CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

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Flexport International A/S

Ny Carlsberg Vej 80, 1799 København V

Company reg. no. 40 59 26 87

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 8 May 2024.

DocuSigned by:
Doug Brown
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Douglas Walker Brown
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 8 May 2024

Executive board

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Douglas Walker Brown	Timmi Josef Gaye	Anne-Marieke van Bovene

Board of directors

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Sanne Manders	Ashianna Tajdin Esmail	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 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

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.

Independent auditor's report

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, 8 May 2024

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

Vanja Margrethe Lawaetz Schultz
State Authorised Public Accountant
mne34194

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 Ashianna Tajdin Esmail Douglas Walker Brown	
Executive board	Douglas Walker Brown Timmi Josef Gaye Anne-Marieke van Bovene	
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Østbanegade 123 2100 København Ø	
Parent company	Flexport Group B.V.	

Description of key 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 connected with recognition or measurement

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

Unusual circumstances

The Company's financial position at 31 December 2023 and the results for the year ended thereon have not been affected by any unusual circumstances.

Development in activities and financial matters

The gross profit for the year totals DKK 14.665.944 against DKK 15.829.761 last year. The net profit from ordinary activities after tax totals DKK 598.714 against DKK 718.332 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		2023	2022
	Gross profit	**14.665.944**	**15.829.761**
1	Staff costs	-13.746.344	-14.715.229
	Depreciation and impairment of property, land and equipment	-114.960	-142.028
	Operating profit	**804.640**	**972.504**
	Other financial expenses	-4.853	-30.860
	Pre-tax net profit	**799.787**	**941.644**
	Tax on net profit for the year	-201.073	-223.312
	Net profit for the year	**598.714**	**718.332**
	Proposed distribution of net profit:		
	Transferred to retained earnings	598.714	718.332
	Total allocations and transfers	**598.714**	**718.332**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2023	2022
	Non-current assets		
2	Other fixtures, fittings, tools and equipment	141.087	256.046
	Total property, plant, and equipment	141.087	256.046
3	Deposits	198.284	198.284
	Total investments	198.284	198.284
	Total non-current assets	**339.371**	**454.330**
	Current assets		
	Receivables from group enterprises	7.728.112	6.218.479
	Deferred tax assets	31.816	15.955
	Other receivables	810.069	171.609
	Prepayments	346.889	163.341
	Total receivables	8.916.886	6.569.384
	Cash and cash equivalents	538.231	1.243.369
	Total current assets	**9.455.117**	**7.812.753**
	Total assets	**9.794.488**	**8.267.083**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		2023	2022
	Equity		
	Contributed capital	400.000	400.000
	Other reserves	52.541	45.749
	Retained earnings	6.097.935	5.499.220
	Total equity	**6.550.476**	**5.944.969**
	Liabilities other than provisions		
	Trade payables	389.242	136.205
	Payables to group enterprises	1.340.605	641.560
	Income tax payable	157.923	208.419
	Other payables	1.356.242	1.335.930
	Total short term liabilities other than provisions	3.244.012	2.322.114
	Total liabilities other than provisions	**3.244.012**	**2.322.114**
	Total equity and liabilities	**9.794.488**	**8.267.083**
4	**Contingencies**		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Other reserves	Retained earnings	Total
Equity 1 January 2022	400.000	45.749	4.780.888	5.226.637
Retained earnings	0	0	718.332	718.332
Equity 1 January 2023	400.000	45.749	5.499.220	5.944.969
Retained earnings	0	6.792	598.715	605.507
	400.000	**52.541**	**6.097.935**	**6.550.476**

Notes

All amounts in DKK.

		2023	2022
1.	**Staff costs**		
	Salaries and wages	13.238.330	14.250.688
	Pension costs	380.830	311.775
	Other costs for social security	127.184	152.766
		13.746.344	**14.715.229**
	Average number of employees	16	18
2.	**Other fixtures, fittings, tools and equipment**		
	Cost opening balance	536.383	191.503
	Additions during the year	0	344.879
	Cost end of period	**536.383**	**536.382**
	Depreciation and write-down opening balance	-280.336	-138.307
	Depreciation for the year	-114.960	-142.029
	Depreciation and write-down end of period	**-395.296**	**-280.336**
	Carrying amount, end of period	**141.087**	**256.046**
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**

4. Contingencies

Contingent liabilities

Lease liabilities

The company has entered into operational leases with an average monthly lease payment of DKK 167.600. The lease was non-terminable until 30 September 2023, after which it can be terminated with one month's notice.

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.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

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, etc., for staff members.

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of 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, 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 write-down 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.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Investments

Deposits

Deposits are measured at amortised cost and represent lease deposits.

Impairment loss relating to non-current assets

The carrying amount of tangible fixed assets 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. Write-down 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.

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