

UBsend A/S

Inge Lehmanns Gade 2, 8000 Aarhus C

CVR no. 36 45 85 77

Annual report 2020/21

Approved at the Company's annual general meeting on 18 November 2021

Chairman:



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Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of UBsend A/S for the financial year 1 August 2020 - 31 July 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

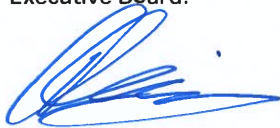
In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2021 and of the results of its operations for the financial year 1 August 2020 - 31 July 2021.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Aarhus, 14 October 2021

Executive Board:

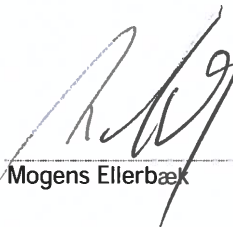


Amar Raza

Board of Directors:



Lise Kaae
Chairman



Mogens Ellerbæk



Amar Raza

Independent auditor's report

To the shareholders of UBsend A/S

Opinion

We have audited the financial statements of UBsend A/S for the financial year 1 August 2020 – 31 July 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2021 and of the results of the Company's operations for the financial year 1 August 2020 – 31 July 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 14 October 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Friis
statsaut. revisor
mne32732



Søren Jensen
statsaut. revisor
mne34132



Management's review

Company details

Name	UBsend A/S
Address	Inge Lehmanns Gade 2, 8000 Aarhus C
CVR no.	36 45 85 77
Registered office	Aarhus
Financial year	1 August - 31 July
Board of Directors	Lise Kaae, formand Mogens Ellerbæk Amar Raza
Executive Board	Amar Raza
Auditors	EY Godkendt Revisionspartnerselskab Vaerkmestergade 25, DK-8000 Aarhus C

Management's review

Financial highlights

DKK'000	2020/21	2019/20	2018/19	2017/18	2016/17
Gross profit	39,006	19,689	2,635	15,501	1,646
Result before net financials	20,630	3,711	-13,645	-1,063	-11,849
Financials net	3,290	-955	124	-1,410	-497
Profit for the year	19,647	2,323	-10,347	-2,084	-9,633
Total assets	108,543	92,724	98,145	64,146	57,902
Investments in tangible assets	357	0	45	148	145
Equity	22,179	2,408	55	10,538	2,622
Key Figures					
Solvency ratio	20.5%	2.6%	0.1%	16.4%	4.5%
Return on equity	160.0%	188.6%	-195.4%	-31.7%	-195.1%
Average number of employees	28	26	25	24	19



Management's review

Principal activities

UBsend A/S' main activities lie within brokerage solutions for the transport and logistics industry.

Development in activities and financial matters

The company's income statement for 2020/21 shows a profit for the year of DKK 19,647 thousand, a balance sheet total of DKK 108,543 thousand at 31 July 2021 and an equity of DKK 22,179 thousand.

The result is considered satisfactory and in line with expectations.

Management expected revenue growth for the financial year 2020/21, but due to the Covid-19 pandemic, the company experienced a decline in demand for the company's services in 2020. In line with the reopening of European societies, demand and activity levels have returned to the expected level.

Expected development

For the coming financial year, management expects growth in both activities and earnings.

Financial statements 1 August – 31 July

Income statement

Note	DKK'000	2020/21	2019/20
	Gross profit	39,006	19,689
2	Staff costs	-18,270	-15,543
	Depreciation, amortisation and impairment losses	-106	-435
	Result before net financials	20,630	3,711
	Income from investments in subsidiaries	4,604	822
	Financial income	0	252
3	Financial expenses	-1,314	-2,029
	Result before tax	23,920	2,756
4	Tax for the year	-4,273	-433
	Result for the year	19,647	2,323
	Proposed distribution of profit/loss		
	Transfer to reserve for net revaluation according to the equity method	4,604	687
	Retained earnings	15,043	1,636
		19,647	2,323



Financial statements 1 August – 31 July

Balance sheet

Note	DKK'000	2021	2020
	ASSETS		
	Non-current assets		
5	Intangible assets		
	Software	0	53
		<u>0</u>	<u>53</u>
6	Property, plant and equipment		
	Fixtures and fittings, tools and equipment	352	48
		<u>352</u>	<u>48</u>
7	Financial assets		
	Investments in subsidiaries	7,675	2,947
		<u>7,675</u>	<u>2,947</u>
	Total non-current assets	<u>8,027</u>	<u>3,048</u>
	Receivables		
	Trade receivables	24,770	39,834
	Receivables from group entities	56,133	39,409
	Other receivables	2,820	2,329
10	Deferred tax asset	17	23
8	Prepayments	0	197
		<u>83,740</u>	<u>81,792</u>
	Cash	16,776	7,885
	Total current assets	<u>100,516</u>	<u>89,675</u>
	TOTAL ASSETS	<u><u>108,543</u></u>	<u><u>92,724</u></u>

Financial statements 1 August – 31 July

Balance sheet

Note	DKK'000	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	1,867	1,867
	Net revaluation acc. to the equity method	5,820	1,092
	Retained earnings	14,492	-551
	Total equity	22,179	2,408
	Non-current liabilities		
11	Payables to group entities	27,000	35,000
	Total provisions	27,000	35,000
	Current liabilities		
	Trade payables	50,676	40,604
	Payables to group entities	82	9,501
	Corporation tax	4,268	525
	Other payables	4,338	4,686
	Total current liabilities	59,364	55,316
	Total liabilities	86,364	90,316
	TOTAL EQUITY AND LIABILITIES	108,543	92,724

- 1 Accounting policies
- 12 Contractual obligations and contingencies, etc.
- 13 Related parties

Financial statements 1 August – 31 July

Statement of changes in equity

DKK'000	Share capital	Net re- valuation acc. to the equity method	Retained earnings	Total
Equity at 1 August 2020	1,867	1,092	-551	2,408
Foreign exchange adj. on the translation of foreign entities	0	124	0	124
Profit distribution	0	4,604	15,043	19,647
Equity at 31 July 2021	1,867	5,820	14,492	22,179

Financial statements 1 August – 31 July

Notes

1 Accounting policies

The annual report of UBsend A/S for 2020/21 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C medium size entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020/21 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities.

All costs, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Financial statements 1 August – 31 July

Notes

1 Accounting policies (continued)

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company summarizes certain items in the income statement. Gross profit includes, Revenue, Other operating income, Cost of sales and other external expenses.

Revenue

Income from the sale of freight services is recognized in the income statement when delivery and transfer of risk to the buyer has taken place, and if the income can be calculated reliably and is expected to be received.

Revenue is measured at the fair value of the agreed remuneration excl. VAT and taxes. All types of discounts are deducted from net sales.

Other operating income

Other operating income comprises items secondary to the primary activities of the company.

Cost of sales

Cost of sales include the year's cost incurred to achieve the revenue for the year.

Other external expenses

Other external costs comprise costs for sales, administration etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Depreciation

Depreciation for the year comprises depreciation for the year on property plant and equipment.

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Income from investments in subsidiaries

The proportionate share of the profit/loss for the year of subsidiaries is recognised in the company's income statement after full elimination of intra-group profits/losses and amortisation of goodwill. In situations of sales of subsidiaries gains/losses are recognised in the income statement.

Financial statements 1 August – 31 July

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc. Interest expenses are not capitalised.

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item, whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Acquired goodwill is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life, which is 10 years.

Software is measured at cost less accumulated amortisation. Software is amortised over the remaining useful life, however not exceeding 5 years.

Property, plant and equipment

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment	3 year
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The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 August – 31 July

Notes

1 Accounting policies (continued)

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus any remaining value goodwill stated according to the purchase method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost.

Impairment of non-current assets

The carrying amount of investments in associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. If it is not possible to determine the recoverable amount for individual assets, the assets are reviewed jointly in the smallest identifiable group of assets to determine a reliable recoverable amount.

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Assets, for which it is not possible to calculate an individual capital value as the asset, in itself, does not generate future cash flows, are subject to a test for indication of impairment together with the group of assets, to which they may be attributed.

Previously recognised impairment losses are reversed when the reason for recognition no longer exist. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost. Write-down is made for expected losses.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Financial statements 1 August - 31 July

Notes

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in associates relative to the cost.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Liabilities other than provisions

Other liabilities are measured at net realisable value.

Cash flow statement

No cash flow statement has been prepared for the company, as the company's cash flows are included in the cash flow statement for the group, cf. section 86 (1) of the Danish Financial Statements Act. 4

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Return on equity

$$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$$

Financial statements 1 August – 31 July

Notes

2	Staff costs DKK'000	2020/21	2019/20
	Wages and salaries	16,737	13,710
	Pensions	947	1,374
	Other social security costs	164	73
	Other staff cost	422	386
		<u>18,270</u>	<u>15,543</u>
	Average number of full-time employees	<u>28</u>	<u>26</u>

Pursuant to section 98 B (1) of the Danish Financial Statements Act. 3, remuneration to the Executive Board is not disclosed.

	DKK'000	2020/21	2019/20
3	Financial expenses		
	Financial costs for Group enterprises	980	1,145
	Other financial expenses	334	885
		<u>1,314</u>	<u>2,030</u>

4	Tax for the year		
	Computed tax on the taxable income for the year	4,267	525
	Deferred tax adjustment for the year	6	-92
		<u>4,273</u>	<u>433</u>

5	Intangible assets DKK'000		Software
	Cost at 1 August 2020		5,354
	Cost at 31 July 2021		5,354
	Amortisation and impairment losses at 1 August 2020		5,301
	Amortisation		53
	Amortisation and impairment losses at 31 July 2021		5,354
	Carrying amount at 31 July 2021		<u>0</u>

Financial statements 1 August – 31 July

Notes

6 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment
Cost at 1 August 2020	494
Additions	357
Cost at 31 July 2021	851
Depreciation and impairment at 1 August 2020	446
Depreciation	53
Depreciation and impairment at 31 July 2021	499
Carrying amount at 31 July 2021	352

7 Investments in subsidiaries

DKK'000	Investments in subsidiaries
Cost at 1 August 2020	1,855
Cost at 31 July 2021	1,855
Value adjustments at 1 August 2020	1,092
Foreign exchange adjustments, foreign group entities	124
Profit of group entities after tax	4,604
Value adjustments at 31 July 2021	5,820
Carrying amount at 31 July 2021	7,675

Name	Registered office	Voting rights and ownership
Subsidiaries		
UBsend B.V.	Amsterdam, Holland	100%
UBsend GmbH	Berlin, Tyskland	100%
UBsend Limited	London, England	100%

8 Prepayments

Prepayments and accrued income recognized under assets comprise expenses incurred relating to subsequent financial years.

Financial statements 1 August – 31 July

Notes

9 Share capital

The share capital consists of 1.867 shares with a nominal value of DKK 1,000. No shares have been granted special rights.

The share capital was raised in 2016/17 by 100 shares with a nominal value of DKK 1,000 and in 2017/18 by 467 shares with a nominal value of DKK 1,000.

10 Deferred tax DKK'000

	2021	2020
Carrying value 1 August	23	-61
Changes for the year	-6	84
	<u>17</u>	<u>23</u>

11 Non-current liabilities

Of the long-term debt to group entities, DKK 0 thousand is due for payment after 5 years (2020: DKK 0 thousand).

12 Contractual obligations and contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the other Danish enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount appears from the annual report of HEARTLAND A/S, which is the administration company in the joint taxation.

One of the company's subsidiaries is part in a pending dispute, which is not deemed to have any material effect on coming financial years.

Operating lease commitments

In addition, the Company has entered a rent arrangement for the administration buildings, with a minimum rent payment in the non-cancellable period of DKK 42 thousand.

Financial statements 1 August – 31 July

Notes

13 Related parties

UBsend A/S' related parties comprise the following:

Control

The company is 86% owned by BRIGHTFOLK A/S, Inge Lehmanns Gade 2, DK-8000 Aarhus C. The accounts of UBsend A/S are included in the consolidated accounts for HEARTLAND A/S, Inge Lehmanns Gade 2, DK-8000 Aarhus C, which is both the smallest and largest group that presents consolidated accounts.

Related party transactions

Transactions in 2020/21 with related parties:

	DKK'000
Sales of services to Group Enterprises	287,978
Purchase of services from Group Enterprises	1,027
Other external costs from Group Enterprises	11,792
Financial costs for Group Enterprises	980
Receivables from group entities	56,133
Payables to group entities	27,082