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BUDBEE DENMARK APS
DANNESKIOLD-SAMSØES ALLÉ 9, 1434 KØBENHAVN K
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 30 June 2023**

Mikaela Bielke, General Counsel

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COMPANY DETAILS**Company**

Budbee Denmark ApS
Danneskiold-Samsøes Allé 9
1434 Copenhagen K

CVR No.: 39 77 23 61
Established: 6 August 2018
Municipality: Copenhagen
Financial Year: 1 January - 31 December

Executive Board

Carl Fredrik Hugo Hamilton
Mikaela Sofie Bielke
Frederik Nyström

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Budbee Denmark ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 30 June 2023

Executive Board

Carl Fredrik Hugo Hamilton

Mikaela Sofie Bielke

Frederik Nyström

THE INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Budbee Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of Budbee Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

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

Copenhagen, 30 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Willemar Kristensen
State Authorised Public Accountant
MNE no. mne34348

MANAGEMENT COMMENTARY

Principal activities

The object of the company is delivery and transportation services and distribution services as well as services within logistic, return, and information handling and services related thereto.

Development in activities and financial and economic position

We have in Denmark increased our home delivery zones in 2022, we are now covering 10% more of the population (50% in total) than in the beginning of 2022. In exact number Home Delivery are now available for another 576,525 persons of the Danish population. With our addition of one more terminal in Jutland we were also able to cover even more of the DK population with our box network.

We have increased our parcel volumes with 43% in Denmark versus 2021. We also ended the year with 32% more boxes in different locations.

Budbee & Instabox have undergone a combination in November 2022 and have already successfully added Instabox Home parcels into the Budbee flow without any issues. We have also successfully merged the Instabox Copenhagen terminal into the Budbee Copenhagen terminal, so we are now running both operations under the same roof. We have also merged the Linehaul and Pickup operations, where we are using both the Instabox and Budbee models to run the Danish operations daily. The cooperation and the operational merge process have overall been a great success.

We have in 2022 added one more terminal, located in Kolding (Trekantsområdet). Beside that we have invested in a new bigger terminal in northern Zealand, that currently covers whole of Nordsjælland and the northern part of Copenhagen.

In relation to the combination with Instabox and the start of delivering Instabox home parcels under Budbee-flag, we have also successfully merged the Instabox Copenhagen terminal into the Budbee Copenhagen terminal, so we are now running both operations. We have also merged the Linehaul and Pickup operations, where we are using both the Instabox and Budbee models to run the Danish operations daily. The cooperation and the operational merge process have overall been a great success.

Focus have been on reaching profitability, by increasing revenue which gives an increased profitability through Economies of Scale meanwhile we have tried to keep down costs.

Total revenues for 2022 ended at 56.2 million DKK which was 37% better than last year. The profit for the year ended at 1.4 million DKK which was an increase by 196% versus 2021. The year was a tough year from a macroeconomic perspective with a lot of e-commerce merchants struggling which directly affects Budbee. There were no large, unexpected costs for the year.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the Company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		10.386.470	5.875.463
Staff costs.....	1	-8.052.604	-5.070.936
Depreciation, amortisation and impairment losses.....		-255.159	-8.392
OPERATING PROFIT		2.078.707	796.135
Other financial income.....	2	9.759	4.133
Other financial expenses.....	3	-271.903	-131.553
PROFIT BEFORE TAX		1.816.563	668.715
Tax on profit/loss for the year.....	4	-357.244	-181.389
PROFIT FOR THE YEAR		1.459.319	487.326
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings.....		1.459.319	487.326
TOTAL		1.459.319	487.326

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery tools and equipment.....		1.965.727	138.096
Property, plant and equipment.....	5	1.965.727	138.096
Rent deposit and other receivables.....		1.134.269	796.821
Financial non-current assets.....	6	1.134.269	796.821
NON-CURRENT ASSETS.....		3.099.996	934.917
Receivables from group enterprises.....		6.840.020	8.667.322
Other receivables.....		5.281.394	2.146.985
Prepayments.....		1.056.737	43.672
Receivables.....		13.178.151	10.857.979
Cash and cash equivalents.....		367.226	4.095.418
CURRENT ASSETS.....		13.545.377	14.953.397
ASSETS.....		16.645.373	15.888.314

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		50.000	50.000
Retained earnings.....		2.014.643	555.324
EQUITY.....		2.064.643	605.324
Provision for deferred tax.....		70.671	30.381
PROVISIONS.....		70.671	30.381
Payables to group enterprises.....		6.405.855	6.165.006
Frozen holiday pay.....		0	163.051
Non-current liabilities.....	7	6.405.855	6.328.057
Trade payables.....		7.485.373	8.348.416
Corporation tax payable.....		312.954	151.008
Other liabilities.....		305.877	425.128
Current liabilities.....		8.104.204	8.924.552
LIABILITIES.....		14.510.059	15.252.609
EQUITY AND LIABILITIES.....		16.645.373	15.888.314
 Contingencies etc.	 8		

EQUITY

	Share capital	Retained earnings	Total
Equity at 1 January 2022.....	50.000	555.324	605.324
Proposed profit allocation.....		1.459.319	1.459.319
Equity at 31 December 2022.....	50.000	2.014.643	2.064.643

NOTES

	2022 DKK	2021 DKK	Note
Staff costs			1
Average number of employees	18	12	
Wages and salaries.....	7.598.891	5.015.922	
Pensions.....	362.669	55.014	
Other staff costs.....	91.044	0	
	8.052.604	5.070.936	
Other financial income			2
Other interest income.....	9.759	4.133	
	9.759	4.133	
Other financial expenses			3
Group Interest loan.....	240.848	103.716	
Other interest expenses.....	31.055	27.837	
	271.903	131.553	
Tax on profit/loss for the year			4
Calculated tax on taxable income of the year.....	316.954	151.008	
Adjustment of deferred tax.....	40.290	30.381	
	357.244	181.389	
Property, plant and equipment			5
		Other plant, machinery tools and equipment	
Cost at 1 January 2022.....		146.486	
Additions.....		2.082.792	
Cost at 31 December 2022.....		2.229.278	
Depreciation and impairment losses at 1 January 2022.....		8.392	
Depreciation for the year.....		255.159	
Depreciation and impairment losses at 31 December 2022.....		263.551	
Carrying amount at 31 December 2022.....		1.965.727	

NOTES

					Note
Financial non-current assets					6
				Rent deposit and other receivables	
Cost at 1 January 2022.....				796.821	
Additions.....				337.448	
Cost at 31 December 2022.....				1.134.269	
Carrying amount at 31 December 2022.....				1.134.269	
Long-term liabilities					7
				Debt outstanding	
	31/12 2022	Repayment	after 5 years	31/12 2021	
	total liabilities	next year		total liabilities	
Payables to group enterprises.....	6.405.855	0	0	6.165.006	
Frozen holiday pay.....	0	0	0	163.051	
	6.405.855	0	0	6.328.057	
Contingencies etc.					8
Contingent liabilities					
The company's tenancy liabilities and leases are adding up to DKK ('000) 5,500 as of the 31 December 2022.					

ACCOUNTING POLICIES

The Annual Report of Budbee Denmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from the sale of services is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs

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

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Tangible fixed assets

Leasehold improvements and other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	3-5 years	0 %
Leasehold improvements.....	3-5 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets

Deposits include rental deposits which are recognised and measured at cost. Deposits are not depreciated.

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

ACCOUNTING POLICIES

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.