transported and stored at short notice. The department also needed to know how much stock it had and where every item was at all times, so that it could react to demand quickly and effectively.

Our rapid response led to the set-up of our on-demand warehousing and transport solution within just a couple of days. By managing four partner companies and six warehouses using bespoke software and technology, we organised the storage of PPE in strategic locations across the country. Containers were brought in at quay or freight via Heathrow airport and transported to the warehouses using EV Cargo's road transport network.

A total of 422 containers were devanned, with over 26,000 pallets handled. We managed the transport for outbound deliveries using 20 logistics partners, with over 700 deliveries made. Overall we estimate logistics cost savings for the UK Government of around 82%, equating to over £3 million.

Industry Solutions

EV Cargo identifies its customer base into ten discrete industry solutions, each of which has a distinct demand profile, forward growth forecast and specific customer needs and characteristics.

The demand side of the logistics industry is typically segmented into two high-level verticals: consumer (high street and supermarket) and industrial. Within these, we identify our customer base into nine industry solutions, during 2021 all but two of these generated revenue over £40 million. This demonstrates our strength in depth providing services to a diversified customer base, economies of scale and operational credibility across a broad range of industries.

Consumer Goods

The consumer goods vertical, which accounted for 69% of total revenue, includes solutions for the high street (fashion and home) and supermarkets (grocery and drinks), as well as eCommerce platforms.

For consumer goods we are primarily involved in the movement of finished products along the supply chain, from the supplier's manufacturing or storage facilities to the retailer's distribution or fulfilment centres. As a result, ongoing changes in the structure of sales channels in these key strategic segments do not have a direct negative impact. Rather our success is driven meaningfully by the success of our customers and, critically in this regard, we continue to work with many high-performing and economically resilient brands.

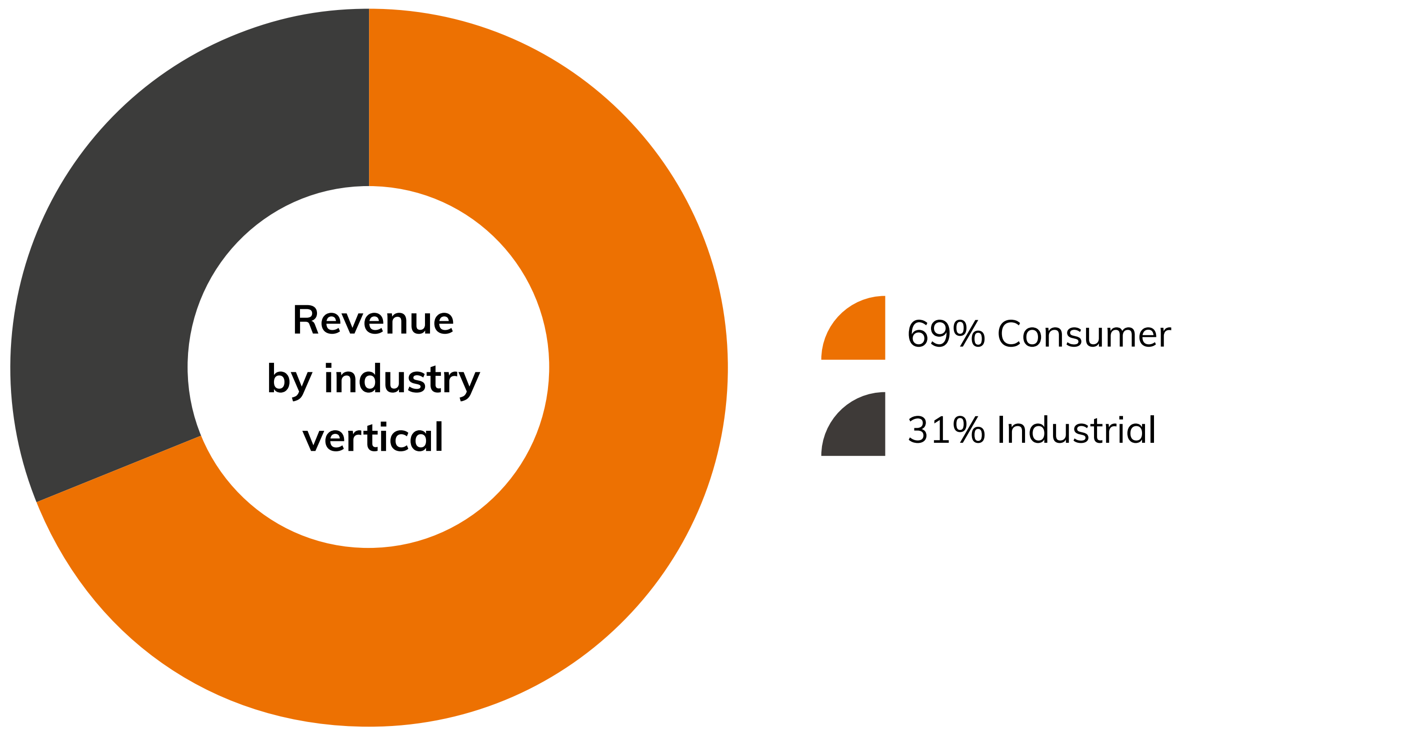
For the fashion and home sectors, we primarily provide air and sea freight, including PO management services, for international shipments from Asia. Over the last decade, the high street sector has seen average growth of 5% per annum, which is currently forecast to continue.

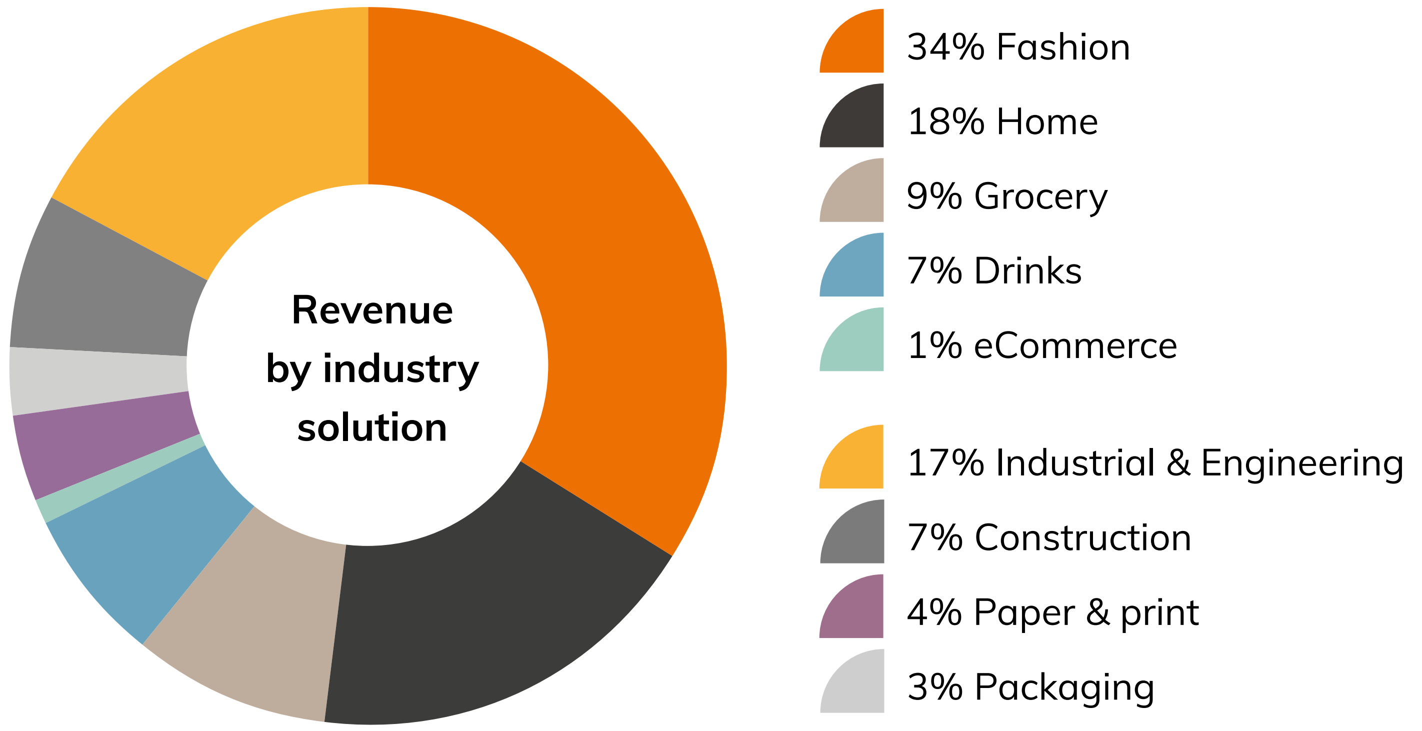
Our exposure to the grocery and drinks sectors, primarily through providing UK domestic road freight and contract logistics, should be considered highly resilient to any economic downturn, as recently reinforce by the way volumes and activity held up well through the COVID-19 economic disruptions. The supermarket sector is forecast to grow by 12.5% over the next four years, in line with the historical run-rate.

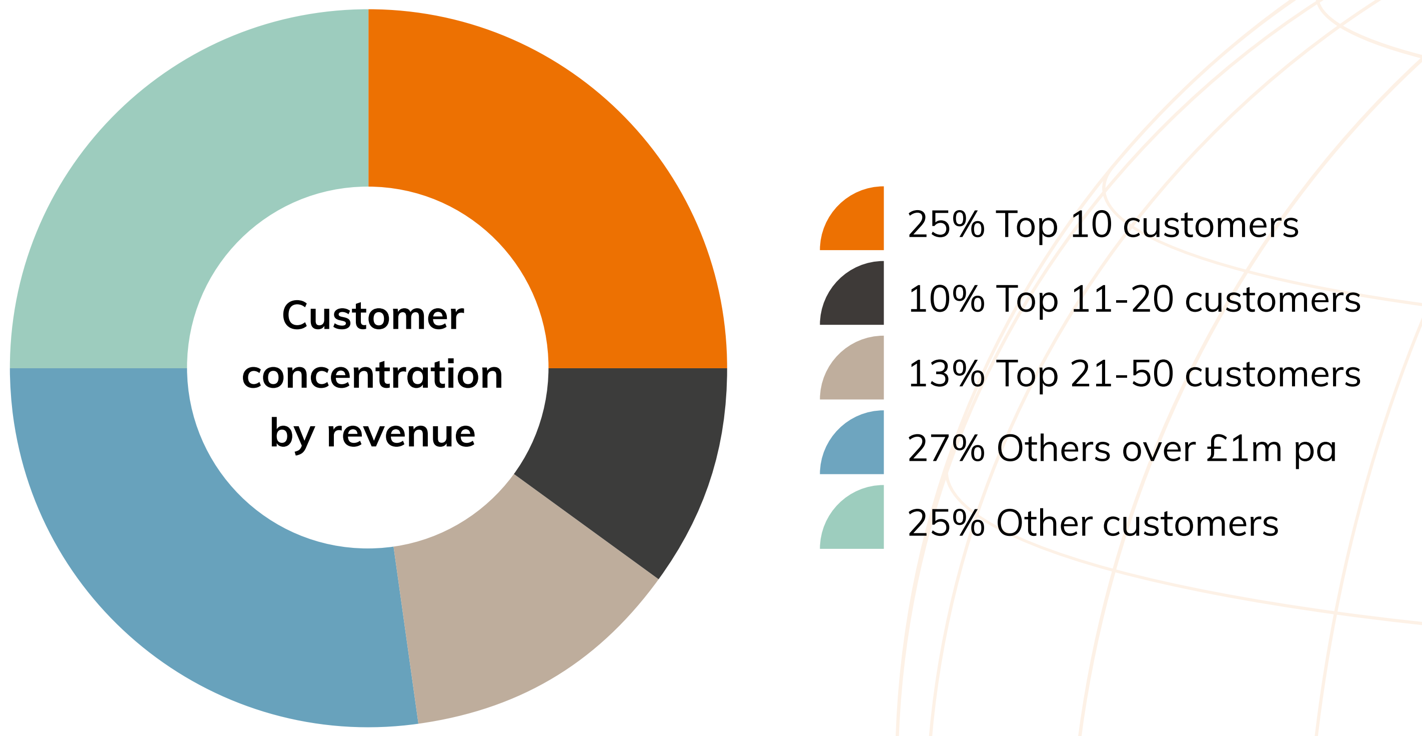
Industrial Sectors

Within the industrial vertical, representing 31% of our revenue, solutions for both the packaging and construction industries have attractive demand-side characteristics that should continue to drive good like-for-like volume growth. The industrial and engineering categories also have an attractive demand profile, especially for high value goods and critical components.

While the paper and print industry may be in long-term structural decline as content increasingly goes digital, there are specific pockets of demand growth, particularly for premium speciality products, for which our solutions and experience are well suited.







CORPORATE GOVERNANCE

Guided by the Ten Principles of the UN Global Compact, our governance and corporate sustainability is led by a principles-based approach to doing business with integrity.

Risk Management

Identifying, assessing and acting upon potential risk areas is an integrated part of our operational activity, and our risk management framework is designed to provide fast escalation and timely response to issues that may have a material impact on earnings and financial and strategic targets.

Exposure to risk is an unavoidable reality for a global logistics operator. Throughout 2021, the knock-on effects of COVID-19 and various challenges across the global supply chain are the main areas of immediate concern, but there are also a number of other areas of potential risk which require vigilance. In each case we have analysed and assessed the potential impact on our operations.

Cyber Security

All organisations continue to face significant and increasingly complex cyber security threats. Improving our defences is a continuous programme of investments in people, technology and training.

Cyber security has been the main focus for the Global IT team during 2021 as we harmonise the technologies and techniques used across our business.

We have made excellent progress on removing the more vulnerable systems as part of the Cyber Essentials Plus certification process. This has been reflected in the Cyber Risk Index, with lower risk levels than at the same time last year, and we have invested well in some of the best end-point protection and email filtering systems, with 90 per cent of EV Cargo people using multi-factor authentication.

Global IT has centralised the management tools and people to allow us to deploy the best technology to every part of EV Cargo. This approach has dramatically improved the visibility of all aspects of our IT infrastructure, allowing us to quickly identify cyber security issues and respond quickly and in some cases, automatically.
Risk assessment: **LOW**

National Cyber Security Centre

CYBER ESSENTIALS

Our cyber security measures include:

Perimeter security: intrusion detection and protection.

End-point protection: anti-virus and software firewalls.

SOC: centralised out-sourced Security Operations Centre.

Patch management: periodic vulnerability scanning.

Data loss prevention: tracking unauthorized data movement.

COVID-19 & Global Pandemics

Despite the unprecedented global challenges caused by the pandemic, market dynamics remain strong for logistics companies. Having analysed potential risk areas, we believe EV Cargo will perform well despite ongoing COVID-related disruptions to international supply chains.

Price

Market price inflation has led to fears that carriers will not be able to pass the extra costs to their customers. In fact, throughout the last 24 months of disruption and price volatility EV Cargo has been successful in passing on costs and protecting profitability.

Equally low is the risk that market price deflation could reduce revenue-versus forecasts.
The industry consensus is that ongoing disruption and string pricing discipline by carriers will see pricing levels broadly maintained.

Volume

While COVID-19 shutdowns in China have undoubtedly created volatility, our expectation is that overall air and sea freight market volumes will grow. We also expect a meaningful proportion of our volume growth will come from taking market share.

Capacity

While overall capacity is likely to remain tight across all modes, in an effort to maintain pricing discipline, EV Cargo has the strength of relationships and volume scale to be able to secure the required capacity to enable our planned growth.
Risk assessment: **LOW**

Climate Change

To date, EV Cargo has not experienced any direct impacts from sustainability and climate change issues. Our primary concern in this regard is managing any disruption to our customers supply chains and flow of goods. Our owned and leased locations worldwide are not in high-risk areas, and volume from high-risk countries such as Bangladesh will ultimately switch elsewhere if impacted.

Over the longer term, the impact of climate change on overall global GDP growth and the volume of world trade would have a high impact, however.
Risk assessment: **LOW**

Competition & Technology

EV Cargo's fleet is procured on staggered lease agreements, which provides our operations with embedded flexibility.

We have a relatively low energy usage for our size, as most locations are offices. However we are adopters of proven technologies to optimise energy use, and any migration to electric or hybrid fleet technology could be executed in an orderly manner with no write-off.
Risk assessment: **LOW**

End Market

We have a secular demand profile enabled by serving a wide variety of industry segments, and the global network enables us to be flexible in following changing sourcing patterns.

Customers decide the transport mode they wish to use, and we can switch air to sea and road to rail to meet their needs. Any increased costs can be passed on from customer choices on sustainable routing options.
Risk assessment: **LOW**

Through a monthly executive Sustainability Committee, we routinely evaluate the risk of climate change to the business.

Regulation

Through the office of the Chief Sustainability Officer, EV Cargo has excellent forward visibility and understanding of the developing regulatory landscape.

As a fundamentally asset-light business, our relatively small base of fleet and warehouses is primarily leased with a high degree of flexibility.

EV Cargo is a relatively low user of water and energy; our primary environmental impact is carbon and related emissions from global transportation operations.

We have a clear strategic road map for reducing carbon emissions in line with the Science Based Target initiative, starting with scope 1 and 2 neutrality by 2030.
Risk assessment: **LOW**

Reputation

Primary risk areas here focus on our UK fleet operations, and relate to incidents such as road traffic accidents, compliance failures or fuel leakage. As a result, these potential flashpoints are tightly managed.

Most EV Cargo locations are offices with low local impact and safety risk, while logistics facilities tend to be away from residential areas and have high safety standards.

We have robust policies and procedures to monitor the compliance of our overseas subsidiaries and joint ventures to minimise risk, and we prefer to use high-quality tier 1 and 2 air, ocean and road carriers to maximise service quality and minimise the risk of reflected reputational damage.
Risk assessment: **LOW**

Corporate Governance

EV Cargo's senior leadership team is deep, well experienced and entirely committed to the company's success. The team demonstrates a founder's mentality, driving alignment and commitment to the EV Cargo mission, vision, values and purpose.

Our corporate governance structure has been developed in accordance with best practice for large, institutional private organisations. It features prescribed compliance practices as required by the Executive Board, boards of directors, senior management, shareholders and other external stakeholders, including a tiered, geographical and scalable approach to reporting and validation. The Executive Board is supported by select sub-committees, spanning; Audit & Risk, Remuneration & Nomination, ESG, Capital and M&A.

In addition to the Executive Board and the main board of directors of EV Cargo, there are regional and other statutory boards, including; EV Cargo UK, EV Cargo BV (Europe), EV Cargo Asia and EV Cargo Property. There is also a framework of non-statutory operating boards spanning regional, divisional and functional levels to monitor financial performance and strategic execution. These include divisional boards for Global Forwarding in the UK, Europe and Asia, as well as for Solutions, Express and Technology. Functional boards include; Group Financial Performance, Legal, Risk, Tax & Property, Digital & IT, Human Resources, Marketing and Operations.

Heath Zarin
Chairman & Chief Executive

EV Cargo service	>10 years
Logistics	>10 years
Previous employment	EmergeVest, HSBC, Credit Suisse

Simon Pearson
Chief Strategy Officer

EV Cargo service	>10 years
Logistics	>30 years
Previous employment	EmergeVest, Cargo Services, Asda, NFT

Chia Min Tan
Chief Financial Officer

EV Cargo service	<1 year
Logistics	<1 year
Previous employment	Fullerton Health, Goldman Sachs, JP Morgan

Paul Coutts
Chief Operating Officer

EV Cargo service	<1 year
Logistics	>30 years
Previous employment	Singapore Post, Toll, DHL, TNT

Mark Davis
General Counsel

EV Cargo service	>10 years
Logistics	>25 years
Previous employment	EmergeVest, NFT, Northern Foods

Virginia Alzina
Chief Sustainability Officer

EV Cargo service	<1 year
Logistics	<1 year
Previous employment	EmergeVest, Environ, Yoma Holdings

Wendy Dean
EVP Human Resources

EV Cargo service	8 years
Logistics	>30 years
Previous employment	FedEx, ANC

Duncan Grewcock
CEO Technology

EV Cargo service	>10 years
Logistics	>20 years
Previous employment	CS Solutions, Cargo Services, Accenture

Dave Holland
EVP Marketing Communications

EV Cargo service	>10 years
Logistics	>20 years
Previous employment	Palletforce, UPS, Yodel

Dean Hughes
EVP IT & Digital

EV Cargo service	>10 years
Logistics	>25 years
Previous employment	Palletforce, FedEx, ANC

Andy Humpherson
CEO Solutions

EV Cargo service	>10 years
Logistics	>25 years
Previous employment	Jigsaw, Palletline

Mark Tapper
COO Express

EV Cargo service	5 years
Logistics	>20 years
Previous employment	CS Ellis, Nightfreight, City Link

Steve Williams
COO Global Forwarding

EV Cargo service	6 years
Logistics	>25 years
Previous employment	Panalpina, DB Schenker

CONSOLIDATED FINANCIAL INFORMATION

Consolidated Income Statement

	Note	2021 £000	As restated 2020 £000
Revenue	2	1,127,069	660,691
Cost of sales		(982,562)	(562,436)
Gross profit		144,507	98,255
Administrative expenses		(111,659)	(88,411)
Other operating income	4	5,341	4,567
Other operating expenses		(1,229)	(229)
Operating profit	5	36,960	14,182
Finance income		688	369
Finance cost		(8,375)	(11,158)
Net finance cost	6	(7,687)	(10,789)
Share of profit of equity accounted investees	12	6,284	2,698
Profit before tax		35,557	6,091
Taxation	8	(2,150)	(1,466)
Profit for the year		33,407	4,625
Profit attributable to:			
Owners of the company		31,317	4,058
Non-controlling interests		2,090	567
		33,407	4,625

The above results were derived from continuing operations.

Consolidated Statement Of Comprehensive Income

	Note	2021 £000	As restated 2020 £000
Profit for the year		33,407	4,625
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations (net of taxation)	21	16,474	(5,299)
Items that may be reclassified to profit or loss:			
Foreign currency translation gains/(losses)		769	(1,002)
Movement in non-controlling interests' share of net assets		409	(281)
		17,652	(6,582)
Total comprehensive income/(losses) for the year		51,059	(1,957)
Total comprehensive income/(losses) attributable to:			
Owners of the company		48,560	(2,243)
Non-controlling interests		2,499	286
		51,059	(1,957)

Consolidated Statement Of Financial Position

	Note	2021 £000	As restated 2020 £000
Assets			
Non-current assets			
Property, plant and equipment	9	16,040	36,599
Right-of-use assets	10	96,053	85,167
Intangible assets	11	52,638	59,029
Equity accounted investments	12	12,913	11,380
Other non-current financial assets		192	192
Deferred tax assets	8	7,525	11,022
		185,361	203,389
Current assets			
Inventories		575	356
Trade and other receivables	13	343,587	176,933
Income tax asset		1,681	1,030
Cash and cash equivalents	14	47,080	21,900
		392,923	200,219
Total assets		578,284	403,608
Equity and liabilities			
Equity			
Share capital	15	188	188
Share premium	16	89,240	89,240
Foreign currency translation reserve	17	4,944	4,175
Merger reserve	17	(101,035)	(57,535)
Retained earnings		41,283	(6,508)
Equity attributable to owners of the company		34,620	29,560
Non-controlling interests		2,854	665
Total equity		37,474	30,225

Consolidated Statement Of Financial Position

Equities and liabilities (continued)	Note	2021 £000	As restated 2020 £000
Non-current liabilities			
Loans and borrowings	18	24,775	46,330
Long term lease liabilities	19	87,344	71,607
Retirement benefit obligations	21	18,302	39,789
Provisions		3,743	2,916
Deferred tax liabilities	8	6,846	8,387
Amounts owed to related parties	20	43,500	–
		184,510	169,029
Current liabilities			
Trade and other payables	20	277,847	149,894
Loans and borrowings	18	51,209	31,987
Lease liabilities	19	18,969	18,353
Income tax liability		8,275	4,120
		356,300	204,354
Total liabilities		540,810	373,383
Total equity and liabilities		**578,284**	**403,608**

Consolidated Statement Of Changes In Equity

	Share capital £000	Share premium £000	Foreign currency translation reserve £000	Merger reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
At 1 January 2021 (as restated)	188	89,240	4,175	(57,535)	(6,508)	29,560	665	30,225
Profit for the year	-	-	-	-	31,317	31,317	2,090	33,407
Other comprehensive income	-	-	769	-	16,474	17,243	409	17,652
Total comprehensive income	-	-	769	-	47,791	48,560	2,499	51,059
Transactions with owners in their capacity as owners:								
Organisation restructuring	-	-	-	(43,500)	-	(43,500)	-	(43,500)
Transactions with non-controlling interests	-	-	-	-	-	-	(310)	(310)
At 31 December 2021	188	89,240	4,944	(101,035)	41,283	34,620	2,854	37,474

Consolidated Statement Of Changes In Equity

	Share capital £000	Share premium £000	Foreign currency translation reserve £000	Merger reserve £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
At 1 January 2020 (as restated)	188	17,436	5,274	28,279	2,381	53,558	141	53,699
Profit for the year (as restated)	-	-	-	-	4,058	4,058	567	4,625
Other comprehensive income/(losses)	-	-	-	-	(6,301)	(6,301)	(281)	(6,582)
Total comprehensive income/(losses) (as restated)	-	-	-	-	(2,243)	(2,243)	286	(1,957)
Exchange movements since 1 January 2020	-	-	(1,099)	(1)	(915)	(185)	53	(132)
Transactions with owners in their capacity as owners:								
Organisational restructuring	-	71,804	-	(93,374)	-	(21,570)	-	(21,570)
Redemption of redeemable preference shares	-	-	-	7,561	(7,561)	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-	185	185
At 31 December 2020	188	89,240	4,175	(57,535)	(6,508)	29,560	665	30,225

Consolidated Statement Of Cash Flows

	2021 £000	2020 £000
Cash flows from operating activities		
Profit for the year	33,407	4,625
Adjustments to cash flows from non-cash items:		
Depreciation and amortisation	31,524	31,210
Impairment of intangibles	1,484	-
Impairment of equity accounted investments	(214)	214
Profit on disposal of property, plant and equipment	(5,036)	(1,302)
Finance income	(688)	(369)
Finance costs	8,375	11,158
Share of profit of associated companies	(6,284)	(2,698)
Income tax expense	2,150	1,466
Foreign exchange loss/(gain)	307	(467)
Other	420	77
	65,445	43,914
Working capital adjustments:		
(Increase)/decrease in inventories	(219)	119
Increase in trade and other receivables	(154,596)	(3,193)
Increase in trade and other payables	129,592	9,837
(Decrease)/increase in retirement benefit obligation net of actuarial changes	(425)	343)
(Decrease)/increase in provisions	827	(957)
Cash generated from operations	40,624	50,063
Income taxes paid	(2,602)	(610)
Net cash flow from operating activities	38,022	49,453
Cash flows from investing activities		
Acquisitions of property plant and equipment	(9,631)	(2,019)
Acquisition of intangible assets	(1,342)	(1,403)
Proceeds from sale of property, plant and equipment	22,135	3,253
Dividend income	5,665	4,433
Interest received	688	369
Net cash flows from investing activities	17,515	4,633

	2021 £000	2020 £000
Cash flows from financing activities		
Interest paid	(8,375)	(11,158)
New loans	20,561	3,031
Repayment of loans	(23,622)	(21,097)
Payments in respect of lease liabilities	(19,430)	(17,167)
Loans from related parties	(313)	5,585
Net cash flows from financing activities	**(31,179)**	**(40,806)**
Net increase in cash and cash equivalents	24,358	13,280
Cash and cash equivalents at 1 January	21,496	8,216
Cash and cash equivalents at 31 December	45,854	21,496

Notes To The Consolidated Financial Information

1 General information and accounting policies

The company is a private company limited by share capital, incorporated and domiciled in England & Wales.

Basis of preparation and statement of compliance

The financial information for the year ended 31 December 2021 presented in this document does not constitute statutory accounts as defined in section 435 of the Companies Act 2006.

A copy of the statutory accounts for the year ended 31 December 2021, as prepared in accordance with UK-adopted international accounting standards, has been delivered to the Registrar of Companies.

The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006. The full copy of Group Annual Report and Consolidated Financial Statements is available on the Companies House website.

The group financial statements have been prepared in accordance with UK-adopted international accounting standards. The accounting policies and all the notes are included in the full copy of the Group Annual Report, available on the Companies House website. The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the group operates. Monetary amounts in these financial statements are rounded to the nearest £1,000.

Application of merger accounting

As part of group restructuring, during the year the group acquired businesses outside the group but with the same ultimate parent company.

In line with IFRS 3, Business Combinations, the group has applied the principles of merger accounting. Accordingly, comparative periods present the results and financial position for the current group as though it had always existed.

Prior period adjustments

During the year, management identified that certain corrections were needed going back to the transition to IFRS 16 as at 1 July 2019 and this resulted in a restatement to the previously reported numbers. During the preparation of 2021 group financial statements, management also made some restatements to previously reported numbers in order to correct errors identified in prior year reported numbers. Those have been corrected by restating each of the affected financial statement line items for the prior period.

Going concern

The directors have prepared these financial statements on a going concern basis which they consider to be appropriate for the following reasons.

As a result of the impact of the global pandemic, COVID-19, the Board has undertaken a rigorous assessment of the going concern assumptions using the base case financial forecasts and considering a plausible downside scenario. The base case projections prepared for the going concern assessment are derived from the actual and budgeted volume activity for the 2021 and 2022 calendar years, extended to encompass a period of assessment for 12 months from the date of signing these financial statements.

With the current UK Government policy around COVID-19 restrictions ceasing from 24th February 2022, the Board does not feel that there is cause to include further UK lockdowns within any worst-case downside scenario.

Downside scenario sensitivity tests incorporated into the group's modelling include a drop in freight rates, revenues, operating profit margins and free cash flow due to a macro-economic recession or pandemic, and cyber breaches.

The directors have identified several mitigating actions which include, but are not limited to, reducing the fixed cost base and right-sizing the business in line with the volume levels anticipated in a downside scenario.

The group has multiple Invoice Discounting Facilities in place within the different divisions of the group. As part of these facilities, several covenants are required to be measured.

The directors consider there is sufficient headroom between the covenants and downside scenarios to minimise any risk of breaching the group's financial covenants.
Based on these indications and the performance of the business through to the date of signing these financial statements, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

2 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £000	2020 £000
Freight forwarding	779,803	352,522
Logistics	347,266	308,169
	1,127,069	660,691

The analysis of the group's revenue for the year arising in the following geographical areas is as follows:

	2021 £000	2020 £000
United Kingdom	954,291	543,199
Rest of Europe	86,834	49,369
Rest of the World	85,944	68,123
	1,127,069	660,691

The above revenue is recognised in accordance with the over-time recognition principle. As a consequence of this, contract assets and contract liabilities arise from the group's operations.

Contract assets relate to services performed under contracts with customers where payment is not due from the customer until the services are complete. A contract asset is recognised over the period in which the services are performed to represent the group's right to consideration for the services transferred to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

At the balance sheet date, the group had the following contract assets:

	2021 £000	2020 £000
Right to consideration for services transferred to date	76,760	5,963

There are no contract assets arising from costs incurred to obtain or fulfil a contract with a customer and consequently no amortisation charges or impairment charges arose.

As the group's contracts are for completion of services within the next 12 months of the balance sheet date, the practical expedient in paragraph 121(a) of IFRS 15 applies not requiring disclosure about remaining performance obligations at the balance sheet date.

There are no contract liabilities in relation to amounts received in advance of delivery of services (2020: £nil).

3 Segmental reporting

Management currently identifies three main activities as its operating segments. Freight forwarding segment includes Global Forwarding and Technology division. Logistics segment consists of Express, Solutions and Downton. The group's management monitors the performance of these operating segments as well as deciding on the allocation of resources to them.

Segment information for the reporting year is as follows:

2021	Freight forwarding £000	Logistics £000	Corporate & Eliminations £000	Total £000
Revenue				
From external customers	779,803	347,266	-	1,127,069
From other segments	3,513	14,627	(18,140)	-
Segment revenues	783,316	361,893	(18,140)	1,128,969
Segment operating profit/(loss)	37,199	(1,719)	(1,958)	36,960
Segment assets	359,680	271,160	(52,556)	578,284
Segment liabilities	246,072	266,414	28,324	540,810

2020	Freight forwarding £000	Logistics £000	Corporate & Eliminations £000	Total £000
Revenue:				
From external customers	352,522	308,169	-	660,691
From other segments	3,643	17,438	(21,081)	-
Segment revenues	356,165	325,607	(21,081)	660,691
Segment operating profit/(loss)	9,186	5,605	(609)	14,182
Segment assets	287,516	239,884	(123,792)	403,608
Segment liabilities	226,586	233,484	(86,687)	(373,383)

The group's non-current assets (other than investments accounted for using the equity method, deferred tax assets and post-employment benefits) are located into the following geographic regions:

	2021 £000	2020 £000
United Kingdom	156,984	172,000
Rest of Europe	7,132	7,955
Rest of the World	615	840
Total	164,731	180,795

Non-current assets are allocated based on their physical location.

Revenues from external customers in the group's domicile, United Kingdom, as well as major markets have been identified on the basis of the customer's geographical location.

During 2021, £62,144k or 5.5% (2020: £31,002k or 4.7%) of the group's revenues depended on a single customer.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £000	2020 £000
Net gain on disposal of property, plant and equipment	5,036	1,302
Rent receivable	125	132
Government grants received	39	3,001
R&D claims received	-	37
Miscellaneous other operating income	141	95
	5,341	4,567

Included in the net gain on disposal of property, plant and equipment is a profit of £3,484k (2020: £nil) recognised in relation to a sale-and-leaseback arrangement.

5 Operating profit

Arrived at after charging/(crediting):

	2021 £000	2020 £000
Depreciation of property, plant and equipment	4,220	5,111
Depreciation of right-of-use assets	20,824	20,328
Amortisation of intangible assets	6,480	5,771
Costs of inventory recognised as an expense	26,186	22,508
Lease costs expensed for assets not capitalised – short-term leases	733	418
Foreign exchange loss/(gain)	307	(467)

6 Finance income and costs

	2021 £000	2020 £000
Finance income:		
Interest receivable from related parties	593	90
Bank interest received	95	18
Other interest received	-	261
Total finance income	688	369
Finance costs:		
Interest expense for related parties	(118)	(1,907)
Interest expense for loan notes	(44)	(170)
Bank interest expense	(2,020)	(1,216)
Interest expense on leases	(3,970)	(4,110)
Interest expense on other finance liabilities	(1,538)	(2,814)
Cost of debt	(135)	(273)
Total interest expense	(7,825)	(10,490)
Net interest expense on defined benefit liability	(550)	(668)
Total finance cost	(8,375)	(11,158)
Net finance cost	(7,687)	(10,789)

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £000	2020 £000
Wages and salaries	82,396	77,521
Social security costs	8,308	7,850
Pension costs (defined contribution)	3,867	3,828
	94,571	89,199
Amounts capitalised as development costs	(572)	(460)
	93,999	88,739

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Cost of sales	2,058	1,965
Administration and other	531	545
	2,589	2,510

8 Taxation

Tax charged/(credited) in the income statement:

	2021 £000	2020 £000
Current taxation:		
UK corporation tax on profits for the year	5,038	2,990
Adjustment in respect of prior years	(693)	(614)
Foreign tax	1,702	694
Total current income tax	6,047	3,070
Deferred taxation:		
Current year	(3,217)	(1,770)
Deferred tax adjustment relating to previous years	235	6
Effect of changes in tax rates	(915)	160
Total deferred taxation	(3,897)	(1,604)
Tax expense in the income statement	2,150	1,466
Other comprehensive income items:		
Deferred taxation	4,588	(1,378)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £000	2020 £000
Profit before tax – continuing operations	35,557	6,091
Corporation tax at standard UK rate of 19%	6,756	1,157
Effects of:		
Adjustments in respect of prior years	(458)	(609)
Expenses not deductible	1,721	1,544
Income not taxable	(4,350)	(322)
Long funding lease adjustments	(357)	-
Fixed asset timing differences	(477)	-
Tax rate changes	(915)	160
Effects of overseas tax rates	45	(8)
Group relief	-	(94)
Exempt items	1	-
Amounts not recognised	24	(29)
Non qualifying assets	-	7
Tax losses lost on transfer of trade	-	15
Rolled over gains	-	208
Other	160	(564)
Total tax charge	2,150	1,466

Deferred tax balances

Deferred tax (assets) and liabilities:

	2021 £000	2020 £000
Deferred tax (assets):		
Recoverable after 12 months	(7,525)	(11,022)
Deferred tax liabilities		
Payable within 12 months	4	1,327
Payable after 12 months	6,846	8,387
	6,850	9,714
Net deferred tax (asset)	(675)	(1,308)

	2021 £000	2020 £000
Provision at start of year	(1,308)	1,619
Deferred tax (credit) to income statement for the year	(4,132)	(1,610)
Adjustment in respect of prior years	235	6
Deferred tax charge/(credit) in other comprehensive income for year	4,588	(1,378)
Other	(58)	55
Provision at end of year	(675)	(1,308)

The reduction in the UK corporation tax rate to 19% from April 2017 was substantively enacted in October 2015, with a reduction to 17% from April 2020 substantively enacted in September 2016 although subsequently reversed in March 2020. In March 2021 further changes to the UK corporation tax rate were announced by the Chancellor of the Exchequer, including an increase in the main rate of corporation tax to 25% from April 2023, which was substantively enacted in May 2021. The substantively enacted rates have been appropriately reflected in the calculation of deferred tax in the financial statements.

9 Property, plant and equipment

	Land & buildings £000	Plant & equipment £000	Fittings & fixtures £000	Total £000
Cost or valuation				
At 1 January 2021	38,297	22,826	3,303	64,426
Additions	2,667	6,381	583	9,631
Disposals	(22,750)	(4,401)	(296)	(27,447)
Foreign exchange movements	(401)	(293)	(11)	(705)
Reclassifications	600	(666)	(790)	(856)
At 31 December 2021	18,413	23,847	2,789	45,049
Accumulated depreciation				
At 1 January 2021	8,937	16,442	2,448	27,827
Additions	1,320	2,671	229	4,220
Disposals	(1,678)	(523)	(200)	(2,401)
Foreign exchange movements	(104)	(314)	(12)	(430)
Reclassifications	4	(4)	(207)	(207)
At 31 December 2021	8,479	18,272	2,258	29,009
Carrying amount				
At 31 December 2021	9,934	5,575	531	16,040
At 31 December 2020	29,360	6,384	855	36,599

	Land & buildings £000	Plant & equipment £000	Fittings & fixtures £000	Total £000
Cost or valuation				
At 1 January 2020	39,501	23,377	2,989	65,867
Additions	164	1,191	664	2,019
Disposals	(1,779)	(1,900)	(286)	(3,965)
Foreign exchange movements	370	192	(57)	505
Reclassifications	41	(34)	(7)	-
At 31 December 2020	38,297	22,826	3,303	64,426
Depreciation				
At 1 January 2020	7,623	14,424	2,588	24,635
Additions	1,614	3,317	180	5,111
Disposals	(372)	(1,379)	(277)	(2,028)
Foreign exchange movements	72	80	(43)	109
At 31 December 2020	8,937	16,442	2,448	27,827
Carrying amount				
At 31 December 2020	29,360	6,384	855	36,599
At 31 December 2019	31,878	8,953	401	41,232

10 Right-of-use assets

	Land & buildings £000	Plant & equipment £000	Fittings & fixtures £000	Total £000
Cost or valuation				
At 1 January 2021	73,230	40,358	-	113,588
Additions	24,539	6,912	-	31,451
Terminations	(2,718)	(6,042)	-	(8,760)
Foreign exchange movements	(23)	(2)	-	(25)
Reclassifications	-	-	856	856
At 31 December 2021	95,028	41,226	856	137,110
Depreciation				
At 1 January 2021	13,109	15,312	-	28,421
Charge for the year	10,205	10,455	164	20,824
Terminations	(2,483)	(6,022)	-	(8,505)
Foreign exchange movements	110	-	-	110
Reclassifications	-	-	207	207
At 31 December 2021	20,941	19,745	371	41,057
Carrying amount				
At 31 December 2021	74,087	21,481	485	96,053
At 31 December 2020	60,121	25,046	-	85,167

	Land & buildings £000	Plant & equipment £000	Fittings & fixtures £000	Total £000
Cost or valuation				
At 1 January 2020	68,688	34,652	-	103,340
Additions	5,163	6,175	-	11,338
Terminations	(615)	(469)	-	(1,084)
Foreign exchange movements	(6)	-	-	(6)
At 31 December 2020	73,230	40,358	-	113,588
Depreciation				
At 1 January 2020	4,303	4,970	-	9,273
Charge for the year	9,522	10,806	-	20,328
Terminations	(606)	(464)	-	(1,070)
Foreign exchange movements	(110)	-	-	(110)
At 31 December 2020	13,109	15,312	-	28,421
Carrying amount				
At 31 December 2020	60,121	25,046	-	85,167
At 31 December 2019	64,385	29,682	-	94,067

11 Intangible assets

	Goodwill purchased & arising on consolidation £000	Computer software £000	Patents & trademarks £000	Customer lists £000	Total £000
Cost or valuation					
At 1 January 2021	28,135	8,309	16,413	30,259	83,116
Additions, separately acquired	-	770	-	-	770
Additions, internally developed	-	572	-	-	572
Disposals	(1,265)	(155)	-	-	(1,420)
Foreign exchange movements	546	-	-	-	546
At 31 December 2021	27,416	9,496	16,413	30,259	83,584
Amortisation					
At 1 January 2021	3,827	3,193	8,405	8,662	24,087
Amortisation charge	-	2,030	1,887	2,563	6,480
Impairment loss recognised	1,443	41	-	-	1,484
Disposals	(1,265)	(155)	-	-	(1,420)
Foreign exchange movements	348	-	-	(33)	315
At 31 December 2021	4,353	5,109	10,292	11,192	30,946
Carrying amount					
At 31 December 2021	23,063	4,387	6,121	19,067	52,638
At 31 December 2020	24,308	5,116	8,008	21,597	59,029

	Goodwill purchased & arising on consolidation £000	Computer software £000	Patents & trademarks £000	Customer lists £000	Total £000
Cost or valuation					
At 1 January 2020	28,135	6,907	16,413	30,259	81,714
Additions, separately acquired	-	942	-	-	942
Additions, internally developed	-	460	-	-	460
At 31 December 2020	28,135	8,309	16,413	30,259	83,116
Amortisation					
At 1 January 2020	3,685	1,907	6,514	6,068	18,174
Amortisation charge	-	1,286	1,891	2,594	5,771
Foreign exchange movements	142	-	-	-	142
At 31 December 2020	3,827	3,193	8,405	8,662	24,087
Carrying amount					
At 31 December 2020	24,308	5,116	8,008	21,597	59,029
At 31 December 2019	24,450	5,000	9,899	24,191	63,540

Goodwill by reportable segment

	Freight forwarding £000	Logistics £000	Corporate & eliminations £000	Total £000
Cost or valuation				
At 1 January 2020	1,188	23,262	-	24,450
Foreign exchange movements	(142)	-	-	(142)
At 1 January 2021	1,046	23,262	-	24,308
Foreign exchange movements	198	-	-	198
Impairment loss recognised	-	(1,443)	-	(1,443)
At 31 December 2021	1,244	21,819	-	23,063

Cash-generating units

The Directors consider that each division in the Group is an individual cash-generating unit. The group has 3 logistics divisions arising from past acquisitions and as these have differing characteristics these are considered to be separate cash generating units for impairment testing purposes.

	Freight forwarding £000	Logistics 1 £000	Logistics 2 £000	Logistics 3 £000	Total £000
At 31 December 2021	1,244	6,958	12,139	2,722	23,063
At 31 December 2020	1,046	6,958	12,139	4,165	24,308

Impairment of goodwill

The group tests goodwill annually for impairment or more frequently if there are indications of impairment. Goodwill is tested for impairment by comparing the carrying amount of each cash-generating unit with the recoverable amount. The recoverable amounts are determined based on value in use calculations. The fair value measurement is categorised as a Level 3 fair value based on the inputs in the valuation technique used.

The group uses cash flow projections based on the latest Board approved forecasts which include estimates of EBITDA which were made taking into account past experience and adjusted for the future business outlook and expected changes in the marketplace and cost base. The pre-tax cash flows are discounted to pre-tax discount rates based on the group's beta adjusted cost of capital reflecting management's assessment of specific risks related to each cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources, together with the group's views on the future achievable growth and the impact of committed cash flows. Cash flows beyond this are extrapolated using the estimated long-term growth rates summarised in the table below.

	Weighted average risk adjusted discount rate	Growth rate 1 to 5 years	Long-term growth rate
Freight forwarding	12.0%	3.0%	3.0%
Logistics 1	9.0%	1.0%	1.0%
Logistics 2	9.2%	Years forecasted individually	1.0%
Logistics 3	15.4%	3.0%	3.0%

At the end of 2021 financial year the recoverable amount of goodwill in all cash-generating units, other than Logistics 3, was in excess of their book value and therefore no impairment has been recognised.

The impairment charge of £1,443m has been recognised in relation to Logistics 3 due to the cessation of purchased customer relationships in this cash-generating unit. The impairment reviews have shown that none of the other cash-generating units were sensitive to changes in the assumptions used in the impairment reviews.

Impairment of other intangible assets
Intangible assets with finite useful lives are tested for impairment if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable.

When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant cash generating unit and the fair value less costs to dispose.

Individually material intangible assets
Computer software
This includes:
• One asset with a carrying amount of £1,316k (2020: £1,742k) and the remaining amortisation period is 3 years and 1 month (2020 - 4 years 1 month).

Patents and trademarks
This includes:
• One asset with a carrying amount of £4,561k (2020: £5,775k) and the remaining amortisation period is 1 year and 10 months (2020: 2 years 10 months).

• One asset with a carrying amount of £1,560k (2020: £2,233k) and the remaining amortisation period is 2 years and 6 months (2020: 3 years 6 months).

Customer lists
This includes:
• One asset with a carrying amount of £2,726k (2020: £3,453k) and the remaining amortisation period is 1 year and 10 months (2020: 2 years and 10 months).

• One asset with a carrying amount of £7,908k (2020: £7,058k) and the remaining amortisation period is 8 years and 3 months (2020: 9 years and 3 months).

12 Investments

Full details of the group's and company's subsidiaries, associates and joint ventures at 31 December 2021 are set out in Note 39 to the consolidated financial statements.

Equity accounted investments

	2021 £000	2020 £000
Associated companies	12,913	11,380

Summary aggregated financial information of the group's share in associates is as follows:

	2021 £000	2020 £000
Profit from continuing operations	6,284	2,698
Other comprehensive income:		
Associated company becoming a subsidiary*	(210)	-
Foreign exchange adjustment	909	(1,026)
Impairment reversal/(charge)	214	(214)
Total comprehensive income	7,197	1,458
Dividends paid	(5,665)	(4,433)
Balance at start of year	11,381	14,355
Balance at end of year	12,913	11,380

* In March 2021, the group’s shareholding in Allied Cargo Services Limited (Mauritius) was increased from 40% to 51%. From this date, the company was accounted for as a subsidiary.

13 Trade and other receivables

Trade and other receivables comprise the following:

	2021 £000	2020 £000
Trade receivables, gross	219,205	118,743
Less: provision for impairment of trade receivables	(3,409)	(1,500)
Trade receivables, net	215,796	117,243
Other receivables	21,226	9,312
Prepayments & accrued income*	85,653	10,325
Amounts owed by related parties	20,912	40,053
	343,587	176,933

* included in Prepayments & accrued income is accrued income of £76.8m for a subsidiary, EV Global Forwarding Limited, due to exceptional shipping/port delays at 31st December 2021. The comparative amount at 31st December 2020 was £6.0m included in Other receivables.

Trade receivables have been pledged as security for the group's other borrowings. The carrying amount of trade receivables pledged as security for liabilities amounted to £40,403k (2020: £25,029k).

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation - fair value as this financial asset (which is measured at amortised cost) is expected to be paid within six months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

All of the group's trade and other receivables have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

Both the current and comparative impairment provisions apply the IFRS 9 expected loss model, as set out in the accounting policies in Note 2.

Trade receivables include amounts that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Age of trade and other receivables that are not impaired

	2021 £000	2020 £000
Not past due	113,801	60,069
Past due 31 to 60 days	66,031	35,697
Past due 61 to 90 days	17,073	9,326
Past due more than 91 days	18,891	12,151
	215,796	117,243

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

14 Cash and cash equivalents

	2021 £000	2020 £000
Bank balances	47,080	21,900
Cash and cash equivalents in statement of financial position	47,080	21,900
Bank overdraft	(1,226)	(404)
Cash and cash equivalents in statement of cash flows	45,854	21,496

15 Share capital

Authorised share capital

	2021		2020	
	No.000	£000	No.000	£000
Ordinary shares of £1 each	230	230	230	230
Preference shares of £1 each	250	250	250	250
	480	480	480	480

Allotted, called up and fully paid shares

	2021		2020	
	No. 000	£ 000	No. 000	£000
Ordinary shares of £1 each	188	188	188	188

The allotted and called up share capital consists only of fully paid ordinary shares with a nominal (par) value of £1 per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings.

16 Share premium

	2021 £000	2020 £000
Share premium	89,240	89,240

Proceeds received in addition to the nominal value of the shares issued during the year have been included in share premium, less registration and other regulatory fees and net of related tax benefits.

17 Other components of equity

Foreign currency translation reserve

Comprises foreign currency translation differences arising from the translation of financial statements of the group's foreign entities into GBP.

Merger reserve

This comprises of adjustments arising from the application of merger accounting for group restructuring and the details of the movement for each year are set out below:

Year ended 31 December 2021:

During July 2021, EVCH UK Limited acquired the share capital of companies with the same ultimate parent company, Epiphany Operations Limited (and subsidiaries) and TTT Logistics Limited (and subsidiaries). In addition, in October 2021, Princetonhall Limited, an indirect subsidiary of EVCH UK Limited, acquired the share capital of EV Cargo Private Limited (and subsidiaries), also with the same ultimate parent company.

These acquisitions have been accounted for under merger accounting principles meaning that the results of the consolidated group for the year ended 31 December 2021 and for the year ended 31 December 2020 include the results of those entities in full.

The consideration paid for the acquisition of Epiphany Operations Limited (and subsidiary companies) was £43,500k paid by the issue of loan notes, resulting in a reduction in total equity of the group of this amount. The consideration paid for the acquisition of TTT Logistics Limited (and subsidiaries) was £1 paid in cash.

Year ended 31 December 2020:

During December 2020, EVCH UK Limited acquired the share capital of companies with the same ultimate holding company, Palletforce Holdings Limited (and subsidiaries), EV Cargo Technology UK Limited (and its subsidiary) and EV Cargo UK Limited.

These acquisitions were accounted for under merger accounting principles meaning that the results of the consolidated group to 31 December 2020 included the results of those entities in full. As part of the reorganisation steps to effect these acquisitions, share premium of £71,804k was created by way of inter-company loan account with the parent company which offset the purchase consideration of £93,374k, resulting in a reduction in total equity of the group of £21,570k.

18 Loans and borrowings

	2021 £000	2020 £000
Non-current loans and borrowings		
Secured bank loans	24,775	46,330

	2021 £000	2020 £000
Current loans and borrowings		
Secured bank loans	5,253	6,554
Secured invoice financing	40,403	25,029
Unsecured other borrowings	4,327	-
Unsecured bank overdrafts	1,226	404
	51,209	31,987

Details of the facilities relating to the above loans and borrowings are set out opposite:

Facility	Currency	Nominal interest rate	Year of maturity	Carrying amount 2021 £000	Carrying amount 2020 £000
Secured bank loans *1	EUR	2%	2034	4,296	6,821
Secured bank loans *1	GBP	LIBOR+4.00%	2024	8,127	10,236
Secured bank loans *1	GBP	LIBOR+4.50%	2024	9,793	9,749
Secured bank loans *1	GBP	LIBOR+4.90%	2024	7,812	15,472
Secured bank loans *1	GBP	LIBOR+3.00%	2020	-	10,606
Secured invoice financing *2	GBP	LIBOR+2.25%	5 months' notice	14,994	6,248
Secured invoice financing *2	GBP	LIBOR + 2.5%	2024, then 5 months' notice	6	7
Secured invoice financing *2	GBP	LIBOR + 2.7%	5 months' notice	347	66
Secured invoice financing *2	GBP	LIBOR + 2.5%	5 months' notice	25,056	18,708
Corporate charge card	GBP	1.00%	Monthly	4,327	-
Bank overdraft - unsecured	EUR	0.60%	On demand	1,226	112
Unarranged overdraft - unsecured	GBP	Subject to charges	On demand	-	292
				75,984	78,317

*1 Secured loans are secured by fixed and floating charges over Group assets

*2 Invoice discounting provided by Investec Bank Plc is secured by a fixed charge over trade receivables, subject to a negative pledge

As at 31 December 2021, the group is exposed to risks arising from interest rate benchmark reform as LIBOR is replaced with alternative benchmark interest rates. The quantitative exposure is disclosed above.

The group has mandatorily adopted Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and 16). Applying the practical expedient introduced by the amendments, when the benchmarks affecting the group's loans are replaced, the adjustments to the contractual cash flows will be reflected as an adjustment to the effective interest rate. Therefore, the replacement of the loans' benchmark interest rate will not result in an immediate gain or loss recorded in profit or loss, which may have been required if the practical expedient was not available or adopted. As at 31 December 2021, the group expects the affected bank loans to transition to alternative interest rate benchmarks by 1 March 2022.

Breach of loan covenant

Epiphany Operations Limited, a subsidiary of EVCH UK Limited had a secured bank loan with a carrying value of £7,812k at 31 December 2021 (2020: £15,472k). This loan is repayable in tranches within 5 years.

A covenant stating EBITDA could not exceed a 30% adverse variance against forecasts was provided to the lender. All amortisation and interest payments were made in accordance with the loan terms.

Epiphany Operations Limited exceeded this maximum threshold in August 2021 and as at 31 December 2021.

The lender remained supportive and provided a formal waiver in May 2022 waiving all prior breaches of the covenants without fee, margin adjustment or adjustment to loan amortisation schedule.

The company has taken the option of the early repayment and this loan has been repaid in full after year end.

19 Lease liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2021 £000	2020 £000
Current liabilities	18,969	18,353
Non-current liabilities	87,344	71,607
	106,313	89,960

The group has leases for warehouses, vehicles and other equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statement of financial position as a right-of-use asset and a lease liability.

Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of turnover) are excluded from the initial measurement of the lease liability and asset. The group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Each lease generally imposes a restriction that unless there is a contractual right for the group to sublet the asset to another party, the right-of-use asset can only be used by the group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term.

The group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises the group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the group must insure right-of-use assets and incur maintenance fees on such items in accordance with the lease contracts.

The lease liabilities are secured by the related underlying assets.

Future minimum lease payments were as follows:

	Within 1 year £000	2-5 years £000	After 5 years £000	Total £000
Minimum lease payments due				
At 31 December 2021:				
Lease payments	22,942	60,388	43,534	126,864
Finance charges	(3,973)	(10,020)	(6,558)	(20,551)
Net present values	18,969	50,368	36,976	106,313
At 31 December 2020:				
Lease payments	21,660	50,768	35,950	108,378
Finance charges	(3,307)	(8,362)	(6,749)	(18,418)
Net present values	18,353	42,406	29,201	89,960

Lease payments not recognised as a liability

The group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets (leases with a total outlay of less than £5k). Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. The value relating to short-term lease liabilities is disclosed in Note 8 to the financial statements. There are no material low value or variable lease costs.

At 31 December 2021 the group had not committed to any material leases which had not yet commenced.

20 Trade and other payables

Current liabilities	**2021 £000**	**2020 £000**
Trade payables	160,771	70,754
Other creditors	28,038	16,347
Accruals and deferred income	75,439	46,565
Deferred tax liability – current portion	4	1,327
Amounts due to related parties	13,595	14,901
	277,847	149,894

All amounts are short-term. The carrying value of trade payables is considered to be a reasonable approximation of fair value.

Non-current liabilities	**2021 £000**	**2020 £000**
Amounts due to related prices	43,500	-
	43,500	-

Amounts due to related parties consist of Unsecured Loan Notes of £43,500k. These carry interest at 2.1% and are repayable on or before 5th August 2031. The remaining balance owed to related parties is interest free and repayable on demand.

21 Pensions and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £3,867k (2020: £3,828k).

Defined benefit pension scheme

The group operates the Plan, which is a defined benefit pension scheme providing benefits for its members that pays out pensions at retirement based on service and final salary. Such plan was available to certain UK employees through the group's subsidiary EV Cargo Global Forwarding Limited. The group has applied IAS19 (Revised 2011) and the disclosures relate to this standard.

The Scheme operates under UK trust law and the trust is a separate legal entity from the group. The Scheme is governed by a sole independent Trustee. The Trustee is required by law to act in the best interests of Scheme members and is responsible for setting certain policies (e.g. investment, funding) together with the group's subsidiary.

The Scheme exposes the group to actuarial risks such as longevity risk, interest rate risk, inflation risk and market (investment) risk. The group recognises any gains and losses each period in Other Comprehensive Income.

The present value of the Scheme's liabilities recognised at the balance sheet date and the pension expense cost are dependent on the assumptions chosen. Changes in forecast cash flow values for the Scheme could lead to a change in the Scheme's valuation.

The sensitivity analysis within the disclosures illustrate how changes in the main actuarial assumptions would impact the defined benefit obligation at the end of the reporting period.

Whilst the analysis does not take account of the full distribution of cash flows expected under the Scheme, it does provide an approximation to the sensitivity of the assumptions shown.

For the purposes of these financial statements, a valuation has been performed as at 31 December 2021.

The expected contributions to the plan for the next reporting period are £1,207k.

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Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2021 £000	2020 £000
Fair value of scheme assets	89,325	88,338
Present value of scheme liabilities	(107,627)	(128,127)
Defined benefit pension scheme deficit	(18,302)	(39,789)

Scheme assets

Changes in the fair value of scheme assets are as follows:

	2021 £000	2020 £000
Fair value at start of year	88,338	78,855
Interest income	1,201	1,590
Return on plan assets, excluding amounts included in interest income	4,950	10,465
Contributions by group company	1,420	1,197
Benefits paid and expenses	(6,584)	(3,769)
Fair value at end of year	89,325	88,338

Analysis of assets

The major categories of scheme assets are as follows:

	2021 £000	2020 £000
Cash and cash equivalents	560	218
Equity instruments	88,765	88,120
	89,325	88,338

Equity instruments

Equity instruments can be further categorised as follows:

	2021 £000	2020 £000
Quoted		
Corporate bonds	16,249	12,402
Equity-linked bonds	-	34,574
Multi asset Credit Fund	13,583	-
Total return credit funds alternatives	15,908	-
LDI	43,025	41,144
	88,765	88,120

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA or AA-rated. All other Plan assets are not quoted in an active market.

The actual return on the Plan assets for the year ended 31 December 2021 was £6,151k (2020 - £12,055k). The defined benefit costs recognised in the income statement for the year ended 31 December 2021 was £994k (2020 - £1,441k).

The pension scheme has not invested in any of the group or company's own financial instruments or in properties or other assets used by the group or company.

Scheme liabilities

Changes in the present value of scheme liabilities are as follows:

	2021 £000	2020 £000
Present value at start of year	128,127	111,624
Actuarial gains and losses arising from changes in demographic assumptions	(10,747)	-
Actuarial gains and losses arising from changes in financial assumptions	(6,680)	17,347
Actuarial gains and losses arising from experience adjustments	1,316	(106)
Interest cost	1,751	2,258
Benefits paid	(6,584)	(3,769)
Expenses	444	773
Present value at end of year	107,627	128,127
Analysed as:		
Present value of scheme liabilities arising from wholly funded schemes	107,627	128,127

Principal actuarial assumptions

The significant actuarial assumptions used to determine the present value of the defined benefit obligation at the statement of financial position date are as follows:

	2021 %	2020 %
Discount rate	1.80	1.40
Inflation (RPI)	3.30	2.95
Inflation (CPI)	2.75	2.40
Allowance of revaluation of deferred pensions of CPI or 5% p.a. if less	3.00	2.40
Allowance of pension in payment increases of CPI or 5% p.a. if less, minimum 3% p.a.	3.35	3.30
Allowance for commutation of pensions for cash at retirement	100.00	100.00

Post retirement mortality assumptions

	2021 Years	2020 Years
Current UK pensioners at retirement age - male	19.70	21.90
Current UK pensioners at retirement age - female	22.20	23.60
Future UK pensioners at retirement age - male	21.00	22.90
Future UK pensioners at retirement age - female	23.70	24.80

22 Reconciliation of liabilities arising from financing activities

	Long-term borrowings £000	Short-term borrowings £000	Lease liabilities £000	Total £000
At 1 January 2021	46,330	31,583	89,960	167,873
Cash-flows:				
– Repayment	(21,459)	(2,163)	(19,430)	(43,052)
– Proceeds	-	5,187	-	5,187
- Additions to leases	-	-	35,687	35,687
– Net movement on invoice financing	-	15,374	-	15,374
Non-cash:				
– Reclassification	(96)	-	96	-
At 31 December 2021	24,775	49,981	106,313	181,069

	Long-term borrowings £000	Short-term borrowings* £000	Lease liabilities £000	Total £000
At 1 January 2020	50,875	45,104	95,789	191,768
Cash-flows:				
– Repayment	(6,024)	(62)	(17,167)	(23,253)
– Proceeds	1,691	1,340	-	3,301
– Net movement on invoice financing	-	(15,011)	-	(15,011)
Non-cash:				
– Reclassification	(212)	212	-	-
At 31 December 2020	46,330	31,583	89,960	167,873

* excludes bank overdraft

23 Fair value measurement and classification of financial assets and financial liabilities

The carrying amounts and fair values of financial assets and financial liabilities are classified below.

The table below analyses financial assets and financial liabilities, into a fair value hierarchy based on the valuation technique used to determine fair value:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

All financial assets and financial liabilities are stated at their carrying values which are not materially different to the market value. There are no financial assets or financial liabilities held at Level 2 valuations.

2021	**Amortised cost**
Financial assets not measured at fair value	**£000**
Trade and other receivables *	322,675
Amounts owed by related parties *	20,912
Cash and cash equivalents (as shown in the statement of financial position)	47,080
	390,667
Financial liabilities not measured at fair value	
Non-current borrowings	24,775
Non-current amounts due to related parties*	43,500
Current borrowings	49,981
Trade and other payables **	237,348
Amounts due to related parties **	13,595
	369,199

2020	**Amortised cost**
Financial assets not measured at fair value	**£000**
Trade and other receivables *	136,880
Amounts owed by related parties *	40,053
Cash and cash equivalents (as shown in the statement of financial position)	21,900
	198,833
Financial liabilities not measured at fair value	
Non-current borrowings	46,330
Current borrowings	31,583
Trade and other payables **	133,666
Amounts due to related parties **	14,901
	226,480

* these amounts only represent trade receivables that are financial assets
** these amounts only represent trade payables that are financial liabilities

No financial assets/liabilities are measured at fair value. All financial assets/liabilities stated at their amortised costs carrying value, which are not materially different to fair value.

24 Non adjusting events after the financial year

In February 2022, a subsidiary EV Cargo Global Forwarding Limited replaced their existing Investec invoice discounting facility of £20.5m with a new invoice discounting facility from HSBC plc up to a value of £75m secured against trade debtors. This facility provides the group with working capital headroom and additional funds to support strategic acquisitions.

A subsidiary, EV Cargo Global Forwarding Ltd acquired 100% of the share capital of Fast Forward Freight Holding BV in Netherlands and its subsidiaries on 22 March 2022. This strategic acquisition significantly expands the group’s global footprint, enables further trade lane development for export and import and adds several thousand customers to the group across strategic industry verticals such as automotive, aerospace, pharmaceuticals, and retail.

The group acquired 75% of the share capital of Air Express Cargo S.L. on 20 July 2022. This acquisition significantly expands EV Cargo's presence in Spain.

25 Parent and ultimate parent undertaking

At the balance sheet date the parent company was EV Cargo Holdings Limited, a company registered in the Cayman Islands. Since the balance sheet date EV Cargo Group Limited, a company registered in the Cayman Islands, has become the parent company. The ultimate parent company is Billion Venture Group Limited, a company registered in the British Virgin Islands. The ultimate controlling party is Mr H Zarin.