

# EXPO Freight Denmark ApS

Kildeparken 32, 8722 Hedensted

CVR no. 40 87 63 08

## Annual report 2019/20

(As of the establishment of the Company 3 October 2019 - 31 March 2020)

Approved at the Company's annual general meeting on 3 July 2020

Chairman:



.....  
Roosoo Ramachandran





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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of EXPO Freight Denmark ApS for the financial year as of the establishment of the Company 3 October 2019 - 31 March 2020.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2020 and of the results of the Company's operations for the financial year as of the establishment of the Company 3 October 2019 - 31 March 2020.

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

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

Hedensted, 3 July 2020  
Executive Board:

A handwritten signature in black ink, appearing to read 'Rooso Ramachandran', written in a cursive style.

.....  
Rooso Ramachandran  
CEO

## Independent auditor's report

### To the shareholders of EXPO Freight Denmark ApS

#### Opinion

We have audited the financial statements of EXPO Freight Denmark ApS for the financial year as of the establishment of the Company 3 October 2019 - 31 March 2020, 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 March 2020 and of the results of the Company's operations for the financial year as of the establishment of the company 3 October 2019 - 31 March 2020 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 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 the 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the 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.

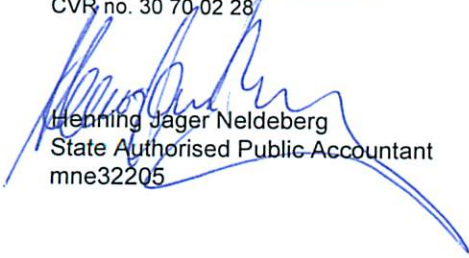
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Herning, 3 July 2020

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Henning Jager Neldeberg  
State Authorised Public Accountant  
mne32205



## **Management's review**

### **Company details**

Name	EXPO Freight Denmark ApS
Address, Postal code, City	Kildeparken 32 , 8722 Hedensted
CVR no.	40 87 63 08
Established	3 October 2019
Registered office	Hedensted
Financial year	3 October 2019 - 31 March 2020
Executive Board	Rooso Ramachandran, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Industrivej Nord 9, 7400 Herning, Denmark

## **Management's review**

### **Business review**

The company's purpose is to operate with freight forwarding and other logistics services as well as related activities.

### **Financial review**

The income statement for 2019/20 shows a loss of DKK 593,301 , and the balance sheet at 31 March 2020 shows a negative equity of DKK 553,301 .

### **Events after the balance sheet date**

The Company has generally achieved results in April and May 2020 in line with expectations.

However, over the spring of 2020, management has found that the worldwide Covid-19 outbreak will potentially affect the Company's profit and financial position in 2020-21. Despite that, it is not possible for the Company's management at the time of reporting to quantify the effect further, as it will depend on the duration and extent of the virus outbreak.

Apart from Covid-19, no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.



## Financial statements for the period 3 October 2019 - 31 March 2020

### Income statement

Note	DKK	2019/20 6 months
	External expenses	-245,736
	<b>Gross profit</b>	-245,736
3	Staff costs	-348,276
	<b>Profit/loss before net financials</b>	-594,012
	Financial income	711
	<b>Profit/loss before tax</b>	-593,301
	Tax for the year	0
	<b>Profit/loss for the year</b>	-593,301
	<b>Recommended appropriation of profit/loss</b>	
	Retained earnings/accumulated loss	-593,301
		-593,301



## Financial statements for the period 3 October 2019 - 31 March 2020

### Balance sheet

Note	DKK	<u>2019/ 20</u>
	<b>ASSETS</b>	
	<b>Fixed assets</b>	
4	<b>Property, plant and equipment</b>	
	Fixtures and fittings, other plant and equipment	633,640
		<u>633,640</u>
	<b>Total fixed assets</b>	<u>633,640</u>
	<b>Non-fixed assets</b>	
	<b>Receivables</b>	
	Other receivables	339,628
	Prepayments	22,651
		<u>362,279</u>
	<b>Cash</b>	<u>600,938</u>
	<b>Total non-fixed assets</b>	<u>963,217</u>
	<b>TOTAL ASSETS</b>	<u>1,596,857</u>
	<b>EQUITY AND LIABILITIES</b>	
	<b>Equity</b>	
5	Share capital	40,000
	Retained earnings	-593,301
	<b>Total equity</b>	<u>-553,301</u>
	<b>Liabilities other than provisions</b>	
	<b>Current liabilities other than provisions</b>	
	Other credit institutions	5,062
	Trade payables	495,980
	Payables to group enterprises	1,481,750
	Other payables	167,366
		<u>2,150,158</u>
	<b>Total liabilities other than provisions</b>	<u>2,150,158</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,596,857</u>

- 1 Accounting policies
- 2 Going concern uncertainties
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

**Financial statements for the period 3 October 2019 - 31 March 2020****Statement of changes in equity**

<b>DKK</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
Cash payments concerning formation of enterprise	40,000	0	40,000
Transfer through appropriation of loss	0	-593,301	-593,301
<b>Equity at 31 March 2020</b>	<b>40,000</b>	<b>-593,301</b>	<b>-553,301</b>

## Financial statements for the period 3 October 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies

The annual report of EXPO Freight Denmark ApS for 2019/20 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Income statement

##### Revenue

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

##### External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements for the period 3 October 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

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

##### Other securities and investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

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

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

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

## Financial statements for the period 3 October 2019 - 31 March 2020

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### 2 Going concern uncertainties

As stated in the financial statements, the Company has lost more than 50 percent of its share capital per 31st March 2020, as a result of losses in the Company's establishment year.

It is the management's perception, that the Company will achieve a business scope over the coming 1-2 years, which will enable the Company to re-establish its capital situation. As a result hereof, the Company expects a positive, albeit modest, result for the coming year.

The ultimate parent company, Expolanka Holdings PLC, has issued a declaration of support to ensure its continued operation until 30th June 2021.

If the budget for the coming year is not substantially realized, further inflow of capital will be needed. Therefore, the Company has chosen not to recognize deferred tax assets of approximately DKK 127,000.

## Financial statements for the period 3 October 2019 - 31 March 2020

### Notes to the financial statements

	<b>2019/20</b> <b>6 months</b>
<b>DKK</b>	
<b>3 Staff costs</b>	
Wages/salaries	346,451
Other social security costs	1,825
	<u>348,276</u>
 Average number of full-time employees	 <u>1</u>
 <b>4 Property, plant and equipment</b>	
	<b>Fixtures and fittings, other plant and equipment</b>
<b>DKK</b>	
Additions	<u>633,640</u>
Cost at 31 March 2020	<u>633,640</u>
<b>Carrying amount at 31 March 2020</b>	<u><u>633,640</u></u>

Note 7 provides more details on security for loans, etc. as regards property, plant and equipment.

### 5 Share capital

The Company's share capital has remained DKK 40,000 since the establishment.

### 6 Contractual obligations and contingencies, etc.

#### Other contingent liabilities

None.

### 7 Collateral

The Company has not provided any security or other collateral in assets at 31 March 2020.