

**Gondrand Traffic B.V.  
situated in Moerdijk**

**Annual report 2018**

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To the Management Board of  
Gondrand Traffic B.V.  
Energieweg 4  
4791 RN KLUNDERT

Breda, 9 July 2019

Dear Sirs,

## **INTRODUCTION**

The opinion is included in other information. It concerns an auditors' report.

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## GENERAL

### ADOPTION OF THE ANNUAL ACCOUNTS

The Annual General Meeting has adopted the 2017 financial statements on March 25, 2018. The net result after taxation for the year ending 2017 was € 610,192.

We shall be pleased to furnish you with any further information you may require.

Yours sincerely,

ESJ Audit & Assurance B.V.

J.P.H. Nelemans MSc  
Registeraccountant

## MANAGEMENT BOARD'S REPORT

### 1. General

#### 1.1. Objective

In line with the previous years strategy, Gondrand Traffic B.V. has the same objective to become a global premium logistics provider, and in particular in the field of chemicals, important investments are on going to sustain Gondrand Traffic B.V. to reach this goal.

#### 1.2. Core activities

The core activities of Gondrand Traffic B.V. are acting as a forwarding company for sea, air and road transport.

The major activities for warehousing are mainly the storage of ADR and packed chemicals, as well as the storage and distribution of retail, fashion and consumer goods.

#### 1.3. Legal structure

Until the end of March 2018 Gondrand Traffic B.V. was part of the Gondrand group in The Netherlands with Gondrand Holding Netherlands B.V. as parent company and her two subsidiaries, Gondrand Properties Netherlands B.V. and Gondrand Traffic B.V. The ultimate parent company of the Gondrand group in The Netherlands was Gondrand Holding AG in Switzerland.

At the end of March 2018 the Nordic Transport Group A/S acquired all logistics activities from the former Gondrand Group and therefore also bought 100% of the shares of Gondrand Traffic B.V. The Nordic Transport Group A/S home base is Denmark and with this acquisitions they want to create a bigger footprint in the Northern of Europe.

The 100% participation of Gondrand Traffic B.V. in GT Chemical Logistics B.V. had no significant activities during 2018 and are not to be expected for the near future.

### 2. Financial information

#### 2.1. Developments

The net result for 2018 is € 1,420,000 negative, which means a decrease of the net results by € 2,030,000 compared to 2017. The year 2018 is fully dedicated to the removal of our warehouse in Moerdijk to our new facility in Klundert. As the new warehouse was not ready in time we had to make a double move for our warehouse facility, which put enormous pressure on our organization and employees.

The biggest part of this negative result was calculated as the new facility triples our capacity we were aware that the occupancy rate and therefore the warehouse activities will not be break even in the first few years.

Thereby the double move caused not only higher removal costs but as the goods were divided over three temporary locations the flexibility was less than normal. This resulted in warehouse errors, missing shipments / goods which are claimed to us by our customers.

Hereby we want to regain the trust of our customers step by step and prove that the reliability will be on the same level as before the move.

#### *2.1.1. Operations*

Road revenues show a year by year increase and is expected to continue to strengthen its position on the Dutch market thanks to new partnerships with overseas agents building a strong network appreciated by our clients.

Logistics remains strong in the first few months of 2018, the 2nd Quarter was used for the first removal of the warehouse to 4 different locations in the southwest of the Netherlands. As a result the activities were affected by errors and resulted in mayor costs for solving those issues.

Our Air & Ocean department is suffering, employees who left the company and missing the right management lead in this field has made complex to develop those units dating back from 2017.

Our support functions have worked hard to help our operations to reach these results and to get the Logistics department back on track, ICT is working continuously on improving our software environment.

#### *2.1.2. Organization & restructuring*

During 2018 it's decided to split the activities of Gondrand Traffic B.V. to several entities. Therefore the Air & Ocean business will be sold to NTG Air & Ocean Netherlands BV (existing company) at January 1, 2019. The Road activities will be sold to NTG Road B.V. (new company incorporated at the end of 2018) at February 1, 2019.

After this restructuring of the activities the logistics activities of the warehouse in Amsterdam and Klundert will remain in Gondrand Traffic B.V. The supporting functions will also remain in Gondrand Traffic B.V. and will start to act as a Service Center for NTG Road B.V. The management of NTG Air & Ocean Netherlands B.V. decided not to use the expertise of the Service Center.

Due to this change in structures 2 employees who were located at the Schiphol-office became redundant, a provision for redundancy is recorded at year end 2018.

During the first few months of 2019 a new managing director is appointed who will lead us to the next steps of the development of our company.

### **3. Risks and uncertainties**

As we are a big player in the chemical logistics business, one of our biggest risks is losing our permits. Therefore we have set several control mechanisms throughout our complete organization, even with our non-hazard locations. This is to create the unanimous awareness of the business we are in. We try to minimize these risks by continuously evaluating and improving our measures and by educating our employees.

Financial risks and uncertainties are to be found in bad debts, but also in the erosion of the gross margin in the business unit Road. The expected decrease of the margins in the Road continued, market is still very aggressive, but our growing network compensates, as well as our quality service, with the help of the operational software.

#### 4. Financial instruments

Financial instruments are being valued as regulations prescribe. During 2018 no derivatives were used and we do not expect to use them on a short term. We limit our currency risk by keeping an USD-account with our local bank.

#### 5. Future

##### *5.1. General*

Looking forward at 2019 we still see a very challenging environment, business wise and profit wise with a continuing demand from the clients to contain or reduce the costs. Nevertheless the new warehouse gives us the possibilities to grow beyond our previous limits and although we don't expect to reach the breakeven point in 2019 we expect to show a month by month increase in turnover and net result.

We are fully confident that the current local Management team is strong enough to make it.

##### *5.2. Investments in/disposals of fixed assets*

We invested in new equipment/furniture for our new warehouse in Klundert and offices. Thereby we made some significant investments in the warehouse such as cooling walls and machinery to be able to supply our niche market product 'Temperature Controlled ADR storage'.

##### *5.3. Development in number of employees*

The drop in FTE's in previous years stopped in 2016, we believe that the current employees are able to deal with the operations and are sufficient to facilitate the expected growth in the near future.

##### *5.4. Subsequent events*

As described in the paragraphs above in 2019 the Air & Ocean / Road activities are sold to separate entities, in this case NTG Air & Ocean Netherlands B.V. and NTG Road B.V.

Klundert, 09 July 2019

Mr. J.E. Petersen  
Director

Mr. R.W.G. van der Groen  
Director

**BALANCE SHEET AS AT 31 DECEMBER 2018***(After proposal appropriation of result)*

	<u>31 December 2018</u>		<u>31 December 2017</u>	
	€	€	€	€
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
<b>Intangible fixed assets</b>				
Goodwill		306,250		581,250
<b>Tangible fixed assets</b>				
Buildings and land	878,711		128,718	
Other fixed assets	<u>1,589,318</u>		<u>92,710</u>	
		2,468,029		221,428
<b>Financial fixed assets</b>				
Deferred tax asset		220,314		263,367
<b>CURRENT ASSETS</b>				
<b>Receivables</b>				
Trade debtors	6,434,149		5,620,421	
Receivables from group companies	213,059		113,849	
Taxes and social security premiums	275,533		102,779	
Other receivables and accrued assets	<u>178,984</u>		<u>61,951</u>	
		7,101,725		5,899,000
<b>Cash at bank and in hand</b>		2,300,561		515,626
		<u>12,396,879</u>		<u>7,480,671</u>



	31 December 2018		31 December 2017	
	€	€	€	€
<b>LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Issued share capital	453,780		453,780	
Share premium reserve	2,576,359		2,576,359	
Other reserves	<u>-2,282,132</u>		<u>-862,146</u>	
		748,007		2,167,993
<b>PROVISIONS</b>				
Other provisions		275,000		475,000
<b>LONG-TERM LIABILITIES</b>				
Debts to credit institutions	847,707		-	
Other long-term liabilities	<u>1,236,830</u>		<u>-</u>	
		2,084,537		-
<b>SHORT-TERM LIABILITIES</b>				
Amounts owed to credit institutions	105,793		-	
Trade creditors	3,396,482		2,977,625	
Liabilities to group companies	1,461,772		382,020	
Taxes and social security premiums	217,928		205,619	
Other payables	2,485,708		655,869	
Accruals and deferred income	<u>1,621,652</u>		<u>616,545</u>	
		9,289,335		4,837,678
		<u>12,396,879</u>		<u>7,480,671</u>

**PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018**

	2018		2017	
	€	€	€	€
<b>Net Turnover</b>	29,312,876		27,391,111	
Cost of sales	<u>-22,032,271</u>		<u>-20,170,910</u>	
<b>Gross margin</b>	7,280,605		7,220,201	
Other operating income	<u>21,287</u>		<u>262,409</u>	
<b>Gross profit</b>		7,301,892		7,482,610
Wages and salaries	3,657,714		2,923,816	
Social security charges	594,475		572,963	
Pension contributions	426,573		322,335	
Amortisation of intangible fixed assets	75,000		75,000	
Depreciation of tangible fixed assets	101,794		55,971	
Other reductions in value of intangible and tangible fixed assets	200,000		-	
Other operating expenses	<u>3,565,339</u>		<u>2,818,639</u>	
<b>Total operating expenses</b>		<u>8,620,895</u>		<u>6,768,724</u>
<b>Operating result</b>		-1,319,003		713,886
Interest and similar income	2,356		635	
Interest and similar expenses	<u>-60,286</u>		<u>-5,804</u>	
<b>Financial income and expense</b>		<u>-57,930</u>		<u>-5,169</u>
<b>Result from operational activities before taxation</b>		-1,376,933		708,717
Taxation		<u>-43,053</u>		<u>-98,525</u>
<b>Result after taxation</b>		<u><u>-1,419,986</u></u>		<u><u>610,192</u></u>

**CASH FLOW STATEMENT FOR THE YEAR 2018**

	2018		2017	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Operating result		-1,319,003		713,886
<b>Adjustments for</b>				
Depreciation of intangible and tangible fixed assets	176,794		130,971	
Other reductions in value of intangible and tangible fixed assets	200,000		-	
Movements in provisions	-200,000		475,000	
Value changes of receivables from fixed assets	-		-31,545	
		176,794		574,426
<b>Changes in working capital</b>				
Trade debtors	-813,728		-1,789,039	
Receivables from group companies	-99,210		-37,021	
Other accounts receivable	-172,754		107,357	
Accrued income and prepaid expenses	-117,033		28,323	
Short-term liabilities	4,451,657		-210,315	
		3,248,932		-1,900,695
<b>Cash flow from operating activities</b>		2,106,723		-612,383
Interest paid		-57,930		-5,169
<b>Cash flow from operating activities</b>		2,048,793		-617,552
<b>Cash flow from investment activities</b>				
Investments in tangible assets	-2,348,395		-153,869	
Disposal of tangible fixed assets	-		28,034	
<b>Cash flow from investment activities</b>		-2,348,395		-125,835
<b>Cash flow from financing activities</b>				
Receipts from long-term liabilities	2,190,330		-	
Repayments to long-term liabilities	-105,793		-	
<b>Cash flow from financing activities</b>		2,084,537		-
<b>Movements cash</b>		1,784,935		-743,387

	2018	2017
	€	€
<b>Turnover movement cash and cash equivalents</b>		
Balance at beginning of financial year	515,626	1,259,013
Movements during financial year	<u>1,784,935</u>	<u>-743,387</u>
Balance at financial year end	<u><u>2,300,561</u></u>	<u><u>515,626</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### Entity information

#### Registered address and registration number trade register

The actual address of Gondrand Traffic B.V. is Energieweg 4, 4791 RN in Klundert, the registered place of business is Moerdijk. Gondrand Traffic B.V. is registered at the Chamber of Commerce under number 20087292.

### General notes

#### The most important activities of the entity

The activities of Gondrand Traffic B.V. primarily consist of providing services as a logistics service provider for sea-, air-, and road transport, and for warehousing and other logistic activities.

#### Disclosure of going concern

Due to the current results and financing of the company there is an uncertain element of material importance based on which there could be reasonable doubt about the continuity of the activities of Gondrand Traffic B.V. as a whole. Nordic Transport Group A/S will provide Gondrand Traffic B.V. with such additional financing or make available such additional financing to it, as will be reasonably necessary to ensure the continuity of Gondrand Traffic B.V. during the next 12 months, provided that such additional financing shall be limited to an aggregate total of EUR 6,000,000. The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

#### Disclosure of group structure

Until the end of March 2018 was part of a group, headed by Gondrand Holding Netherlands B.V., situated in Moerdijk. The ultimate parent company was Gondrand Holding AG, situated in Basel, Switzerland. Per 28 March 2018 Gondrand Holding Netherlands B.v. has sold 100% of the shares of Gondrand Traffic B.V. to Nordic Transport Group A/S, situated in Hvidovre, Denmark.

#### Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Gondrand Traffic B.V. make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

#### The exemption of consolidation

The 100% participation GT Chemical Logistics B.V. has no activities. Because the assets and liabilities of GT Chemical Logistics B.V. are insignificant, no consolidated accounts are prepared, GT Chemical Logistics B.V. is not recorded as a subsidiary.

## **General accounting principles**

### **The accounting standards used to prepare the financial statements**

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

### **Conversion of amounts denominated in foreign currency**

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing at balance sheet date. If futures have been concluded, the respective future exchange rate is used. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as of balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

## **Accounting principles**

### **Intangible assets**

Intangible fixed assets are presented at cost less accumulated amortization and, if applicable, less impairments in value. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortization method are reassessed at the end of each financial year.

### **Costs of goodwill acquired from third party**

Goodwill is the positive difference between the acquisition price of the participating interests and the net asset value at the time of their acquisition, less amortization.

Capitalized goodwill is amortized, on a straight-line basis, over a period of ten years.

### **Property, plant and equipment**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

### **Financial assets**

The deferred tax asset refers to loss compensation. Deferred tax assets and liabilities are valued at present value.

### **Receivables**

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Receivables from group companies are recognized at face value. Provisions deemed necessary for doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

### **Provisions**

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.

### **Other provisions**

Other kinds of provision are included in accordance with the nominal value of the expenditure which is expected to be necessary to settle the obligations.

### **Non-current liabilities**

On initial recognition long-term debts are recognised at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term debts are included in the initial recognition. After initial recognition long-term debts are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. If there is no premium / discount or if there are no transaction costs, the amortised cost price is the same as the nominal value of the debt.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term debts.

### **Current liabilities**

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price. This is usually the nominal value.

### **Accounting principles for determining the result**

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

### **Revenue recognition**

Net turnover comprises the income from the supply of goods and services after deduction of discounts and such like and of taxes levied on the turnover.

### **Applied policy of pension costs**

Gondrand Traffic B.V. applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. Changes in the pension provision are also charged to the result. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

### **Amortisation of intangible assets and depreciation of property, plant and equipment**

Amortization of intangible fixed assets is charged as a fixed percentage of cost.

Depreciation of tangible fixed assets is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use. Book profits and losses upon disposal of a business asset are included in depreciation.

### **Other operating expenses**

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

### **Financial income and expenses**

Interest income and expenses consist of interest received from or paid to group companies and third parties.

### **Income tax expense**

Corporate income tax is calculated at the applicable rate on the result for the financial year, taking into account permanent differences between profit calculated according to the financial statements and profit calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

### **Cash flow statement**

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash at bank and in hand.

Corporate income taxes, interest paid, interest received and dividends received are presented under the cash flow from operating activities. Issuance of share capital and dividends paid are presented under the cash flow from financing activities.



## NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2018

## Fixed assets

## Intangible fixed assets

	Goodwill
	€
Balance as at 1 January 2018	
Purchase price	750,000
Accumulated amortisation	<u>-168,750</u>
Book value as at 1 January 2018	<u>581,250</u>
Movements	
Amortisations	-75,000
Impairments	<u>-200,000</u>
Balance movements	<u>-275,000</u>
Balance as at 31 December 2018	
Purchase price	750,000
Accumulated amortisation	-243,750
Accumulated impairment	<u>-200,000</u>
Book value as at 31 December 2018	<u>306,250</u>
Depreciation percentages	<u>10%</u>

Capitalized goodwill is amortised, on a straight line basis, based on the estimated economic benefits of the investment, which is considered to be equal to a period of ten years, the yearly amortisation amounts to 10%. During the financial year the goodwill was impaired with an amount of € 200,000.

**Tangible fixed assets**

	Buildings and land	Other fixed assets	Total
	€	€	€
Balance as at 1 January 2018			
Purchase price	128,718	815,219	943,937
Accumulated depreciation	-	-722,509	-722,509
Book value as at 1 January 2018	<u>128,718</u>	<u>92,710</u>	<u>221,428</u>
Movements			
Investments	760,242	1,588,153	2,348,395
Depreciation	-10,249	-91,545	-101,794
Disposals purchase price	-	-579,471	-579,471
Disposals accumulated depreciation	-	579,471	579,471
Balance movements	<u>749,993</u>	<u>1,496,608</u>	<u>2,246,601</u>
Balance as at 31 December 2018			
Purchase price	888,960	1,823,901	2,712,861
Accumulated depreciation	-10,249	-234,583	-244,832
Book value as at 31 December 2018	<u>878,711</u>	<u>1,589,318</u>	<u>2,468,029</u>
Depreciation percentages	<u>5%</u>	<u>10 – 25%</u>	

Assets with a carrying amount of € 923,611 are financed through a financial lease.

**Financial fixed assets**

	Deferred tax asset
	€
Balance as at 1 January 2018	263,367
Usage	<u>-43,053</u>
Balance as at 31 December 2018	<u>220,314</u>

**Current assets****Receivables**

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Trade debtors</b>		
Trade debtors	6,626,807	5,695,604
Provision for doubtful debts	<u>-192,658</u>	<u>-75,183</u>
	<u>6,434,149</u>	<u>5,620,421</u>

**Receivables from group companies**

Receivables from other group companies	<u>213,059</u>	<u>113,849</u>
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No interest has been charged concerning the current receivables from other group companies as these receivables relate to trade receivables. No redemption schemes and securities have been agreed upon.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Taxes and social security premiums</b>		
Social security contributions	-	7,872
Value added tax	<u>275,533</u>	<u>94,907</u>
	<u>275,533</u>	<u>102,779</u>

**Other receivables and accrued assets**

Prepaid expenses	<u>178,984</u>	<u>61,951</u>
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**Cash at bank and in hand**

ABN AMRO Bank N.V.	2,295,221	431,426
Rabobank	5,240	80,915
Cash	<u>100</u>	<u>3,285</u>
	<u>2,300,561</u>	<u>515,626</u>

**Shareholders' equity**

	Issued share capital	Share premium reserve	Other reser- ves	Total
	€	€	€	€
Balance as at 1 January 2018	453,780	2,576,359	-862,146	2,167,993
Appropriation of result	-	-	-1,419,986	-1,419,986
Balance as at 31 December 2018	<u>453,780</u>	<u>2,576,359</u>	<u>-2,282,132</u>	<u>748,007</u>

**Disclosure of share capital**

The issued share capital of Gondrand Traffic B.V. is € 2,000,000 divided into 2,000,000 shares of € 1 per share of which € 453,780 has been issued and fully paid.

**Provisions**

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Other provisions</b>		
Other provisions	<u>275,000</u>	<u>475,000</u>
	<u>2018</u>	<u>2017</u>
	€	€
<b>Other provisions</b>		
Balance as at 1 January	475,000	-
Increase of other provision	-	475,000
	<u>475,000</u>	<u>475,000</u>
Decrease other provision	<u>-200,000</u>	-
Balance as at 31 December	<u>275,000</u>	<u>475,000</u>

The move to the new building has been realized in May 2018. Gondrand Traffic B.V. was forced to stay longer in the existing building than contractually agreed with the new owner for which a fee must be paid. Taking into account the expected turnaround time and contractual agreements, a provision has been determined.

**Long-term liabilities**

	Balance as at 31 December 2018	Repayment due	Remaining pay-back time > 1 year	Remaining pay-back time > 5 year	Interest percentage
	€	€	€	€	%
Debts to credit institutions	953,500	105,793	847,707	351,020	1.68
Other long-term liabilities	1,236,830	-	1,236,830	-	2.50
<b>Total</b>	<b>2,190,330</b>	<b>105,793</b>	<b>2,084,537</b>	<b>351,020</b>	

**Disclosure of non-current liabilities**

The interest rate for the debts to credit institutions is 1.681% per annum. The last repayment of this loan is scheduled on September 1, 2026.

The interest rate for the other long-term liabilities is 2.5% The final maturity date for the loan is March 27, 2021. No redemption schemes, guarantees or securities have agreed upon.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Debts to credit institutions</b>		
Lease liability Nordea	<u>847,707</u>	<u>-</u>

**Lease liability Nordea**

	<u>Nordea</u>
	€
Increase of lease liability	953,500
Current portion lease liability	<u>-105,793</u>
Balance as at 31 December 2018	<u>847,707</u>
Interest percentage	1.681%
Term	01/09/2026

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Other long-term liabilities</b>		
Liability to Gondrand Holding Netherlands B.V.	<u>1,236,830</u>	<u>-</u>

Liability to Gondrand Holding Netherlands B.V.

	Liability to Gondrand Holding Netherlands B.V. (2018_Loan_ 003)
	€
<b>Movements</b>	
Issue in financial year	<u>1,236,830</u>
Balance movements	<u><u>1,236,830</u></u>
Balance as at 31 December 2018	
Other long-term liability	<u>1,236,830</u>
Balance as at 31 December 2018	<u><u>1,236,830</u></u>
Interest percentage	2.5%
Term	27/03/2021

**Short-term liabilities**

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Amounts owed to credit institutions</b>		
Repayment obligations lease Nordea	<u>105,793</u>	<u>-</u>
<b>Trade creditors</b>		
Trade creditors	<u>3,396,482</u>	<u>2,977,625</u>

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Liabilities to group companies</b>		
Liabilities to other group companies	425,591	132,020
Liability to Gondrand International AG	-	250,000
Liability to Nordic Transport Group A/S	<u>1,036,181</u>	<u>-</u>
	<u>1,461,772</u>	<u>382,020</u>

No interest has been charged concerning the current liabilities other group companies as these liabilities relate to trade payables. No redemption schemes and securities have been agreed upon.

The liability to Gondrand International AG regarding a short term credit facility has an interest rate of 1.00% (2017: 1.00%). No securities are provided. The liability is fully repaid during 2018.

The interest rate for the liability to Nordic Transport Group A/S is 3% per annum. The loan will be fully repaid in 2019. No securities are provided.

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Taxes and social security premiums</b>		
Wage tax	205,867	205,619
Social security premiums	<u>12,061</u>	<u>-</u>
	<u>217,928</u>	<u>205,619</u>

#### **Other payables**

Loans contracted	869,083	-
Other payables	788,217	236,040
Severance costs	435,740	37,250
Holiday allowances	293,820	280,848
Tantiemes and bonuses	<u>98,848</u>	<u>101,731</u>
	<u>2,485,708</u>	<u>655,869</u>

Loans contracted

Liability to Gondrand Holding Netherlands B.V.	<u>869,083</u>	<u>-</u>
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	<u>2018</u>	<u>2017</u>
	€	€
<b>Liability to Gondrand Holding Netherlands B.V.</b>		
Balance as at 1 January	<u>-</u>	<u>-</u>
Movements		
Issue in financial year	<u>869,083</u>	<u>-</u>
Balance as at 31 December		
Loan contracted 1	<u>869,083</u>	<u>-</u>
Balance as at 31 December	<u>869,083</u>	<u>-</u>
Interest percentage	2.5%	
Term	30/3/2019	
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
<b>Accruals and deferred income</b>		
Other accruals and deferred income	<u>1,621,652</u>	<u>616,545</u>



## **Off-balance-sheet rights, obligations and arrangements**

### **Disclosure of off-balance sheet commitments**

Nordic Transport Group A/S has given its suretyship to Nordea Finans Danmark A/S in regard to lease agreement with number 633035.

### **The off-balance sheet liabilities relating to the fiscal unity**

Until January 1, 2018 Gondrand Traffic B.V. was part of a fiscal unity with Gondrand Holding Netherlands B.V., Gondrand Properties Netherlands B.V. and GT Chemical Logistics B.V. for the corporate income tax and therefore jointly and severally liable for these debts.

### **Off-balance sheet liabilities relating to purchase commitments**

At balance sheet date, an investment commitment exists for the purchase of land next to Gondrand Traffic for an amount of € 3,427,650.

### **Off-balance sheet commitments relating to guarantees**

In favor of third parties:

At year-end, the following guarantees exist:

- Custom authority: € 800,000
- Tax authority: € 34,000
- Rental partners: € 563,000

### **Off-balance sheet commitments relating to payments to obtain usage rights**

Rental commitments exist up to an amount of € 1,091,000 per year. The rental commitments from one year to five years amount up to € 3,735,000. The rental commitments longer than five years amount up to € 3,545,000.

### **Disclosure of operating leases**

Lease commitments exist up to an amount of € 738,000, of which € 201,000 is due after one year. The lease commitments longer than five years amount up to € 149,000.

## **Subsequent events**

At January 1, 2019 the Air & Ocean activities are sold to NTG Air & Ocean Netherlands B.V. At February 1, 2019 the Road activities are sold to NTG Road B.V.

## **Appropriation of result**

The management of the company proposes to appropriate the profit as follows:

The loss for the year 2018 in the amount of € 1,419,986 has been deducted from the other reserves.

This proposal needs to be approved by the Annual General Meeting, but has already been processed in the annual accounts 2018 of the company.

**NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2018****Net Turnover**

The net turnover increased with 7.0% in comparison to 2017.

**Remuneration of directors**

The remuneration of directors is nil.

**Average number of employees**

2018

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	61.33	–	61.33
Sales staff	2.17	–	2.17
Management operations	6.83	–	6.83
Overhead	15.58	–	15.58
<b>Average number of employees</b>	<b>85.91</b>	<b>–</b>	<b>85.91</b>

2017

	Active within the Netherlands	Active outside the Netherlands	Total
Operational staff	60.95	–	60.95
Sales staff	2.58	–	2.58
Management operations	2.75	–	2.75
Overhead	17.55	–	17.55
<b>Average number of employees</b>	<b>83.83</b>	<b>–</b>	<b>83.83</b>

2018	2017
€	€

**Amortisation of intangible fixed assets**

Amortisation costs goodwill	75,000	75,000
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**Depreciation of tangible fixed assets**

Buildings and land	10,249	–
Other fixed assets	91,545	55,971
	101,794	55,971

	<u>2018</u>	<u>2017</u>
	€	€
<b>Other reductions in value of intangible and tangible fixed assets</b>		
Impairment of goodwill	<u>200,000</u>	<u>-</u>
<b>Other operating expenses</b>		
Other staff expenses	220,344	211,353
Housing expenses	1,429,308	900,682
Operating and machine expenses	108,470	62,674
Selling expenses	190,314	71,816
Car expenses	283,411	230,878
Office expenses	235,707	195,872
General expenses	<u>1,097,785</u>	<u>1,145,364</u>
	<u>3,565,339</u>	<u>2,818,639</u>
<b>Interest and similar income</b>		
Interest received	<u>2,356</u>	<u>635</u>
<b>Interest and similar expenses</b>		
Interest expenses to group companies	34,804	2,499
Interest expenses third parties	<u>25,482</u>	<u>3,305</u>
	<u>60,286</u>	<u>5,804</u>

	<u>2018</u>	<u>2017</u>
	€	€
<b>Taxation</b>		
Deferred income tax expense	-43,053	-66,980
Income tax expense previous years	<u>-</u>	<u>-31,545</u>
	<u><u>-43,053</u></u>	<u><u>-98,525</u></u>

Klundert, 9 July 2019

Gondrand Traffic B.V.

Mr. J.E. Petersen  
Director

Mr. R.W.G. van der Groen  
Director

## OTHER INFORMATION

**Provisions of the Articles of Association relating to profit appropriation**

Article 33 of the Articles of Association provides as follows for the appropriation of net result:

1. The General Meeting shall determine the allocation of accrued profits.
2. Dividends may be paid only up to an amount which does not exceed the amount of the distributable part of the net assets.
3. Dividends shall be paid after the adoption of the Annual Accounts from which it appears that the payment of dividends is permissible.
4. The General Meeting may resolve to pay any interim dividend subject due observance of paragraph 2 and to the payment at the expense of a reserve.
5. A claim of a shareholder for payments of dividend shall be barred after five years have elapsed.

To the Management Board of  
Gondrand Traffic B.V.  
Energieweg 4  
4791 RN KLUNDERT

## **AUDITORS' REPORT**

### **A. Report on the audit of the financial statements 2018**

#### **OUR OPINION**

We have audited the financial statements 2018 of Gondrand Traffic B.V., based in Moerdijk.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Gondrand Traffic B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the profit and loss account for 2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### **BASIS FOR OUR OPINION**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Gondrand Traffic B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

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## **B. Report on the other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The management board's report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## **C. Description of responsibilities regarding the financial statements**

### **RESPONSIBILITIES OF THE BOARD AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.



## **OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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 this financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatements of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements 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;
- Obtaining 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;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, 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 a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represents the underlying transactions and events free from material misstatements.

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 findings in internal control that we identify during our audit.

Breda, 9 July 2019

ESJ Audit & Assurance B.V.

J.P.H. Nelemans MSc  
Registeraccountant