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***Gondrand International AG***

***Basel***

***Report of the  
statutory auditor to the  
General Meeting on  
the financial statements 2018***





# ***Report of the statutory auditor to the General Meeting of Gondrand International AG Basel***

## ***Report of the statutory auditor on the financial statements***

As statutory auditor, we have audited the accompanying financial statements of Gondrand International AG, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2018.

### ***Board of Directors' responsibility***

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, 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 audit opinion.

### ***Opinion***

In our opinion, the financial statements for the year ended 31 December 2018 comply with Swiss law and the company's articles of incorporation.

## ***Report on other legal requirements***

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.



In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available results complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Dr. Rodolfo Gerber

Audit expert  
Auditor in charge

Karen Schmitt

Audit expert

Basel, 29 March 2019

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed appropriation of the available results

# Balance sheet

of Gondrand International AG, Basel, as of December 31, 2018

<b>Assets</b>	<b>31.12.2018</b> CHF	<b>31.12.2017</b> CHF
Cash	3'992'837	5'785'489
Trade accounts receivable	6'047'970	6'052'593
<i>From third parties</i>	6'044'639	5'984'727
<i>From affiliated companies</i>	701'073	957'420
<i>less valuation adjustments</i>	-697'742	-889'554
Other receivables	2'701'028	3'124'225
<i>From third parties</i>	574'879	1'193'988
<i>From affiliated companies</i>	2'152'830	2'300'721
<i>less valuation adjustments</i>	-26'682	-397'708
Pending carriers	484'875	27'224
Deferred expenses and accrued income	180'088	176'802
<b>Current assets</b>	<b>13'406'798</b>	<b>15'139'110</b>
Financial assets	4'831'515	4'549'752
<i>Investments</i>	3'231'401	3'300'071
<i>Loans to third parties</i>	0	82'998
<i>Loans to affiliated companies</i>	875'700	894'881
<i>Other financial assets</i>	724'414	271'803
Tangible fixed assets	328'973	426'778
<i>Equipment and vehicles</i>	328'973	426'778
Intangible assets	24'843	43'304
Assets under construction	0	116'058
<b>Non current assets</b>	<b>5'185'331</b>	<b>5'135'892</b>
<b>Total assets</b>	<b>18'592'129</b>	<b>20'275'002</b>

# Balance sheet

of Gondrand International AG, Basel as of December 31, 2018

Liabilities and equity	31.12.2018 CHF	31.12.2017 CHF
Trade accounts payable	9'435'195	9'230'767
<i>To third parties</i>	8'392'060	8'194'579
<i>To affiliated companies</i>	1'043'134	1'036'188
Other liabilities	265'282	705'985
<i>To third parties</i>	53'661	252'169
<i>To affiliated companies</i>	211'621	452'614
<i>To Swisslife plan</i>	0	1'202
Deferred income and accrued liabilities	988'809	1'033'135
Pending carriers	709'189	1'370'971
Provisions	466'600	845'100
<b>Current liabilities</b>	<b>11'865'075</b>	<b>13'185'958</b>
Non-current loans	10'988	0
Non-current interest-bearing liabilities from affiliated companies	168'405	75'446
<b>Non-current liabilities</b>	<b>179'393</b>	<b>75'446</b>
<b>Liabilities</b>	<b>12'044'468</b>	<b>13'261'404</b>
Share capital	1'200'000	1'200'000
Capital contribution reserve	5'264'267	5'264'267
Legal reserves from retained earnings	576'075	576'075
Retained earnings	-492'681	-26'745
<i>Balance carried forward</i>	-26'745	951'474
<i>Net result of the year</i>	-465'937	-978'219
<b>Shareholder's equity</b>	<b>6'547'661</b>	<b>7'013'598</b>
<b>Total liabilities and shareholder's equity</b>	<b>18'592'129</b>	<b>20'275'002</b>

# Income statement

2018 Gondrand International AG, Basel

	2018 CHF	2017 CHF
Gross sales	78'046'197	82'547'519
Cost of invoiced customs duties and taxes	-46'288'049	-49'449'310
Cost of sales (without customs duties and tax)	-16'330'347	-17'728'654
<b>Gross profit from operations</b>	<b>15'427'800</b>	<b>15'369'556</b>
Other operating income	424'419	389'934
<b>Gross profit</b>	<b>15'852'219</b>	<b>15'759'490</b>
Personnel expenses	-12'632'319	-12'796'490
Other operating expenses	-5'626'381	-6'979'931
<i>Rental and maintenance expenses of operational properties</i>	-2'987'136	-3'149'709
<i>Office expenses</i>	-174'219	-200'496
<i>Information technology expenses</i>	-1'728'859	-1'588'206
<i>Administration expenses</i>	-442'307	-1'209'624
<i>Maintenance and other expenses</i>	-293'860	-831'895
Management fees	339'059	1'790'510
ICT fees	1'694'292	1'836'480
Depreciation expenses	-140'423	-356'647
<b>Operating result</b>	<b>-513'553</b>	<b>-746'587</b>
Financial income	1'079'204	2'203'562
<i>Income from investments and marketable securities</i>	214'147	367'143
<i>Interest and other financial income</i>	865'058	1'836'420
Financial expenses	-1'157'275	-4'463'979
<i>Depreciation of investments / receivables from affiliates</i>	-103'052	-3'062'446
<i>Interest and other financial expenses</i>	-1'054'223	-1'401'534
<b>Financial result</b>	<b>-78'070</b>	<b>-2'260'417</b>
Extraordinary income	206'796	2'270'786
Extraordinary expenses	-109'891	-247'141
Gains from disposals of tangible fixed assets	30'690	7'000
<b>Extraordinary result</b>	<b>127'595</b>	<b>2'030'645</b>
<b>Result before taxes</b>	<b>-464'029</b>	<b>-976'359</b>
Taxes	-1'908	-1'860
<b>Net result of the year</b>	<b>-465'937</b>	<b>-978'219</b>

# Cash Flow Statement

2018 Gondrand International AG, Basel

	<b>2018 CHF</b>	
<b>Cash flow from operating activities</b>		
<i>Net result</i>		-465'937
<i>Dividend distribution less undistributed result of the associated company from the current business</i>		0
<i>Depreciation on</i>		
- <i>Tangible fixed assets (incl. operational properties) and intangible assets</i>	140'423	
- <i>Participations in Group companies</i>	-10'377	130'047
Impairment on tangible fixed assets	109'891	
Gains (-) / losses (+) from the disposals of tangible fixed assets	-30'688	
Gains (-) / losses (+) from the disposal of Group companies	79'042	158'245
Income and expenses not affecting cash flow *		
<i>Change in</i>		
- <i>Value adjustments on receivables</i>	-562'838	
- <i>Current provisions</i>	-378'500	-941'338
<i>Change in net current assets</i> (excluding cash and cash equivalents, securities and current financial debts)		
- <i>Change in trade accounts receivable</i>	196'435	
- <i>Change in other receivables</i>	767'000	
- <i>Change in other current assets</i>	-460'934	
- <i>Change in other financial assets</i>	-452'611	
- <i>Change in trade accounts payable</i>	204'428	
- <i>Change in other current liabilities</i>	-1'146'811	-892'494
<b>Total cash flow from operating activities</b>		<b>-2'011'477</b>
<b>Cash flow from investing activities</b>		
Investment in tangible fixed assets	-20'879	
Investment in intangible assets	0	
Proceeds from disposals of tangible fixed assets	30'690	9'811
Proceeds from disposal of Group companies		4
Change in other non-current assets		82'998
<b>Total cash flow from investing activities</b>		<b>92'813</b>
<b>Cash flow from financing activities</b>		
<i>Change in non-current interest bearing liabilities from Group companies</i>		92'959
<i>Change in non-current loans from third parties</i>		10'988
<i>Change in loans to affiliated companies</i>		19'181
<b>Total cash flow from financing activities</b>		<b>123'128</b>
<i>Foreign exchange rate impact</i>		2'884
<b>Net change in cash and cash equivalents</b>		<b>-1'792'652</b>
<b>Cash and cash equivalents on January 1</b>		<b>5'785'489</b>
<b>Cash and cash equivalents on December 31</b>		<b>3'992'837</b>

# Notes to the financial statements

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## 2018 Gondrand International AG, Basel

### **Principles**

These financial statements are prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

### **Financial assets**

Financial assets include long-term loans. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded but unrealized profits are not recognized. Recoverability of the receivables with Go Trans Hong-Kong is ensured by a letter of comfort issued by Nordic Transport Group A/S (NTG Group).

### **Sale of four subsidiaries of Gondrand international AG to Gondrand Holding AG**

Pursuant to a Purchase Agreement signed on March 19, 2018, Gondrand International AG sold four of its non active daughters to Gondrand Holding AG for CHF 1.- respectively. The purchase is effective as of January 1, 2018. The subsidiaries sold were:

Le Suisse Frères SA

Gondrand Transport Co. Inc.

GO-Transit AG

Gondrand Asia Ltd (and its subsidiary Go-Trans Express Ltd)

The buyer takes over all assets and liabilities as well as their over-indebtedness.

### **Sale of Gondrand International AG to NTG Group**

The ultimate parent company of Gondrand International AG (Gondrand Holding AG in Switzerland) has decided to divest some of its investments including Gondrand International AG. A Share purchase agreement has been signed on March 26, 2018 by the ultimate parent company, to sell 100% of the shares of Gondrand International AG to NTG Group, a Danish company specialized in the Freight Forwarding & Logistics, mainly based in the North and Eastern Europe.

### **Extraordinary income and expenses**

Extraordinary income of CHF 206'796 has been generated in 2018 mainly through the recognition of unclaimed customers's overpayments older than 5 years. Extraordinary expenses of CHF 109'891 have been incurred in 2018, following the impairment of fixed tangible and intangible assets due to discontinued use of them.

### **Cash flow statement**

As Gondrand International AG was fully integrated in the consolidated financial statements of Gondrand Holding AG in 2017, prepared in accordance with Swiss GAAP FER, it had been decided to forego presenting additional information on audit fees in the notes as well as a cash flow statement in accordance with the law. In 2018 Gondrand International AG is integrated in the consolidated financial statements of NTG Group, prepared in accordance with IFRS as adopted by EU. Consequently, the Company discloses for the first time a cash flow statement for 2018.



# Notes to the financial statements

## 2018 Gondrand International AG, Basel

### Information on balance sheet and income statement items

#### Main investments of Gondrand International AG

Company	Purpose	Share capital		Equity interest in %	
				2018	2017
GO-Transit AG, Basel	Customs	CHF	100'000	0%	100%
Go Trans SAS, Annemasse	Shipping	EUR	100'000	100%	100%
Transfin S.r.l., Como	Shipping	EUR	104'000	100%	100%
Lesuisse Frères S.A., Antwerpen	Shipping	EUR	148'736	0%	100%
Gondrand Kft., Budapest	Shipping	HUF	103'000'000	100%	100%
Gondrand a.s., Prag	Shipping	CZK	3'125'000	100%	100%
Gondrand Asia Ltd., Hong Kong	Holding	HKD	8'000'000	0%	100%
Go-Trans (Hong Kong) Ltd., Hong Kong	Shipping	HKD	8'000'000	100%	100%
Gondrand Transport Co. Inc., New York	Shipping	USD	200'000	0%	100%

#### Non-current loans and long-term interest bearing liabilities

	31.12.2018 CHF	31.12.2017 CHF
<b>Non-current loans and long-term interest-bearing liabilities</b>		
Up to five years	179'393	75'446
	<b>179'393</b>	<b>75'446</b>

#### Other information

	31.12.2018 CHF	31.12.2017 CHF
<b>Guarantees in favour of third parties</b>		
Guarantees	7'090'560	7'616'631
<b>Unrecognized lease liabilities</b>		
Lease payments with maturity term		
- Up to 1 year	51'562	98'801
- 1 year and longer	75'784	138'664
Total unrecognized lease liabilities	127'345	237'465
<b>Other off-balance sheet transactions and liabilities</b>		
Liabilities out of non-current rental contracts	11'581'536	13'048'214

#### Full-time equivalents

The annual average number of full-time equivalents employees for the reporting year, as well as the previous exceed 50 but not 250.

#### Audit fees

Audit fees of CHF 60'000 have been incurred for the year 2018 (2017, CHF 51'252.50).

# Proposed appropriation of available earnings

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for Gondrand International AG, Basel AG

Net result of the financial year	CHF	-465'937
Balance from previous year	CHF	-26'745
Available earnings for appropriation by the General Meeting	CHF	-492'681
Allocation to reserves	CHF	0
Dividends	CHF	0
Balance to be carried forward	CHF	-492'681
<b>Available earnings</b>	<b>CHF</b>	<b>-492'681</b>