Andreas Andresen Holding ApS

Thorsvej 19, Frøslev, DK-6330 Padborg

Annual Report for 2015

CVR No 29 24 17 67

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 25/5 2016

Kim Gravesen
Chairman

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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Andreas Andresen Holding ApS for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2015 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2015.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Padborg, 25 May 2016

Executive Board

Bernhard Heinrich

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

To the Shareholder of Andreas Andresen Holding ApS

Report on the Financial Statements and the Consolidated Financial Statements

We have audited the Financial Statements and the Consolidated Financial Statements of Andreas Andresen Holding ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, cash flow statement, notes and summary of significant accounting policies. The Financial Statements and the Consolidated Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements and the Consolidated Financial Statements
Management is responsible for the preparation of Financial Statements and the Consolidated 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 and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the Financial Statements and the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements and the Consolidated Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements and the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements and the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements and Consolidated Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements and the Consolidated Financial Statements.

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

Our audit has not resulted in any qualification.

Independent Auditor's Report on the Financial Statements and the Consolidated Financial Statements

Opinion

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position of the Company and the Group at 31 December 2015 and of the results of the Company and the Group operations and of consolidated cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements and the Consolidated Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements and the Consolidated Financial Statements.

Trekantområdet, 25 May 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen	Henrik Forthoft Lind
State Authorised Public Accountant	State Authorised Public Accountant

Company Information

The Company	Andreas Andresen Holding ApS Thorsvej 19 Frøslev DK-6330 Padborg Telephone: 74 30 74 30 Facsimile: 74 30 74 00 E-mail: dk.info@nagel-group.dk Website: www.nagel-group.dk CVR No: 29 24 17 67 Financial period: 1 January - 31 December Incorporated: 15 December 2005 Financial year: 10th financial year Municipality of reg. office: Aabenraa
Executive Board	Bernhard Heinrich
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 DK-7100 Vejle

Group Chart

Parent Company

Andreas Andresen Holding ApS,
Denmark
Nom. TDKK 400

Consolidated subsidiaries

100% Nagel Danmark A/S
Denmark
Nom. TDKK 92.000

100% Nagel Transport & Logistik ApS
Denmark
Nom. TDKK 2.200

100% Translog GmbH
Germany
Nom TEUR 304

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2015	2014	2013	2012	2011
	DKK mio.	DKK mio.	DKK mio.	DKK mio.	DKK mio.
Key figures					
Profit/loss					
Revenue	1.050	1.096	1.067	1.003	1.242
Gross profit/loss	261	280	293	418	313
Profit/loss before financial income and expenses	4	4	-4	107	-61
Net financials	-1	-2	-5	-16	-14
Net profit/loss for the year	1	2	-9	81	-64
Balance sheet					
Balance sheet total	417	436	494	511	426
Equity	133	132	190	196	-51
Cash flows					
Cash flows from:					
- operating activities	9	12	-45	61	-35
- investing activities	-5	-3	-3	114	1
- financing activities	-7	29	-19	-95	67
Change in cash and cash equivalents for the year	-2	38	-67	80	33
Number of employees	573	598	626	740	860
Ratios					
Gross margin	24,9%	25,5%	27,5%	41,7%	25,2%
Profit margin	0,4%	0,4%	-0,4%	10,7%	-4,9%
Return on assets	1,0%	0,9%	-0,8%	20,9%	-14,3%
Solvency ratio	31,9%	30,3%	38,5%	38,4%	-12,0%
Return on equity	0,8%	1,2%	-4,7%	111,7%	345,9%

For definitions, see under accounting policies.

Management's Review

Main activity

The Group's main activity comprises national and international logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Europe.

We moreover offer chilled and frozen storage, dry goods storage, re-usable packaging systems, analyses and consultancy services, etc.

Development in the year

Revenue for the year reached DKK 1.050 million compared to last year's DKK 1.096 million. The results for the year amounted to DKK 1 million compared to a profit of DKK 2 million last year.

Also in 2015, the market was affected by fierce competition with the resulting pressure on prices and weak development in freight volume. We have moreover witnessed a growing trend of food manufacturers redistributing labour-intensive processing to low-cost export markets such as Germany and Poland thus resulting in declining volume of goods. Furthermore, the EU sanctions against Russia have had a notable impact on goods structures for foodstuff in Europe and thus also the composition and volume of Nagel Denmark's goods.

In November 2015, the group sold its activities in the fresh fish segment to another company combined with a real-estate lease and collaboration agreement due to the expected decline in fresh fish freight volumes. The sale was effected in the wake of the groups continued optimisation efforts and implies that in future the group will focus further on its core activities. The market for fish is characterised by heavy competition, and the absent synergies of international fish distribution contributed to the decision. The sale has affected the results for 2015 negatively.

The results on ordinary activities are considered unsatisfactory. However, the commenced reconstruction of the group and its activities continue as planned.

Also 2016 is expected to be challenging for both the transport industry and the Nagel Denmark Group due to fierce competition, traffic bottlenecks, redistribution and outsourcing of food manufacturing as well as increasing waiting times in connection with offloading at the central warehouses in Europe.

In continuation of the improvement measures started in 2011 our efforts were intensified and accordingly we expect a profit on ordinary activities for 2016.

Management's Review

The past year and follow-up on development expectations from last year

Also 2016 is expected to be challenging for both the transport industry and the Nagel Denmark Group due to fierce competition, traffic bottlenecks, redistribution and outsourcing of food manufacturing as well as increasing waiting times in connection with offloading at the central warehouses in Europe.

In continuation of the improvement measures started in 2011 our efforts were intensified and accordingly we expect a profit on ordinary activities for 2016.

Statutory statement of corporate social responsibility

The Andreas Andresen Holding ApS Group endeavours to operate in a safe manner and wants to comply with legislation governing the areas in which we carry out our activities.

The Group has not adopted any specific CSR policy covering human rights and reduction of the environmental impact.

Share of the underrepresented gender

Target for female representation on the Board of Directors

When appointing candidates for the Board of Directors it is important that the candidates show a specific professional background and qualifications. It is moreover important that appointments are made with no regard to ethnicity, religious belief, political conviction, age or gender.

Especially in respect of gender representation we are attentive to increasing the female representation on the Board of Directors within the period 2013-2017. In order to reach this target we must ensure that employees and external partners are informed of our gender representation policy in future recruitment procedures.

Target until 2017: one female member on the Board of Directors.

At the moment Nagel Denmark has no female representation on the Board of Directors. The main reason for not meeting the objective is due to reelection of the board.

Management's Review

Gender representation at other management levels

Target for appointment of women at other management levels

We consider a diverse workforce an asset. We employ our staff on the basis of qualifications and personality and we offer all our employees equal opportunities with no regard to their background, religious belief, political conviction, age or gender. Nagel Denmark encourages every employee to pursue and realise his or her personal goals.

At management and administrative levels the representation of women is currently some 20% and hence women are slightly underrepresented.

Therefore we have in 2014 introduced a new layout for our hiring ads displaying both genders across the Group. Following the introduction significantly more employees of the underrepresented gender has been hired through the year at employee levels below management. As we believe that a solid and diverse recruitment base consisting of both genders is a requirement for a further uptake of female managers, our initiative will lead to an increase in female managers in the future.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Revenue		**1.049.908**	**1.096.376**	**0**	**0**
Other operating income		5.062	9.795	0	0
Direct freight expenses		-739.807	-763.959	0	0
Other external expenses		-53.680	-61.728	-25	-20
Gross profit/loss		**261.483**	**280.484**	**-25**	**-20**
Staff expenses	1	-244.440	-257.584	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-13.059	-18.321	0	0
Other operating expenses		-62	-221	0	0
Profit/loss before financial income and expenses		**3.922**	**4.358**	**-25**	**-20**
Income from investments in subsidiaries	2	0	0	1.345	1.766
Financial income	3	6.232	7.357	285	231
Financial expenses	4	-7.164	-9.435	-359	-254
Resultat før skat		**2.990**	**2.280**	**1.246**	**1.723**
Tax on profit/loss for the year	5	-1.781	-4.737	-37	0
Profit/loss before minority interests		**1.209**	**-2.457**	**1.209**	**1.723**
Minority interests' share of net profit/loss of subsidiaries		0	4.180	0	0
Net profit/loss for the year		**1.209**	**1.723**	**1.209**	**1.723**

Distribution of profit

	Parent Company	
	2015	2014
	TDKK	TDKK
Proposed distribution of profit		
Retained earnings	1.209	1.723
	1.209	**1.723**

Balance Sheet at 31 December

Assets

		Group		Parent Company	
	Note	2015	2014	2015	2014
		TDKK	TDKK	TDKK	TDKK
Software		105	458	0	0
Goodwill		22.130	25.816	0	0
Development projects in progress		243	0	0	0
Intangible assets	6	**22.478**	**26.274**	**0**	**0**
Land and buildings		121.096	125.216	0	0
Other fixtures and fittings, tools and equipment		13.197	13.602	0	0
Property, plant and equipment	7	**134.293**	**138.818**	**0**	**0**
Investments in subsidiaries	8	0	0	132.990	131.644
Other investments	9	347	165	0	0
Other receivables	9	2.726	2.655	0	0
Fixed asset investments		**3.073**	**2.820**	**132.990**	**131.644**
Fixed assets		**159.844**	**167.912**	**132.990**	**131.644**
Raw materials and consumables		9.521	10.820	0	0
Inventories		**9.521**	**10.820**	**0**	**0**
Trade receivables		72.515	83.876	0	0
Receivables from group enterprises		130.761	122.935	9.490	7.421
Other receivables		5.892	10.253	0	0
Prepayments	10	2.608	2.294	0	0
Receivables		**211.776**	**219.358**	**9.490**	**7.421**
Cash at bank and in hand		**35.764**	**38.250**	**106**	**106**
Currents assets		**257.061**	**268.428**	**9.596**	**7.527**
Assets		**416.905**	**436.340**	**142.586**	**139.171**

Balance Sheet at 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2015	2014	2015	2014
		TDKK	TDKK	TDKK	TDKK
Share capital		400	400	400	400
Revaluation reserve		3.547	3.547	0	0
Retained earnings		129.414	128.205	132.961	131.752
Equity	11	**133.361**	**132.152**	**133.361**	**132.152**
Provision for deferred tax		9.284	9.365	0	0
Provisions		**9.284**	**9.365**	**0**	**0**
Mortgage loans		58.088	63.621	0	0
Other payables		0	1.646	0	0
Long-term debt	12	**58.088**	**65.267**	**0**	**0**
Mortgage loans	12	5.534	5.504	0	0
Lease obligations		0	1.291	0	0
Prepayments received from customers		3.156	2.113	0	0
Trade payables		111.971	124.481	0	0
Payables to group enterprises		37.727	43.190	3.243	1.773
Corporation tax		5.724	5.188	5.724	5.188
Other payables		51.602	46.831	258	58
Deferred income		458	958	0	0
Short-term debt		**216.172**	**229.556**	**9.225**	**7.019**
Debt		**274.260**	**294.823**	**9.225**	**7.019**
Liabilities and equity		**416.905**	**436.340**	**142.586**	**139.171**

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Cash Flow Statement 1 January - 31 December

	Note	Group 2015	Group 2014
		TDKK	TDKK
Net profit/loss for the year		1.209	1.723
Adjustments	16	15.614	23.814
Change in working capital	17	-5.329	-11.272
Cash flows from operating activities before financial income and expenses		**11.494**	**14.265**
Financial income		6.233	7.357
Financial expenses		-7.164	-9.392
Cash flows from ordinary activities		**10.563**	**12.230**
Corporation tax paid		-1.326	0
Cash flows from operating activities		**9.237**	**12.230**
Purchase of intangible assets		-243	-400
Purchase of property, plant and equipment		-4.966	-4.641
Fixed asset investments made etc		-253	-231
Sale of property, plant and equipment		534	1.901
Cash flows from investing activities		**-4.928**	**-3.371**
Repayment of mortgage loans		-5.504	-5.519
Reduction of lease obligations		-1.291	-3.907
Raising of loans from group enterprises		0	39.248
Minority interests		0	-442
Cash flows from financing activities		**-6.795**	**29.380**
Change in cash and cash equivalents		**-2.486**	**38.239**
Cash and cash equivalents at 1 January		38.250	11
Cash and cash equivalents at 31 December		**35.764**	**38.250**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		35.764	38.250
Cash and cash equivalents at 31 December		**35.764**	**38.250**

Notes to the Financial Statements

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
1 Staff expenses				
Wages and salaries	217.980	225.038	0	0
Pensions	16.863	22.452	0	0
Other social security expenses	7.529	3.710	0	0
Other staff expenses	2.068	6.384	0	0
	244.440	**257.584**	**0**	**0**
Including remuneration to the Executive and Supervisory Boards of:				
Executive Board	4.305	3.031	0	0
Supervisory Board	100	100	0	0
	4.405	**3.131**	**0**	**0**
Average number of employees	**573**	**598**	**0**	**0**

	Parent Company	
	2015	2014
	TDKK	TDKK
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	5.033	7.941
Amortisation of goodwill	-3.688	-6.175
	1.345	**1.766**

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Income from fixed asset investments	366	0	0	0
Interest received from group enterprises	5.100	4.783	285	231
Other financial income	766	2.574	0	0
	6.232	**7.357**	**285**	**231**

Notes to the Financial Statements

		Group		Parent Company	
		2015	2014	2015	2014
		TDKK	TDKK	TDKK	TDKK
4	**Financial expenses**				
	Impairment losses on financial assets	0	3.356	0	0
	Interest paid to group enterprises	2.018	192	101	213
	Other financial expenses	5.119	5.887	258	41
	Exchange loss	27	0	0	0
		7.164	**9.435**	**359**	**254**
5	**Tax on profit/loss for the year**				
	Current tax for the year	1.861	4.147	37	0
	Deferred tax for the year	-80	590	0	0
		1.781	**4.737**	**37**	**0**

Notes to the Financial Statements

6 Intangible assets

Group

	Software	Goodwill	Development projects in progress
	TDKK	TDKK	TDKK
Cost at 1 January	9.203	91.816	0
Additions for the year	0	0	243
Disposals for the year	-662	0	0
Cost at 31 December	8.541	91.816	243
Impairment losses and amortisation at 1 January	8.927	65.998	0
Amortisation for the year	171	3.688	0
Reversal of amortisation of disposals for the year	-662	0	0
Impairment losses and amortisation at 31 December	8.436	69.686	0
Carrying amount at 31 December	**105**	**22.130**	**243**
Amortised over	5 years	5-10 years	

Notes to the Financial Statements

7 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	192.021	67.702
Additions for the year	446	4.520
Disposals for the year	-35	-4.156
Cost at 31 December	192.432	68.066
Revaluations at 1 January	4.729	0
Revaluations at 31 December	4.729	0
Impairment losses and depreciation at 1 January	71.531	54.190
Depreciation for the year	4.555	4.645
Reversal of impairment and depreciation of sold assets	-21	-3.966
Impairment losses and depreciation at 31 December	76.065	54.869
Carrying amount at 31 December	**121.096**	**13.197**
Depreciated over	10-40 years	3-20 years

Notes to the Financial Statements

8 Investments in subsidiaries

	Parent Company 2015	Parent Company 2014
	TDKK	TDKK
Cost at 1 January	197.392	197.392
Cost at 31 December	197.392	197.392
Value adjustments at 1 January	-65.748	-7.514
Net profit/loss for the year	5.033	7.941
Dividend to the Parent Company	0	-60.000
Amortisation of goodwill	-3.687	-6.175
Value adjustments at 31 December	-64.402	-65.748
Carrying amount at 31 December	**132.990**	**131.644**
Remaining positive difference included in the above carrying amount at 31 December	22.128	25.816

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nagel Danmark A/S	Padborg, Denmark	TDKK 92.000	100%

9 Other fixed asset investments

	Group	
	Other investments	Other receiv-ables
	TDKK	TDKK
Cost at 1 January	165	2.655
Additions for the year	182	71
Cost at 31 December	347	2.726
Carrying amount at 31 December	**347**	**2.726**

Notes to the Financial Statements

10 Prepayments

Prepayments consist mainly of prepaid expenses concerning insurance premiums and lease.

11 Equity

Group

	Share capital	Revaluation reserve	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	400	3.547	128.205	132.152
Net profit/loss for the year	0	0	1.209	1.209
Equity at 31 December	**400**	**3.547**	**129.414**	**133.361**

Parent Company

	Share capital	Revaluation reserve	Retained earnings	Total
Equity at 1 January	400	0	131.752	132.152
Net profit/loss for the year	0	0	1.209	1.209
Equity at 31 December	**400**	**0**	**132.961**	**133.361**

The share capital consists of 800 shares of a nominal value of TDKK 500. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012
	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January	400	400	400	200
Capital increase	0	0	0	200
Capital decrease	0	0	0	0
Share capital at 31 December	**400**	**400**	**400**	**400**

Notes to the Financial Statements

12 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2015	2014	2015	2014
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	35.701	41.313	0	0
Between 1 and 5 years	22.387	22.308	0	0
Long-term part	58.088	63.621	0	0
Within 1 year	5.534	5.504	0	0
	63.622	**69.125**	**0**	**0**
Other payables				
After 5 years	0	1.646	0	0
Long-term part	0	1.646	0	0
Within 1 year	10.000	10.000	0	0
Other short-term payables	41.602	36.831	256	56
Short-term part	51.602	46.831	256	56
	51.602	**48.477**	**256**	**56**

	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK

13 Contingent assets, liabilities and other financial obligations

Rental agreements and leases

	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	14.916	20.768	0	0
Between 1 and 5 years	9.752	18.372	0	0
After 5 years	0	1.821	0	0
	24.668	**40.961**	**0**	**0**
Rental obligations, period of interminability up to 60 months	22.678	34.412	0	0

Security

The following assets have been placed as security with mortgage credit institutes:

	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Land and buildings with a carrying amount of	113.536	117.234	0	0

The following assets have been placed as security with bankers:

	Group 2015 TDKK	Group 2014 TDKK	Parent Company 2015 TDKK	Parent Company 2014 TDKK
Mortgages registered to the mortgagors and all monies mortgages totalling TDKK 88.700 on land and buildings as well as other property, plant and equipment with a total carrying amount of	113.651	117.234	0	0

Contingent liabilities

A guarantee has been issued in respect of lease obligations of group enterprises. The total guarantee commitment at 31 December 2015 amounts to TDKK 14.086 (2014: TDKK 14.629).

Notes to the Financial Statements

14 Fee to auditors appointed at the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, the fee to the auditors appointed at the general meeting has been disclosed in the Consolidated Financial Statements of Nagel Logistik-Holding GmbH & Co KG, Versmold, Germany.

15 Related parties

	Basis
Controlling interest	
Nagel Logistik + Beteiligungs GmbH, Versmold	Parent Company
Other related parties	
Nagel Logistik-Holding GmbH & Co KG, Versmold	Ultimate Parent Company

Consolidated Financial Statements

The Company is included in the Consolidated Annual Report of its ultimate Parent Company, Nagel Logistik-Holding GmbH & Co KG, D-33775 Versmold .

The Group Annual Report of may be obtained at the following address:

Friedrich-Menzefricke-Straße 6
D-33775 Versmold
Germany

Notes to the Financial Statements

	Group	
	2015	2014
	TDKK	TDKK
16 Cash flow statement - adjustments		
Financial income	-6.232	-7.357
Financial expenses	7.164	9.435
Depreciation, amortisation and impairment losses, including losses and gains on sales	12.901	16.999
Tax on profit/loss for the year	1.781	4.737
	15.614	**23.814**

17 Cash flow statement - change in working capital

Change in inventories	1.299	-1.245
Change in receivables	3.137	7.384
Change in trade payables, etc	-9.765	-17.411
	-5.329	**-11.272**

Accounting Policies

Basis of Preparation

The Annual Report of Andreas Andresen Holding ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C .

The accounting policies applied remain unchanged from last year.

Consolidated and Parent Company Financial Statements for 2015 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Andreas Andresen Holding ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions determined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts attributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related.

Amortisation of goodwill is recognised in "Amortisation, depreciation and impairment losses".

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

Accounting Policies

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Segment reporting

For competitive reasons, the exemption rule under section 96 of the Danish Financial Statements Act has been applied.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Direct freight expenses

Direct freight expenses comprise the transport costs etc. incurred to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect freight expenses and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The items "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year less goodwill amortisation, including gains and losses on the sale of shares in subsidaries.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with the subsidiaries Nagel Danmark A/S and Nagel Transport og Logistik ApS. Andreas Andresen Holding ApS has been selected as the administrative company. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses). The jointly taxed enterprises have adopted the on-account taxation scheme.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5-10 years.

Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over its useful life, which is assessed at 3-5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost added revaluations and reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	10-40	years
Other fixtures and fittings tools and equipment	3-20	years

Depreciation period and residual value are reassessed annually.

Accounting Policies

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item"Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Inventories

Inventories of consumables (pallets, crates and boxes, etc) are measured at the lower of cost and net realisable value. The inventories are written down systematically over their estimated useful lifetime.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, lease and etc.

Accounting Policies

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Accounting Policies

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise ”Cash at bank and in hand” and ”Overdraft facilities”.

The cash flow statement cannot be immediately derived from the published financial records.

Accounting Policies

Financial Highlights

Explanation of financial ratios

Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Profit margin	$\frac{\text{Profit before financials x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials x 100}}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$