

## **GateHouse Logistics A/S**

Strømmen 6  
9400 Nørresundby  
Business Registration No  
37439541

## **Annual report 01.10.2016 - 30.09.2017**

The Annual General Meeting adopted the annual report on 01.02.2018

### **Chairman of the General Meeting**

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Name: Jakob Axel Nielsen

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## Entity details

### Entity

GateHouse Logistics A/S  
Strømmen 6  
9400 Nørresundby

Central Business Registration No: 37439541

Registered in: Aalborg

Financial year: 01.10.2016 - 30.09.2017

### Board of Directors

Michael Bondo Andersen, Chairman  
Jakob Axel Nielsen, Vice Chairman  
Nina Christiane Movin  
Ulrik Bülow  
Jesper Brøckner Nielsen  
Frank Winther  
Heine Blach Jensen

### Executive Board

Jesper Bille Bennike, CEO  
Jørgen Brøndgaard Nielsen, COO  
Anette Kristensen, CFO

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Gøteborgvej 18  
9200 Aalborg SV

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of GateHouse Logistics A/S for the financial year 01.10.2016 - 30.09.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 29.11.2017

### Executive Board

Jesper Bille Bennike  
CEO

Jørgen Brøndgaard Nielsen  
COO

Anette Kristensen  
CFO

### Board of Directors

Michael Bondo Andersen  
Chairman

Jakob Axel Nielsen  
Vice Chairman

Nina Christiane Movin

Ulrik Bülow

Jesper Brøckner Nielsen

Frank Winther

Heine Blach Jensen

# Independent auditor's report

## To the shareholders of GateHouse Logistics A/S

### Opinion

We have audited the financial statements of GateHouse Logistics A/S for the financial year 01.10.2016 - 30.09.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 30.09.2017 and of the results of its operations for the financial year 01.10.2016 - 30.09.2017 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

### 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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:

## Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## **Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Aalborg, 29.11.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Lars Birner Sørensen  
State Authorised Public Accountant  
Identification number (MNE) 11671

## Management commentary

	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
<b>Financial highlights</b>				
<b>Key figures</b>				
Gross profit	10,297	7,961	6,516	4,415
Operating profit/loss	(9,607)	(4,649)	(5,702)	(9,960)
Net financials	(90)	(27)	(13)	26
Profit/loss for the year	(7,579)	(3,649)	(4,372)	(7,667)
Total assets	15,821	12,176	10,981	10,296
Equity	5,400	979	4,628	9,000
<b>Ratios</b>				
Return on equity (%)	(237.6)	(130.2)	(64.2)	(85.2)
Equity ratio (%)	34.1	8.0	42.1	87.4

Financial highlights are defined and calculated as:

<b>Ratios</b>	<b>Calculation formula</b>	<b>Calculation formula reflects</b>
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.



## Management commentary

### Primary activities

The Company's object and activity are to provide software tracking solutions for the transport industry.

### Development in activities and finances

As expected, the Company realised a loss for 2016/17 because it has invested heavily in developing its business. Net loss amounts to DKK 7,579k.

As expected, the Company's capital has been increased. The total capital contributed is DKK 12,000k, of which the increase of the share capital amounts to DKK 1,000k.

### Development assets

DKK 4,200k in development costs has been capitalised in the financial year regarding a cloud-based software solution for customers. The development activities are expected to continue in 2017/18.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

## Income statement for 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
<b>Gross profit</b>		<b>10,297</b>	<b>7,961</b>
Staff costs	1	<u>(19,904)</u>	<u>(12,610)</u>
<b>Operating profit/loss</b>		<b>(9,607)</b>	<b>(4,649)</b>
Other financial income	2	4	0
Other financial expenses	3	<u>(94)</u>	<u>(27)</u>
<b>Profit/loss before tax</b>		<b>(9,697)</b>	<b>(4,676)</b>
Tax on profit/loss for the year	4	<u>2,118</u>	<u>1,027</u>
<b>Profit/loss for the year</b>		<b><u>(7,579)</u></b>	<b><u>(3,649)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(7,579)</u>	<u>(3,649)</u>
		<b><u>(7,579)</u></b>	<b><u>(3,649)</u></b>

## Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17 DKK'000</u>	<u>2015/16 DKK'000</u>
Development projects in progress		5,000	800
<b>Intangible assets</b>	5	<u>5,000</u>	<u>800</u>
<b>Fixed assets</b>		<u>5,000</u>	<u>800</u>
Trade receivables		4,016	2,670
Contract work in progress	6	0	353
Other receivables		4	102
Joint taxation contribution receivable		3,042	1,203
Prepayments		3	13
<b>Receivables</b>		<u>7,065</u>	<u>4,341</u>
<b>Cash</b>		<u>3,756</u>	<u>7,035</u>
<b>Current assets</b>		<u>10,821</u>	<u>11,376</u>
<b>Assets</b>		<u>15,821</u>	<u>12,176</u>

## Balance sheet at 30.09.2017

	<u>Notes</u>	<u>2016/17</u> <u>DKK'000</u>	<u>2015/16</u> <u>DKK'000</u>
Contributed capital		1,500	500
Reserve for development expenditure		3,276	0
Retained earnings		<u>624</u>	<u>479</u>
<b>Equity</b>		<b><u>5,400</u></b>	<b><u>979</u></b>
Deferred tax		<u>1,100</u>	<u>176</u>
<b>Provisions</b>		<b><u>1,100</u></b>	<b><u>176</u></b>
Prepayments received from customers		156	0
Trade payables		997	790
Payables to group enterprises		5,483	9,556
Other payables		<u>2,685</u>	<u>675</u>
<b>Current liabilities other than provisions</b>		<b><u>9,321</u></b>	<b><u>11,021</u></b>
<b>Liabilities other than provisions</b>		<b><u>9,321</u></b>	<b><u>11,021</u></b>
<b>Equity and liabilities</b>		<b><u>15,821</u></b>	<b><u>12,176</u></b>
Unrecognised rental and lease commitments	7		
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## Statement of changes in equity for 2016/17

	<b>Contributed capital DKK'000</b>	<b>Share premium DKK'000</b>	<b>Reserve for development expenditure DKK'000</b>	<b>Retained earnings DKK'000</b>
Equity beginning of year	500	0	0	479
Increase of capital	1,000	11,000	0	0
Transfer to reserves	0	(11,000)	3,276	7,724
Profit/loss for the year	0	0	0	(7,579)
<b>Equity end of year</b>	<b>1,500</b>	<b>0</b>	<b>3,276</b>	<b>624</b>
				<b>Total DKK'000</b>
Equity beginning of year				979
Increase of capital				12,000
Transfer to reserves				0
Profit/loss for the year				(7,579)
<b>Equity end of year</b>				<b>5,400</b>

## Notes

	<b>2016/17</b>	<b>2015/16</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	17,735	11,538
Pension costs	1,117	287
Other social security costs	72	4
Other staff costs	980	781
	<b>19,904</b>	<b>12,610</b>
Average number of employees	<b>21</b>	
	<b>2016/17</b>	<b>2015/16</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Other financial income</b>		
Other interest income	4	0
	<b>4</b>	<b>0</b>
	<b>2016/17</b>	<b>2015/16</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	40	0
Other interest expenses	54	27
	<b>94</b>	<b>27</b>
	<b>2016/17</b>	<b>2015/16</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	(3,042)	(1,203)
Change in deferred tax	924	176
	<b>(2,118)</b>	<b>(1,027)</b>

## Notes

	<b>Develop- ment projects in progress DKK'000</b>
<b>5. Intangible assets</b>	
Cost beginning of year	800
Additions	4,200
<b>Cost end of year</b>	<b>5,000</b>
<b>Carrying amount end of year</b>	<b>5,000</b>

### Development projects

Development projects in progress cover development and deployment of GateHouse Logistics latest tracking platform. The focus of the platform is around aggration and improved operations in order to service our customers. Elements of the platform are ready to be put into service at the beginning of the next financial year.

Direct development costs incurred have been capitalised.

Management believes that growth in revenue from tracking services can be based on this platform. Future profits are estimated to be able to absorb depreciation of the development asset and produce a profit after depreciation.

	<b>2016/17 DKK'000</b>	<b>2015/16 DKK'000</b>
<b>6. Contract work in progress</b>		
Contract work in progress	0	772
Progress billings regarding contract work in progress	0	(419)
	<b>0</b>	<b>353</b>
	<b>2016/17 DKK'000</b>	<b>2015/16 DKK'000</b>
<b>7. Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	<b>24</b>	<b>120</b>

### 8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where GateHouse Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The

## Notes

jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

### **9. Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

GateHouse Holding A/S, Aalborg



## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

#### Revenue

Revenue from sales of software as a service (SaaS) and data as a service (DaaS) is recognized in the income statement when delivery and the risk transition to the buyer has taken place. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

#### Own work capitalised

Own work capitalised comprises staff costs and other in-house costs incurred in the financial year and recognised in cost for proprietary intangible assets.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

#### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises.

#### Other financial expenses

Other financial expenses comprise interest expenses.

## Accounting policies

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

### **Balance sheet**

#### **Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### **Contract work in progress**

Contract work in progress is measured at the selling price of the performed work. The selling price is measured based on the stage of completion at the balance sheet date and the total estimated income from the individual contract work in progress. Total estimated income includes the capitalised value of contractual amounts falling due after one year. The Company's financing interest rate at the balance sheet date is used as capitalisation factor.

Usually, the stage of completion is determined as the ratio between actual and total budgeted consumption of resources.

If the selling price of a construction contract cannot be made up reliably, it is measured at the lower of costs incurred, including IPO charge, and net realisable value.

## Accounting policies

When total expenses are likely to exceed total income from contract work in progress, the total estimated loss is provided for on the contract.

Prepayments are set off against contract work in progress.

The market value of foreign claims is calculated at the market price at the balance sheet date or at the hedged foreign exchange rate.

### **Joint taxation contributions receivable or payable**

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

### **Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### **Cash**

Cash comprises cash in hand and bank deposits.

### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### **Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.