CHRISTENSEN KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET REVISIONSAKTIESELSKAB
STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41
TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

Flexport International A/S

Ny Carlsberg Vej 80, 1799 København V

Company reg. no. 40 59 26 87

Annual Report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 10 June 2022

DocuSigned by:
Douglas W. Brown
EDBFB013E21D48E...

Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Management's statement

Today, the Board Of Directors and the Executive Board have approved the annual report of Flexport International A/S (hereafter: the Company) for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 10 June 2022

Executive board

DocuSigned by: Douglas W. Brown EDBFB013E21D48E...	DocuSigned by: Jaap de Mots 5B6B47A9ABC44E0...	DocuSigned by:
Douglas Walker Brown	Jacob de Mots	Anne-Marieke van Bovene

Board of directors

DocuSigned by: Sanne Manders C25C55FBE2C60461...	DocuSigned by: Christopher G. Ferro 4909AB1FD6C941C...	DocuSigned by: Douglas W. Brown EDBFB013E21D48E...
Sanne Manders	Christopher Gerald Ferro	Douglas Walker Brown

Independent auditor's report

To the Shareholder of Flexport International A/S

Opinion

We have audited the financial statements of Flexport International A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under 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 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

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

Copenhagen, 10 June 2022

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678

Company information

The company	Flexport International A/S Ny Carlsberg Vej 80 1799 København V	
	Company reg. no.	40 59 26 87
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Sanne Manders Christopher Gerald Ferro Douglas Walker Brown	
Executive board	Douglas Walker Brown Jacob de Mots Anne-Marieke van Bovene	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K	

The Principal Activities of the Company

The Company is a non-asset based provider of global logistics services that uses its facilities, personnel and expertise to provide freight forwarding services to its ultimate parent company - Flexport Inc - in the Scandinavian territory. Its principal activity is to move Flexport Inc clients’ goods across a diverse network of logistics asset owners via ocean, air and ground transport, and to facilitate warehousing and fulfillment.

Uncertainties about recognition or measurement

There have been no uncertainties in relation to recognition and measurement in the Annual Report.

Unusual circumstances

The Company’s overall financial position was not significantly affected by the Coronavirus (COVID-19) pandemic outbreak throughout the world and remained solid. The directors of the Company continuously monitored the effect of COVID-19 on the financial position and business prospects of the Company and undertook a careful approach towards hiring employees throughout the year.

Development in activities and financial matters

The gross profit for the year totals DKK 10.997.379 against DKK 7.306.158 last year. The net profit from ordinary activities after tax totals DKK 552.085 against DKK 150.717 last year. Management considers the net profit for the year satisfactory.

Events occurring after the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the Company.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**10.997.379**	**7.306.158**
1	Staff costs	-10.186.137	-6.984.493
	Depreciation and impairment of property, land and equipment	-63.834	-68.742
	Operating profit	**747.408**	**252.923**
	Other financial expenses	-35.296	-32.735
	Pre-tax net profit	**712.112**	**220.188**
	Tax on net profit for the year	-160.027	-69.471
	Net profit for the year	**552.085**	**150.717**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	552.085	150.717
	Total allocations and transfers	**552.085**	**150.717**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
2	Other fixtures and fittings, tools and equipment	53.196	117.030
	Total property, plant, and equipment	53.196	117.030
3	Deposits	198.284	198.284
	Total investments	198.284	198.284
	Total non-current assets	**251.480**	**315.314**
	Current assets		
	Receivables from group companies	6.300.575	5.611.201
	Deferred tax assets	8.804	0
	Other receivables	236.434	96.546
	Prepayments	189.806	0
	Total receivables	6.735.619	5.707.747
	Cash and cash equivalents	627.026	1.296.596
	Total current assets	**7.362.645**	**7.004.343**
	Total assets	**7.614.125**	**7.319.657**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	400.000	400.000
	Other reserves	45.749	37.863
	Retained earnings	4.780.889	4.228.804
	Total equity	**5.226.638**	**4.666.667**
	Long term labilities other than provisions		
	Trade payables	424.511	96.183
	Payables to group companies	325.863	1.236.559
	Income tax payable	156.564	91.495
	Other payables	1.480.549	1.228.753
	Total short term liabilities other than provisions	2.387.487	2.652.990
	Total liabilities other than provisions	**2.387.487**	**2.652.990**
	Total equity and liabilities	**7.614.125**	**7.319.657**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Other reserves	Retained earnings	Total
Equity 1 January 2020	400.000	37.863	4.078.087	4.515.950
Retained earnings	0	0	150.717	150.717
Equity 1 January 2021	400.000	37.863	4.228.804	4.666.667
Retained earnings	0	7.886	552.085	559.971
	400.000	**45.749**	**4.780.889**	**5.226.638**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	9.899.151	6.742.535
	Pension costs	205.542	208.165
	Other costs for social security	81.444	33.793
		10.186.137	**6.984.493**
	Average number of employees	12	10

		31/12 2021	31/12 2020
2.	**Other fixtures and fittings, tools and equipment**		
	Cost opening balance	191.503	191.503
	Cost end of period	**191.503**	**191.503**
	Depreciation and writedown opening balance	-74.473	-5.731
	Depreciation for the year	-63.834	-68.742
	Depreciation and writedown end of period	**-138.307**	**-74.473**
	Carrying amount, end of period	**53.196**	**117.030**
3.	**Deposits**		
	Cost opening balance	198.284	198.284
	Cost end of period	**198.284**	**198.284**
	Carrying amount, end of period	**198.284**	**198.284**

Accounting policies

The annual report for Flexport International A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue is recognized when it is probable that the future economic benefits will flow to the Company and these benefits can be measured reliably. The amount of revenue is equal to the fair value of the consideration received or receivable, taking into account the discounts or sales bonuses granted on the sale.

The Company derives its income solely from services provided to its ultimate parent, Flexport Inc, based on a cost plus transfer pricing agreement.

Other external expenses comprise expenses incurred for sales, administration and premises.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of and writedown for impairment of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme.

Tax on net profit for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit for the year.

Balance sheet

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.