

# Dachser Denmark A/S

Helseholmen 11, 2650 Hvidovre

CVR no. 17 16 91 14

## Annual report 2018

Approved at the Company's annual general meeting on 4-4-2018

Chairman:

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Dachser Denmark A/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Hvidovre, 15 March 2019

Executive Board:



René Marian Løvgreen Sidor



Per Lund



Thomas Krüger

Board of Directors:



Burkhard Eling  
Chairman



Michael Schilling



Wolfgang Helmut Reinel

## **Independent auditor's report**

To the shareholders of Dachser Denmark A/S

### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of Dachser Denmark A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We are independent of the Group in accordance with the International Ethics Standards Board for 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 rules and requirements.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company 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 as to 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 the 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 Group's and the Parent Company'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 Group's and the Parent 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 the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 15 March 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Kim Thomsen

State Authorised Public Accountant  
mne26736



Martin Stenstrup Toft

State Authorised Public Accountant  
mne42786

## Management's review

### Company details

Name	Dachser Denmark A/S
Address, Postal code, City	Helseholmen 11, 2650 Hvidovre
CVR no.	17 16 91 14
Established	19 September 1930
Registered office	Hvidovre
Financial year	1 January - 31 December
Website	<a href="http://www.dachser.dk">www.dachser.dk</a>
Board of Directors	Burkhard Eling, Chairman Michael Schilling Wolfgang Helmut Reinel
Executive Board	René Marian Løvgreen Sidor Per Lund Thomas Krüger
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Nordea Danmark Commerzbank

## Management's review

### Financial highlights for the Group

DKK'000	2018	2017	2016	2015	2014
<b>Key figures</b>					
Revenue	1,205,787	1,083,204	1,070,024	1,053,514	921,414
Gross margin	269,208	244,100	237,331	224,832	194,324
Operating profit/loss	50,253	34,685	39,108	35,887	20,045
Net financials	-2,868	-2,661	-3,572	-2,525	-2,874
Profit/loss for the year	39,629	28,717	28,607	25,292	10,317
<b>Balance sheet</b>					
Total assets	428,891	380,789	386,271	407,045	371,945
Investment in property, plant and equipment	-982	-1,206	-2,394	4,298	3,711
Equity	160,803	121,640	94,429	64,575	39,536
<b>Financial ratios</b>					
Operating margin	4.2%	3.2%	3.7%	2.7 %	2.2 %
Gross margin	22.3%	22.5%	22.2%	21.3%	21.1%
Equity ratio	37.5%	31.9%	24.4%	15.9%	10.6%
Return on equity	28.1%	26.6%	36.0%	48.6%	28.3%
<b>Employees</b>					
Average number of employees	455	433	425	405	403

For terms and definitions of financial ratios, please see the accounting policies.

## Management's review

### Business review

As in previous years, the Group's and Dachser Denmark A/S' main activity consisted of conducting transport, distribution, logistics and freight forwarding business and other related activities, as well as being a parent company of the associated subsidiaries, whose main activities are also within the forwarding business and related activities.

### Financial review

The consolidated result amounted to DKK 39,629 thousand in 2018 against DKK 28,717 thousand in 2017. The result exceeds expectations.

Overall, the Group has continued the positive development in the Company's core business within land, air and sea transport and warehouse logistics.

The profit for the year of the Danish activities is affected by improved efficiency and a stable development in the customer base on land transport. The sea and air activities have developed negative.

Dachser Sweden AB has continued the positive development in terms of both revenue and profit. In addition to the increased revenue, increased efficiency has affected the result positively.

Also Dachser Norway AS has again developed positively in terms of both revenue and profit.

The overall positive trend shows that the Dachser Group's customers are still very satisfied with the international route net and the supply of the Group's logistics products.

### Special risks

#### Interest risks

For real estate investments, interest rate swaps have been entered into in order to fix interest rates and hedge the risk of future changes in the variable interest rates.

#### Currency risks

The Group's Swedish and Norwegian companies, as well as primarily the Danish air and sea activities, are exposed to currency risk. The risk is sought to be hedged through continuous exchange to local currency.

#### Statutory CSR report

The Dachser Group, the Company's owners and management are aware of its economic, environmental and social responsibility, and has committed itself to a sustainable corporate policy, which is part of the values of Dachser.

#### Climate impact

Due to the emissions of CO<sub>2</sub> related to the transport activities there may be a material risk of negative effects on the climate. Through CO<sub>2</sub>-reducing strategies, which include among others the use of IT-optimized route planning and utilization of modular vehicles during the year, and thereby reducing the number of vehicles on the roads, consequently the CO<sub>2</sub> emissions are reduced. Furthermore, electric-driven forklifts and low-emission vehicles are used, which require less fuel and thus drive more environmentally friendly. Dachser also participates in various projects regarding the development of environmentally friendly city distribution.

Finally, DACHSER participates actively in the design of a Europe-wide standard for the measurement of energy consumption and greenhouse gas emissions for transport services. Through participation in the creation of the standard, Dachser acquire important know-how regarding environmental resource management and apply our long-term experience.



## Management's review

### Environment

Dachser is committed to effective environmental protection. Inadequate handling of dangerous goods and waste material is considered to pose a material risk to the company and environment. In 2018 Dachser continued a number of actions to protect the environment. Active recycle of pallets, waste sorting and training in proper handling of dangerous goods are just some of the activities. This reduces the risk of damage to the environment.

### Human rights

At Dachser, people take the center stage and we value diversity and risks related to violation of human rights are particularly important to us. For this reason, our company culture and policy is characterized by mutual appreciation and cooperation based on partnership. This includes respect for internationally recognised human rights and labour rights and tolerance of people from other cultures and their customs.

Dachser does not tolerate discrimination or any kind of harassment or disadvantage on the grounds of racial or ethnic origin, gender, religion or beliefs, disability, age, or sexual identity.

Among other, this means, we continuously encourage everyone, regardless of their personal background, to apply for vacant positions. In 2018 the Company has employed staff with great variability in personal background.

### Social and employee responsibility

Dachser is committed to social responsibility and long-term health and working ability of the employees. This is in all aspects very important for us.

Among others, Dachser continuously supports the charity Terre des hommes. Together with Terre des hommes, Dachser is helping others help themselves in order to improve living conditions and promote education and training for disadvantaged minorities. In this way, DACHSER continuously supports an important prerequisite in society for shaping the future of one's own country, based on self-determination.

Dachser create quality through qualification. In-depth competence development in the varied commercial disciplines, information technology and warehousing logistics guarantees young people a successful launch into professional life. Based on the philosophy that only a solid foundation of experience and expertise allows individuals to act confidently and think future-oriented Dachser broaden and update the professional, social and leadership skills of the employees with customized, need-based seminars or individual coaching. A huge number of staff have participated in training and education activities during 2018.

Additionally, Dachser support the work life balance of the employees and combines a strong company pension plan with a comprehensive concept for intelligent, sustainable health management.

Within the logistic and transport industry, there can be potential risks in relation to employee's health working abilities

Dachser is committed to comply with legal regulations for fair working conditions, including those relating to fair remuneration and appropriate working hours and we condemn all forms of forced or child labour and we provide our employees with safe workplaces in accordance with international standards.

### Anti-corruption and bribery

Dachser ensures to conduct its business and provide its services in an ethically and legally responsible manner hereunder Dachser expects each and every member of staff to abide without exception by all laws, including all applicable anti-corruption legislation and do not engage in any form of bribery or corruption. Any breach of these responsibilities could have a material negative impact on our business

## Management's review

This is outlined in the Dachser Compliance Manual and related guidelines. All administrative employees participate in Compliance E-learning on a regular basis and our local Compliance Officer and internal control procedures monitor various risk indicators. This means there is a constant awareness to this subject.

During 2018, there has been no breaches of the anti-corruption and bribery responsibilities.

### Account of the gender composition of Management

The Board of Directors target for the underrepresented gender among members of the Board elected by the general meeting is unchanged from previous years. The underrepresented gender was not represented in the Board during 2018.

It is the goal that both sexes must be represented on the Company's Board of Directors. There has been no new election for Board during 2018. It is the Board's goal that the underrepresented gender is 25%, corresponding to one general elected member from 2019.

Considering the Group's activities, the Board aims at diversity at all levels of the Group, which is why both sexes are ensured equal conditions for obtaining a position in the senior management team in connection with recruitment and composition of Management. However, the Board considers that optimal management of the Group is not in every case compatible with a fixed level of diversity, and at this stage, the Board has not considered it appropriate to set specific targets for diversity for the Group's other management levels. The underrepresented sex amounts for 6% of the Nordic Group's management team.

It is aimed that there is at least one of the underrepresented gender among the candidates in the recruitment process.

The proportion of underrepresented gender in senior management teams has declined during the current financial year.

### Events after the balance sheet date

After the end of the financial year, no events have occurred which could significantly affect the Group's and the Company's financial position.

### Outlook

The Group expects an unchanged development in earnings for 2019.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
3	Revenue	1,205,787	1,083,204	708,286	672,313
	Cost of sales	-870,751	-766,522	-555,856	-528,689
	Other operating income	4,027	811	12,716	10,037
	Other external expenses	-69,855	-73,393	-26,052	-28,011
	<b>Gross margin</b>	<b>269,208</b>	<b>244,100</b>	<b>139,094</b>	<b>125,650</b>
4	Staff costs	-210,619	-200,178	-109,687	-100,815
	Depreciation of property, plant and equipment	-8,308	-9,179	-6,353	-7,217
	Other operating expenses	-28	-58	-26	-22
	<b>Profit before net financials</b>	<b>50,253</b>	<b>34,685</b>	<b>23,028</b>	<b>17,596</b>
	Income from investments in group entities	0	0	23,475	17,313
5	Financial income	8,297	9,940	822	557
6	Financial expenses	-11,165	-12,601	-3,090	-3,437
	<b>Profit before tax</b>	<b>47,385</b>	<b>32,024</b>	<b>44,235</b>	<b>32,029</b>
7	Tax for the year	-7,756	-3,307	-4,606	-3,312
	<b>Profit for the year</b>	<b>39,629</b>	<b>28,717</b>	<b>39,629</b>	<b>28,717</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
	<b>ASSETS</b>				
	<b>Fixed assets</b>				
8	<b>Intangible assets</b>				
	Goodwill	0	0	0	0
		0	0	0	0
9	<b>Property, plant and equipment</b>				
	Land and buildings	150,658	155,593	150,078	154,821
	Fixtures and fittings, other plant and equipment	7,369	9,959	4,167	5,145
		158,027	165,552	154,245	159,966
10	<b>Investments</b>				
	Investments in group entities	0	0	54,145	46,933
	Deposits, investments	19	145	0	145
		19	145	54,145	47,078
	<b>Total fixed assets</b>	158,046	165,697	208,390	207,044
	<b>Non-fixed assets</b>				
	<b>Inventories</b>				
	Finished goods and goods for resale	215	208	215	208
		215	208	215	208
	<b>Receivables</b>				
	Trade receivables	129,982	117,795	76,480	69,435
	Receivables from group entities	91,417	38,623	38,405	21,039
11,13	Deferred tax assets	5,158	5,332	1,604	1,845
	Corporation tax receivable	867	2,322	867	2,322
	Other receivables	3,998	3,254	2,707	2,200
	Prepayments	5,528	4,792	2,032	1,255
		236,950	172,118	122,095	98,096
	<b>Cash</b>	33,680	42,766	15,726	12,039
	<b>Total non-fixed assets</b>	270,845	215,092	138,036	110,343
	<b>TOTAL ASSETS</b>	428,891	380,789	346,426	317,387

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	Group		Parent company	
		2018	2017	2018	2017
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>				
12	Share capital	9,000	9,000	9,000	9,000
	Retained earnings	121,934	112,640	121,934	112,640
	Dividend proposed	29,869	0	29,869	0
	<b>Total equity</b>	<b>160,803</b>	<b>121,640</b>	<b>160,803</b>	<b>121,640</b>
	<b>Liabilities other than provisions</b>				
14	<b>Non-current liabilities other than provisions</b>				
	Bank debt	27,418	30,260	27,418	30,260
		<b>27,418</b>	<b>30,260</b>	<b>27,418</b>	<b>30,260</b>
	<b>Current liabilities other than provisions</b>				
14	<b>Short-term part of long-term liabilities other than provisions</b>				
	Trade payables	88,333	82,948	47,443	44,664
	Payables to group entities	100,694	91,392	83,035	92,452
	Corporation tax payable	3,233	3,254	0	0
	Other payables	45,568	48,555	24,885	25,631
		<b>240,670</b>	<b>228,889</b>	<b>158,205</b>	<b>165,487</b>
	<b>Total liabilities other than provisions</b>	<b>268,088</b>	<b>259,149</b>	<b>185,623</b>	<b>195,747</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>428,891</b>	<b>380,789</b>	<b>346,426</b>	<b>317,387</b>

- 1 Accounting policies
- 2 Special items
- 15 Contractual obligations and contingencies, etc.
- 16 Collateral
- 17 Interest rate risks
- 18 Related parties
- 19 Fee to the auditors appointed by the Company in general meeting

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Statement of changes in equity

		Group			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2017	9,000	85,430	0	94,430
	Transfer through appropriation of profit	0	28,717	0	28,717
	Foreign exchange adjustments, foreign subsidiaries	0	-2,834	0	-2,834
	Adjustment of hedging instruments at fair value	0	1,702	0	1,702
	Tax on items recognised directly in equity	0	-375	0	-375
	<b>Equity at 1 January 2018</b>	<b>9,000</b>	<b>112,640</b>	<b>0</b>	<b>121,640</b>
	Transfer through appropriation of profit	0	9,760	29,869	39,629
	Foreign exchange adjustments, foreign subsidiaries	0	-1,328	0	-1,328
	Adjustment of hedging instruments at fair value	0	1,105	0	1,105
	Tax on items recognised directly in equity	0	-243	0	-243
	<b>Equity at 31 December 2018</b>	<b>9,000</b>	<b>121,934</b>	<b>29,869</b>	<b>160,803</b>

  

		Parent company			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2017	9,000	85,430	0	94,430
20	Transfer, see "Appropriation of profit"	0	28,717	0	28,717
	Foreign exchange adjustments, foreign subsidiaries	0	-2,834	0	-2,834
	Adjustment of hedging instruments at fair value	0	1,702	0	1,702
	Tax on items recognised directly in equity	0	-375	0	-375
	<b>Equity at 1 January 2018</b>	<b>9,000</b>	<b>112,640</b>	<b>0</b>	<b>121,640</b>
20	Transfer, see "Appropriation of profit"	0	9,760	29,869	39,629
	Foreign exchange adjustments, foreign subsidiaries	0	-1,328	0	-1,328
	Adjustment of hedging instruments at fair value	0	1,105	0	1,105
	Tax on items recognised directly in equity	0	-243	0	-243
	<b>Equity at 31 December 2018</b>	<b>9,000</b>	<b>121,934</b>	<b>29,869</b>	<b>160,803</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Cash flow statement

Note	DKK'000	Group	
		2018	2017
	Profit for the year	39,629	28,717
21	Adjustments	18,690	14,853
	Cash generated from operations (operating activities)	58,319	43,570
22	Changes in working capital	-57,519	-23,952
	Cash generated from operations (operating activities)	800	19,618
	Interest received, etc.	334	285
	Interest paid, etc.	-2,590	-2,565
	Income taxes paid	-6,391	-5,228
	<b>Cash flows from operating activities</b>	<b>-7,847</b>	<b>12,110</b>
	Additions of property, plant and equipment	-982	-1,206
	Disposals of property, plant and equipment	261	400
	Sale of financial assets	126	1,065
	<b>Cash flows to investing activities</b>	<b>-595</b>	<b>259</b>
	Repayments, long-term liabilities	-2,740	-5,112
	<b>Cash flows from financing activities</b>	<b>-2,740</b>	<b>-5,112</b>
	<b>Net cash flow</b>	<b>-11,182</b>	<b>7,257</b>
	Cash and cash equivalents at 1 January	42,766	34,960
	Foreign exchange adjustments	2,096	549
	<b>Cash and cash equivalents at 31 December</b>	<b>33,680</b>	<b>42,766</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Dachser Denmark A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Dachser Denmark A/S, and group entities in which Dachser Denmark A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Entities in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in group entities are set off against the proportionate share of the group entities' fair value of net assets and liabilities at the acquisition date.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### *Foreign group entities*

Foreign subsidiaries are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

#### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

#### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### Income statement

#### Revenue

Income from the rendering of transport services is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year-end.

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

#### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

#### Cost of sales

Cost of sales (freight costs) includes cost of forwarding, including costs for haulage contractors and sub-suppliers, etc. before any discounts.

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Depreciation

The item comprises depreciation of property, plant and equipment.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 6 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business entities with strong market positions and long-term earnings profiles.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	30-40 years
Fixtures and fittings, other plant and equipment	3-20 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

##### Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

The Company is covered by the Danish rules on mandatory joint taxation of Dachser SE's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The Company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

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

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is measured at cost less accumulated amortisation.

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements, if there is any indication of impairment.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost based on weighted average prices. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Cost comprises the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and development in the expected selling price.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprises cash and cash equivalents.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

As management company for all the entities in the joint taxation arrangement, the Company is liable for payment of the Danish subsidiaries of Dachser SE's income taxes vis à vis the tax authorities, as the subsidiaries of Dachser SE pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

#### Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

#### Other payables

Other payables are measured at net realisable value.

#### Cash flow statement

The cash flow statement shows the Group's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

#### Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

#### 2 Special items

##### Group

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Group		Parent company	
	2018	2017	2018	2017
<b>DKK'000</b>				
<b>Income</b>				
Recognition of deferred tax asset	0	3,340	0	0
	0	3,340	0	0
<b>Special items are recognised in the below items of the financial statements</b>				
Tax for the year	0	3,340	0	0
<b>Net profit on special items</b>	<b>0</b>	<b>3,340</b>	<b>0</b>	<b>0</b>

##### Group

Special items comprise significant income and expenses of a special nature relative to the Group's revenue-generating operating activities, e.g. expenses incurred to extensive structuring of processes and basic structural adjustments, as well as any relating disposal gains and losses, and which over time have a material impact. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

	Group		Parent company	
	2018	2017	2018	2017
DKK'000				
<b>3 Segment information</b>				
Breakdown of revenue by geographical segment:				
Scandinavia	872,268	784,012	525,094	502,161
Other Europe	327,933	292,196	177,592	163,436
Other world	5,586	6,996	5,600	6,716
	<u>1,205,787</u>	<u>1,083,204</u>	<u>708,286</u>	<u>672,313</u>

#### Group

For competitive reasons, the primary segment is not disclosed.

#### Parent company

For competitive reasons, the primary segment is not disclosed.

	Group		Parent company	
	2018	2017	2018	2017
DKK'000				
<b>4 Staff costs</b>				
Wages/salaries	194,329	183,646	98,434	89,874
Pensions	8,713	8,642	7,464	7,220
Other social security costs	1,182	1,017	1,046	891
Other staff costs	6,395	6,873	2,743	2,830
	<u>210,619</u>	<u>200,178</u>	<u>109,687</u>	<u>100,815</u>
Average number of full-time employees	<u>455</u>	<u>433</u>	<u>231</u>	<u>222</u>
Remuneration to members of management:				
Executive board	3,948	4,400	3,948	4,400
	<u>3,948</u>	<u>4,400</u>	<u>3,948</u>	<u>4,400</u>
<b>5 Financial income</b>				
Interest receivable, group entities	249	236	0	0
Other financial income	8,048	9,704	822	557
	<u>8,297</u>	<u>9,940</u>	<u>822</u>	<u>557</u>
<b>6 Financial expenses</b>				
Interest expenses, group entities	367	282	183	282
Other financial expenses	10,798	12,319	2,907	3,155
	<u>11,165</u>	<u>12,601</u>	<u>3,090</u>	<u>3,437</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

	Group		Parent company	
	2018	2017	2018	2017
DKK'000				
<b>7 Tax for the year</b>				
Estimated tax charge for the year	7,582	6,052	4,365	2,624
Deferred tax adjustments in the year	174	-2,745	241	688
	<u>7,756</u>	<u>3,307</u>	<u>4,606</u>	<u>3,312</u>
<b>8 Intangible assets</b>				
DKK'000			Group	
			<u>Goodwill</u>	
Cost at 1 January 2018			1,000	
Cost at 31 December 2018			1,000	
Impairment losses and amortisation at 1 January 2018			1,000	
Impairment losses and amortisation at 31 December 2018			1,000	
Carrying amount at 31 December 2018			<u>0</u>	
			Parent company	
DKK'000			<u>Goodwill</u>	
Cost at 1 January 2018			1,000	
Cost at 31 December 2018			1,000	
Impairment losses and amortisation at 1 January 2018			1,000	
Impairment losses and amortisation at 31 December 2018			1,000	
Carrying amount at 31 December 2018			<u>0</u>	
<b>9 Property, plant and equipment</b>			Group	
			Fixtures and fittings, other plant and equipment	
DKK'000	Land and buildings		Total	
Cost at 1 January 2018	198,037	51,543	249,580	
Foreign exchange adjustments	-38	-442	-480	
Additions	0	982	982	
Disposals	0	-1,589	-1,589	
Cost at 31 December 2018	<u>197,999</u>	<u>50,494</u>	<u>248,493</u>	
Impairment losses and depreciation at 1 January 2018	42,444	41,584	84,028	
Foreign exchange adjustments	-18	-282	-300	
Depreciation	4,915	3,393	8,308	
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,570	-1,570	
Impairment losses and depreciation at 31 December 2018	<u>47,341</u>	<u>43,125</u>	<u>90,466</u>	
Carrying amount at 31 December 2018	<u>150,658</u>	<u>7,369</u>	<u>158,027</u>	



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	Parent company		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2018	197,010	36,826	233,836
Additions	0	658	658
Disposals	0	-1,127	-1,127
Cost at 31 December 2018	197,010	36,357	233,367
Impairment losses and depreciation at 1 January 2018	42,189	31,681	73,870
Depreciation	4,743	1,609	6,352
Reversal of accumulated depreciation and impairment of assets disposed	0	-1,100	-1,100
Impairment losses and depreciation at 31 December 2018	46,932	32,190	79,122
Carrying amount at 31 December 2018	150,078	4,167	154,245

### 10 Investments

DKK'000	Group Deposits, investments
Cost at 1 January 2018	145
Additions	19
Disposals	-145
Cost at 31 December 2018	19
Carrying amount at 31 December 2018	19

DKK'000	Parent company		
	Investments in group entities	Deposits, investments	Total
Cost at 1 January 2018	143,249	145	143,394
Disposals	0	-145	-145
Cost at 31 December 2018	143,249	0	143,249
Value adjustments at 1 January 2018	-96,316	0	-96,316
Foreign exchange adjustments	-1,328	0	-1,328
Dividend received	-14,935	0	-14,935
Profit/loss for the year	23,475	0	23,475
Value adjustments at 31 December 2018	-89,104	0	-89,104
Carrying amount at 31 December 2018	54,145	0	54,145

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Investments (continued)

##### Parent company

Name	Domicile	Interest
<b>Subsidiaries</b>		
Dachser Norway AS	Vinterbro, Oslo	100.00%
Dachser Sweden AB	Arendal, Göteborg	100.00%

#### 11 Deferred tax assets

The Group recognised a tax asset of DKK 5,158 thousand at 31 December 2018, which represents tax loss carry-forwards and non-utilised tax deductions in the form of timing differences.

Based on the budgets until 2021, Management considers it likely that there will be future taxable income against which non-utilised tax deductions can be offset.

Besides the tax loss recognised in the statement of deferred tax, the Group has additional tax loss carry-forwards at a carrying amount of DKK 15,540 thousand (2017: DKK 21,175). As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

DKK'000	Parent company	
	2018	2017
12 Share capital		
Analysis of the share capital:		
9,000 shares of DKK 1,000.00 nominal value each	9,000	9,000
	<u>9,000</u>	<u>9,000</u>

The parent's share capital has remained DKK 9,000 thousand over the past 5 years.

DKK'000	Group		Parent company	
	2018	2017	2018	2017
13 Deferred tax				
Deferred tax at 1 January	-5,332	-2,587	-1,845	-2,532
Adjustment of the deferred tax charge for the year	174	-2,745	241	687
<b>Deferred tax at 31 December</b>	<u>-5,158</u>	<u>-5,332</u>	<u>-1,604</u>	<u>-1,845</u>
Deferred tax relates to:				
Property, plant and equipment	-1,787	-1,955	-1,604	-1,845
Receivables	-59	-37	0	0
Tax loss	-3,312	-3,340	0	0
	<u>-5,158</u>	<u>-5,332</u>	<u>-1,604</u>	<u>-1,845</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 14 Non-current liabilities other than provisions

		Group		
		Total debt at 31/12 2018	Repayment, next year	Long-term portion
DKK'000	Outstanding debt after 5 years			
Bank debt		30,260	2,842	27,418
		30,260	2,842	27,418
		Parent company		
		Total debt at 31/12 2018	Repayment, next year	Long-term portion
DKK'000	Outstanding debt after 5 years			
Bank debt		30,260	2,842	27,418
		30,260	2,842	27,418

#### 15 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

		Group		Parent company	
		2018	2017	2018	2017
Guarantee commitments		6,551	6,611	5,000	5,000
		6,551	6,611	5,000	5,000

##### Other financial obligations

##### Other rent and lease liabilities:

Rent and lease liabilities	86,012	87,396	11,963	13,716
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The parent company is jointly taxed with Meles Insurance A/S. As management company, the Company has joint and several unlimited liability, together with Meles Insurance A/S, for all Danish income taxes and withholding taxes on dividend, interest and royalties within the group of jointly taxed entities.

#### 16 Collateral

Dachser Norway AS has funds tied up totalling NOK 2,488 thousand for tax payments.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 17 Interest rate risks

The Group hedges interest rate risks through interest rate swaps whereby floating interest payments are rescheduled into fixed interest payments.

##### Group

	2017				2018			
	Notional principal amount	Value adjustment recognised in equity	Fair value	Time to maturity months	Notional principal amount	Value adjustment recognised in equity	Fair value	Time to maturity months
DKK'000								
Interest rate swap	33,000	1,702	-7,968	0-120	33,000	1,105	-6,863	0-120

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

#### 18 Related parties

##### Group

Dachser Denmark A/S' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Dachser SE	Thomas-Dachser-Strasse 2, D-87439 Kempten, Germany	Principal shareholder

##### Related party transactions

DKK'000	2018	2017
<b>Group</b>		
Sale of goods to related parties	275,318	231,141
Cost of sales to related parties	198,875	164,422
Administrative expenses to related parties	17,701	12,604
Interest expenses from related parties	123	236
Interest income from related parties	356	282
Receivables from related parties	91,417	38,623
Payables to related parties	100,694	91,392
<b>Parent Company</b>		
Sale of goods to related parties	153,268	139,343
Cost of sales to related parties	135,659	117,565
Administrative expenses to related parties	8,789	6,134
Interest income from related parties	343	282
Receivables from related parties	38,405	21,039
Payables to related parties	83,035	92,452

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

With reference to Section 98(3) of the Danish Financial Statements Act, information on transactions between Dachser Denmark A/S and its wholly-owned subsidiaries are not disclosed.

### Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

	Group		Parent company	
	2018	2017	2018	2017
DKK'000				
<b>19 Fee to the auditors appointed by the Company in general meeting</b>				
Total fees to EY	623	638	286	286
Statutory audit	495	506	254	254
Other assistance	128	132	32	32
	623	638	286	286
			Parent company	
DKK'000			2018	2017
<b>20 Appropriation of profit</b>				
Recommended appropriation of profit				
Proposed dividend recognised under equity			29,869	0
Retained earnings			9,760	28,717
			39,629	28,717
			Group	
DKK'000			2018	2017
<b>21 Adjustments</b>				
Amortisation/depreciation and impairment losses			8,066	8,885
Financial income			-8,297	-9,940
Financial expenses			11,165	12,601
Tax for the year			7,756	3,307
			18,690	14,853
<b>22 Changes in working capital</b>				
Change in inventories			-7	151
Change in receivables			-69,754	2,851
Change in trade and other payables			12,242	-26,954
			-57,519	-23,952