

Simpson Spence Young - Bidsted A/S

Tuborg Havnevej 18
2900 Hellerup
Business Registration No
39375095

Annual report 2019

The Annual General Meeting adopted the annual report on 17.06.2020

Chairman of the General Meeting

Name: Lasse Jakobsen

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Entity details

Entity

Simpson Spence Young - Bidsted A/S
Tuborg Havnevej 18
2900 Hellerup

Central Business Registration No (CVR): 39375095
Registered in: Gentofte
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Stanko Georgiev Jekov
Mark James Richardson
Lasse Jakobsen

Executive Board

Carsten Munk Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Simpson Spence Young - Bidsted A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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.

Copenhagen, 17.06.2020

Executive Board

Carsten Munk Jensen

Board of Directors

Stanko Georgiev Jekov

Mark James Richardson

Lasse Jakobsen

Independent auditor's report

To the shareholders of Simpson Spence Young - Bidsted A/S

Opinion

We have audited the financial statements of Simpson Spence Young - Bidsted A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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.

Copenhagen, 17.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556

Flemming Larsen
State Authorised Public Accountant
Identification No (MNE) mne27790

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The primary activity of the Entity is worldwide shipping service.

Development in activities and finances

The result of the year is 96.126 thousand USD. The Board of Directors considers the performance acceptable.

Events after the balance sheet date

The outbreak of coronavirus/COVID-19 has escalated in the beginning of 2020, and WHO has on March 11th 2020 declared the outbreak to be a worldwide pandemic. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economical effect cannot be measured at this time.

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

Income statement for 2019

	<u>Notes</u>	<u>2019 USD</u>	<u>2018 USD</u>
Gross profit		2.875.102	2.593.597
Staff costs	1	(2.176.505)	(1.998.006)
Depreciation, amortisation and impairment losses	2	<u>(559.213)</u>	<u>(462.595)</u>
Operating profit/loss		139.384	132.996
Other financial income	3	47.513	23.706
Other financial expenses	4	<u>(49.431)</u>	<u>(14.041)</u>
Profit/loss before tax		137.466	142.661
Tax on profit/loss for the year	5	<u>(44.250)</u>	<u>(53.739)</u>
Profit/loss for the year		<u>93.216</u>	<u>88.922</u>
Proposed distribution of profit/loss			
Retained earnings		<u>93.216</u>	<u>88.922</u>
		<u>93.216</u>	<u>88.922</u>

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD</u>	<u>2018 USD</u>
Acquired intangible assets		8.074	10.805
Goodwill		<u>1.744.081</u>	<u>2.294.843</u>
Intangible assets	6	<u>1.752.155</u>	<u>2.305.648</u>
Leasehold improvements		<u>1.620</u>	<u>2.054</u>
Property, plant and equipment	7	<u>1.620</u>	<u>2.054</u>
Deposits		65.581	10.272
Deferred tax		<u>40.000</u>	<u>41.000</u>
Fixed asset investments	8	<u>105.581</u>	<u>51.272</u>
Fixed assets		<u>1.859.356</u>	<u>2.358.974</u>
Trade receivables		642.947	425.051
Other receivables		40.678	224.275
Income tax receivable		2.565	0
Prepayments		<u>43.409</u>	<u>127.967</u>
Receivables		<u>729.599</u>	<u>777.293</u>
Cash		<u>1.718.960</u>	<u>1.170.087</u>
Current assets		<u>2.448.559</u>	<u>1.947.380</u>
Assets		<u>4.307.915</u>	<u>4.306.354</u>

Balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 USD</u>	<u>2018 USD</u>
Contributed capital		81.789	81.789
Retained earnings		<u>591.083</u>	<u>497.867</u>
Equity		<u>672.872</u>	<u>579.656</u>
Other provisions		<u>244.615</u>	<u>558.984</u>
Provisions		<u>244.615</u>	<u>558.984</u>
Trade payables		241.474	133.295
Payables to group enterprises		2.314.969	2.148.511
Income tax payable		0	77.957
Other payables		800.740	807.951
Deferred income		<u>33.245</u>	<u>0</u>
Current liabilities other than provisions		<u>3.390.428</u>	<u>3.167.714</u>
Liabilities other than provisions		<u>3.390.428</u>	<u>3.167.714</u>
Equity and liabilities		<u>4.307.915</u>	<u>4.306.354</u>

Unrecognised rental and lease commitments

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Statement of changes in equity for 2019

	Contributed capital USD	Retained earnings USD	Total USD
Equity beginning of year	81.789	497.867	579.656
Profit/loss for the year	0	93.216	93.216
Equity end of year	81.789	591.083	672.872

Notes

	2019	2018
	USD	USD
1. Staff costs		
Wages and salaries	2.034.787	1.635.427
Pension costs	15.517	13.372
Other social security costs	14.432	15.074
Other staff costs	111.769	334.133
	2.176.505	1.998.006
Average number of employees	15	19
	2019	2018
	USD	USD
2. Depreciation, amortisation and impairment losses		
Profit/loss from sale of intangible assets and property, plant and equipment	3.707	0
	3.707	0
	2019	2018
	USD	USD
3. Other financial income		
Exchange rate adjustments	33.929	18.010
Other financial income	13.584	5.696
	47.513	23.706
	2019	2018
	USD	USD
4. Other financial expenses		
Other interest expenses	1.453	587
Exchange rate adjustments	47.978	13.454
	49.431	14.041
	2019	2018
	USD	USD
5. Tax on profit/loss for the year		
Current tax	43.250	94.739
Change in deferred tax	1.000	(41.000)
	44.250	53.739

Notes

	Acquired intangible assets USD	Goodwill USD
6. Intangible assets		
Cost beginning of year	14.094	2.753.811
Additions	5.739	0
Disposals	(7.157)	0
Cost end of year	12.676	2.753.811
Amortisation and impairment losses beginning of year	(3.289)	(458.968)
Amortisation for the year	(4.310)	(550.762)
Reversal regarding disposals	2.997	0
Amortisation and impairment losses end of year	(4.602)	(1.009.730)
Carrying amount end of year	8.074	1.744.081
		Leasehold improve- ments USD
7. Property, plant and equipment		
Cost beginning of year		2.392
Cost end of year		2.392
Depreciation and impairment losses beginning of year		(338)
Depreciation for the year		(434)
Depreciation and impairment losses end of year		(772)
Carrying amount end of year		1.620
	Deposits USD	Deferred tax USD
8. Fixed asset investments		
Cost beginning of year	10.272	41.000
Additions	55.309	(1.000)
Cost end of year	65.581	40.000
Carrying amount end of year	65.581	40.000

Notes

	2019	2018
	USD	USD
9. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>144.696</u>	<u>391.254</u>

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 the financial statements are consistent with those applied last year.

The bookkeeping is prepared in USD consequently the annual report is prepared in USD as well. The exchange rate as per 31. December 2019 is 667,59.

Non-comparability

Please note that the income statement in the comparison figures consists of 10 months while the current figures consist of 12 months. Because of this, the two periods cannot be compared.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue is recognised in the income statement if delivery to the Entity's cooperators has taken place before year-end and if the income can be computed reliably and receipt is expected. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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. This item also includes writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to leasehold, equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as leasehold and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

The useful life has been determined at 6 year based on an assessment made by Management. The assessment is based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually.

Straight-line amortisations is made on the basis of the following estimated useful lives of the assets:

Goodwill	5 years
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Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise IT-development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Straight-line amortisations is made on the basis of the following estimated useful lives of the assets:

Intellectual property rights	3-5 years
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Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	3-5 years
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For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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.

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.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated earnout obligations.

Accounting policies

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.