



Shipbeat ApS

Forbindelsesvej 12, 2. th.
2100 København Ø
CVR no. 35 64 22 34

Annual report for 2015

Adopted at the annual general meeting on
31 May 2016

Kenneth Svenningsen
Chairman

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Statement by Management on the annual report

Today, the Executive and Supervisory Boards have discussed and approved the annual report of Shipbeat ApS for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

København Ø, 31 May 2016

Executive Board

Kenneth Svenningsen

Joachim Rørbøl

Supervisory Board

Maximilian Wilfried Georg
Jochen Niederhofer
Chairman

Peter Mühlendorph Egehoved

Kenneth Svenningsen

Joachim Rørbøl

Independent auditor's report

To the Shareholders of Shipbeat ApS

Report on the financial statements

We have audited the financial statements of Shipbeat ApS for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

The audit has not resulted in any qualification.

Independent auditor's report

Opinion

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Emphasis of matter

Without affecting our conclusion, please note that there is uncertainty about the company's continuing operations. We refer to the management's review, where the management accounts for the company's ability to continue operating. The ability to continue operate depends on the company achieves the budgeted tax return while the current revenue and earnings can be maintained and improved. The Management believes that the budgeted tax return can be achieved and that the current revenue and earnings will be improved.

Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Frederikssund, 31 May 2016

Lynge Pedersen & Gøtttsche ApS
Statsautoriserede Revisorer
CVR-no.33 16 72 88

Sanne Holm
State Authorised Public Accountant

Company Information

The Company

Shipbeat ApS
Forbindelsesvej 12, 2. th.
2100 København Ø

Central Business Registration no.: 35 64 22 34
Financial Period: 1 January - 31 December
Incorporated: 3 January 2014
Municipality of reg. office: København

Supervisory Board

Maximilian Wilfried Georg Jochen Niederhofer, Chairman
Peter Mühlendorph Egehoved
Kenneth Svenningsen
Joachim Rørbøl

Executive Board

Kenneth Svenningsen
Joachim Rørbøl

Auditors

Lynge Pedersen & Gøttsche ApS
Statsautoriserede Revisorer
Torvet 6
3600 Frederikssund

Management's review

Business activities

The object of the company is to develop and market a software enabled solution and infrastructure for organizing logistics and provide shipping to customers on consolidated agreements.

Business review

Like in 2014 Shipbeat continued invest heavily into improvement of the Shipbeat platform. Shipbeat launched Magento, Return Portal and further carriers in 2015. Shipbeat also proved to be able to re-sell shipping together with strategic partners. The company achieved significant growth in terms of customers and shipping volume, resulting in great gross revenue growth rates in particular in Q4 2015.

Shipbeat received in 2015 a grant from Markedsmodningsfonden of 2,77 mln to mature our service towards our customer and strategic partners. The grant will be paid in installments over a period of up to 2 years.

Financial review

The Company's income statement for the year ended 31 December 2015 shows a loss of DKK 4,718,956, and the balance sheet at 31 December 2015 shows equity of DKK 29,151.

In 2016 Shipbeat expects to continue on the growth trajectory that was achieved in Q4 2015. This gives predictable as well as scalable revenue. In 2016 Shipbeat expects to work with even more strategic partners to re-sell shipping services to achieve cross-border scalability. Concrete efforts in this area are in progress.

Shipbeat expects to achieve the budgeted tax return and expects to be able to execute current plans without requiring further external funding in 2016.

Post balance sheet events

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Accounting policies

The annual report of Shipbeat ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those applied last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item. .

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

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

The gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue from the sale of goods and services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Staff costs

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

Other external expenses

Other external expenses include expenses related to sale, advertising, administration, premises etc.

Financial income and expenses

Financial income and expenses include interest.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Receivables

Receivables are measured at amortised cost.

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 is impaired, an impairment loss for that individual asset is recognised.

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, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Corporation tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

Other debts are measured at net realisable value.

Income statement 1 January - 31 December

	Note	2015 kr.	2014 t.kr.
Gross profit		-1.720.081	-640
Staff costs	1	-4.044.040	-826
Profit/loss before financial income and expenses		-5.764.121	-1.466
Financial income	2	9.356	26
Financial costs	3	-380.722	-168
Profit/loss before tax		-6.135.487	-1.608
Tax on profit/loss for the year	4	1.416.531	0
Net profit/loss for the year		-4.718.956	-1.608
 Proposed distribution of profit			
Retained earnings		-4.718.956	-1.608
		-4.718.956	-1.608

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> kr.	<u>2014</u> t.kr.
Assets			
Deposits		154.675	155
Fixed asset investments		154.675	155
Fixed assets		154.675	155
Trade receivables		160.866	0
Other receivables		73.656	145
Deferred tax asset		1.106.397	0
Prepayments		15.850	38
Receivables		1.356.769	183
Cash at bank and in hand		2.945.811	7.808
Current assets total		4.302.580	7.991
Assets total		4.457.255	8.146

Balance sheet at 31 December

	<u>Note</u>	<u>2015</u> kr.	<u>2014</u> t.kr.
Liabilities and equity			
Share capital		132.678	133
Retained earnings		<u>-103.527</u>	<u>4.616</u>
Equity total	5	<u>29.151</u>	<u>4.749</u>
Other payables		<u>3.547.733</u>	<u>3.168</u>
Long-term debt	6	<u>3.547.733</u>	<u>3.168</u>
Trade payables		377.508	43
Other payables		<u>502.863</u>	<u>186</u>
Short-term debt		<u>880.371</u>	<u>229</u>
Debt total		<u>4.428.104</u>	<u>3.397</u>
Liabilities and equity total		<u>4.457.255</u>	<u>8.146</u>
Contingent assets, liabilities and other financial obligations	7		
Charges and securities	8		
Uncertainty about the continued operation (going concern)	9		

Notes to the Annual Report

	<u>2015</u>	<u>2014</u>
	kr.	t.kr.
1 Staff costs		
Wages and salaries	3.989.325	820
Other social security costs	<u>54.715</u>	<u>6</u>
	<u>4.044.040</u>	<u>826</u>
Average number of employees	<u>9</u>	<u>2</u>
2 Financial income		
Other financial income	<u>9.356</u>	<u>26</u>
	<u>9.356</u>	<u>26</u>
3 Financial costs		
Other financial costs	<u>380.722</u>	<u>168</u>
	<u>380.722</u>	<u>168</u>
4 Tax on profit/loss for the year		
Deferred tax for the year	-1.106.397	0
Adjustment of tax concerning previous years	<u>-310.134</u>	<u>0</u>
	<u>-1.416.531</u>	<u>0</u>

Notes to the Annual Report

5 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	132.678	4.615.429	4.748.107
Net profit/loss for the year	0	-4.718.956	-4.718.956
Equity at 31 December 2015	<u>132.678</u>	<u>-103.527</u>	<u>29.151</u>

The share capital consists of:

98.000 A-shares á kr. 1	98.000
34.678 B-shares á kr. 1	34.678
	<u>132.678</u>

Changes in share capital for the past five years can be specified as follows:

	<u>2015</u>	<u>2014</u>
	kr.	kr.
Share capital at 1 January 2015	132.678	50.000
Additions for the year	0	82.678
Disposals for the year	0	0
Share capital at 31 December 2015	<u>132.678</u>	<u>132.678</u>

6 Long term debt

	<u>Debt at 1 January 2015</u>	<u>Debt at 31 December 2015</u>	<u>Payment within 1 year</u>	<u>Debt after 5 years</u>
Other payables	3.167.619	3.547.733	0	3.547.733
	<u>3.167.619</u>	<u>3.547.733</u>	<u>0</u>	<u>3.547.733</u>

Notes to the Annual Report

7 Contingent assets, liabilities and other financial obligations

Rent obligations amount to 135 DKK'000.

8 Charges and securities

The Company has no mortgages and collateral.

9 Uncertainty about the continued operation (going concern)

Refer to the section “Expected Development” in the management’s review on page 5.