
Baader Logistix A/S

Sindalsvej 44, DK-8240 Risskov

Annual Report for 1 January - 31 December 2018

CVR No 33 78 66 46

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
4 /6 2019

Petra Baader
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Baader Logistix A/S for the financial year 1 January - 31 December 2018.

The Annual Report is 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 at 31 December 2018 of the Company and of the results of the Company operations for 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Risskov, 4 June 2019

Executive Board

Henning Pedersen
CEO

Torsten Krausen

Board of Directors

Konsulinde Petra Baader
Chairman

Torsten Michael Krausen

Robert Thomas Focke

Independent Auditor's Report

To the Shareholder of Baader Logistix A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Baader Logistix A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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' 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

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 misstate-

Independent Auditor's Report

ment, 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 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.
- 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

Independent Auditor's Report

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.

Trekantområdet, 4 June 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen

statsautoriseret revisor

mne30224

Lasse Berg

statsautoriseret revisor

mne35811

Company Information

The Company

Baader Logistix A/S
Sindalsvej 44
DK-8240 Risskov

Telephone: + 45 50 70 01 61

CVR No: 33 78 66 46

Financial period: 1 January - 31 December

Incorporated: 12 July 2011

Municipality of reg. office: Aarhus

Board of Directors

Konsulinde Petra Baader, Chairman
Torsten Michael Krausen
Robert Thomas Focke

Executive Board

Henning Pedersen
Torsten Krausen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Management's Review

Financial Statements of Baader Logistix A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Development and selling software to the food industry and development of required equipment to provide a complete solution.

Development in the year

The income statement of the Company for 2018 shows a profit of DKK 842,637, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 2,976,108.

The financial year had a significant focus on development of new products which have been introduced to the market with success, especially there have been a growth in selling software solution supporting the fish industry and the customer base is expected to grow.

The financial result is in accordance with the expectations.

Uncertainty relating to recognition and measurement

The company has had significant development activities in 2018. The capitalized development assets are recognized in the balance sheet with a value of DKK 20,733k.

The management estimates that the single development assets within 3-5 years will generate income, which at least will correspond to the capitalized value. As this estimate is based on future income, there is a degree of uncertainty related to the valuation of the assets.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit/loss		11.869.477	11.563.476
Staff expenses	1	-5.299.911	-7.100.911
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-5.170.311	-4.292.756
Profit/loss before financial income and expenses		1.399.255	169.809
Financial expenses		-292.802	-207.644
Profit/loss before tax		1.106.453	-37.835
Tax on profit/loss for the year	2	-263.816	-10.064
Net profit/loss for the year		842.637	-47.899

Distribution of profit

Proposed distribution of profit

Transfer for the year to reserve for development costs	5.640.504	1.880.359
Retained earnings	-4.797.867	-1.928.258
	842.637	-47.899

Balance Sheet 31 December

Assets

	Note	2018 DKK	2017 DKK
Completed development projects		18.621.008	14.025.891
Acquired trademarks		1.298.140	1.386.333
Development projects in progress		2.111.699	2.873.712
Intangible assets	3	22.030.847	18.285.936
Other fixtures and fittings, tools and equipment		55.020	63.256
Property, plant and equipment	4	55.020	63.256
Deposits		200.000	200.000
Fixed asset investments	5	200.000	200.000
Fixed assets		22.285.867	18.549.192
Trade receivables		1.846.072	1.293.651
Other receivables		1.463.137	0
Receivables		3.309.209	1.293.651
Cash at bank and in hand		615.189	413.615
Currents assets		3.924.398	1.707.266
Assets		26.210.265	20.256.458

Balance Sheet 31 December

Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		500.000	500.000
Reserve for development costs		12.175.220	6.534.716
Retained earnings		-9.699.112	-4.901.245
Equity	6	<u>2.976.108</u>	<u>2.133.471</u>
Provision for deferred tax	7	3.226.269	2.962.453
Provisions		<u>3.226.269</u>	<u>2.962.453</u>
Other payables		15.422.497	5.800.000
Long-term debt	8	<u>15.422.497</u>	<u>5.800.000</u>
Credit institutions		96.848	111.478
Prepayments received from customers		1.423.041	6.723.739
Trade payables		2.031.186	363.289
Corporation tax		39.590	165.531
Other payables	8	994.726	1.996.497
Short-term debt		<u>4.585.391</u>	<u>9.360.534</u>
Debt		<u>20.007.888</u>	<u>15.160.534</u>
Liabilities and equity		<u>26.210.265</u>	<u>20.256.458</u>
Contingent assets, liabilities and other financial obligations	9		
Accounting Policies	10		

Notes to the Financial Statements

	2018	2017
	DKK	DKK
1 Staff expenses		
Wages and salaries	10.692.518	9.998.392
Pensions	1.063.107	922.327
Other social security expenses	74.785	49.452
Other staff expenses	149.739	166.524
	11.980.149	11.136.695
Transfer to production wages	-6.680.238	-4.035.784
	5.299.911	7.100.911
Average number of employees	18	17
2 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	263.816	-2.714
Adjustment of deferred tax concerning previous years	0	12.778
	263.816	10.064

Notes to the Financial Statements

3 Intangible assets

	Completed development projects <u>DKK</u>	Acquired trade- marks <u>DKK</u>	Development projects in progress <u>DKK</u>
Cost at 1 January	24.359.375	1.570.074	2.873.712
Additions for the year	0	0	8.906.984
Transfers for the year	9.668.997	0	-9.668.997
Cost at 31 December	<u>34.028.372</u>	<u>1.570.074</u>	<u>2.111.699</u>
Impairment losses and amortisation at 1 January	10.333.484	183.741	0
Amortisation for the year	5.073.880	88.193	0
Impairment losses and amortisation at 31 December	<u>15.407.364</u>	<u>271.934</u>	<u>0</u>
Carrying amount at 31 December	<u>18.621.008</u>	<u>1.298.140</u>	<u>2.111.699</u>
Amortised over	<u>5 years</u>	<u>8 years</u>	

Development projects relate to the development of new versions of the Company's existing software products. The projects are progressing according to plan through the use of the resources allocated by Management to the development. The software is expected to be sold in the present market to the Company's existing customers. Prior to the initiation of the projects, the Company inquired of its customers as to the need for an updated programme, which was well received.

Notes to the Financial Statements

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	608.794
Cost at 31 December	608.794
Impairment losses and depreciation at 1 January	545.538
Depreciation for the year	8.236
Impairment losses and depreciation at 31 December	553.774
Carrying amount at 31 December	55.020
Depreciated over	3-5 years

5 Fixed asset investments

	Deposits DKK
Cost at 1 January	200.000
Cost at 31 December	200.000
Carrying amount at 31 December	200.000

6 Equity

	Share capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity at 1 January	500.000	6.534.716	-4.901.245	2.133.471
Development costs for the year	0	5.640.504	0	5.640.504
Net profit/loss for the year	0	0	-4.797.867	-4.797.867
Equity at 31 December	500.000	12.175.220	-9.699.112	2.976.108

Notes to the Financial Statements

	2018	2017
	DKK	DKK
7 Provision for deferred tax		
Provision for deferred tax at 1 January	2.962.453	3.117.920
Amounts recognised in the income statement for the year	263.816	-2.714
Amounts recognised in equity for the year	0	-152.753
Provision for deferred tax at 31 December	3.226.269	2.962.453

8 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	15.422.497	5.800.000
Long-term part	15.422.497	5.800.000
Other short-term payables	994.726	1.996.497
	16.417.223	7.796.497

9 Contingent assets, liabilities and other financial obligations

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

Within 1 year	292.463	292.463
Between 1 and 5 years	386.742	679.205
	679.205	971.668

Rental and lease obligations, termination notice up to 6 months (2017: 6 months)

179.000	174.000
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Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Baader Logistix A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

10 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other external expenses also include research and development costs that do not qualify for capitalisation.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

10 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Patents and licences are measured at cost less accumulated amortisation and less any accumulated impairment losses or at a lower value in use.

Patents are amortised over the remaining patent period or a shorter useful life. The amortisation period is years. Software licences are amortised over the period of the agreement, which is 8 years.

Notes to the Financial Statements

10 Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3-5	years
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Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimi-

Notes to the Financial Statements

10 Accounting Policies (continued)

nation in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.