Andreas Andresen Holding ApS

Thorsvej 19, Frøslev, DK-6330 Padborg

Annual Report for 1 January - 31 December 2019

CVR No 29 24 17 67

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/5 2020

Tobias Nagel
Chairman of the General Meeting

Contents

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 2019.

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 2019 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2019.

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, 26 May 2020

Executive Board

Tobias Nagel

Independent Auditor's Report

To the Shareholder of Andreas Andresen Holding ApS

Opinion
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 2019 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Andreas Andresen Holding ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("the Financial Statements").

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 Financial Statements" section of our report. 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

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 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 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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company's and the Group'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 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

Independent Auditor's Report

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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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.

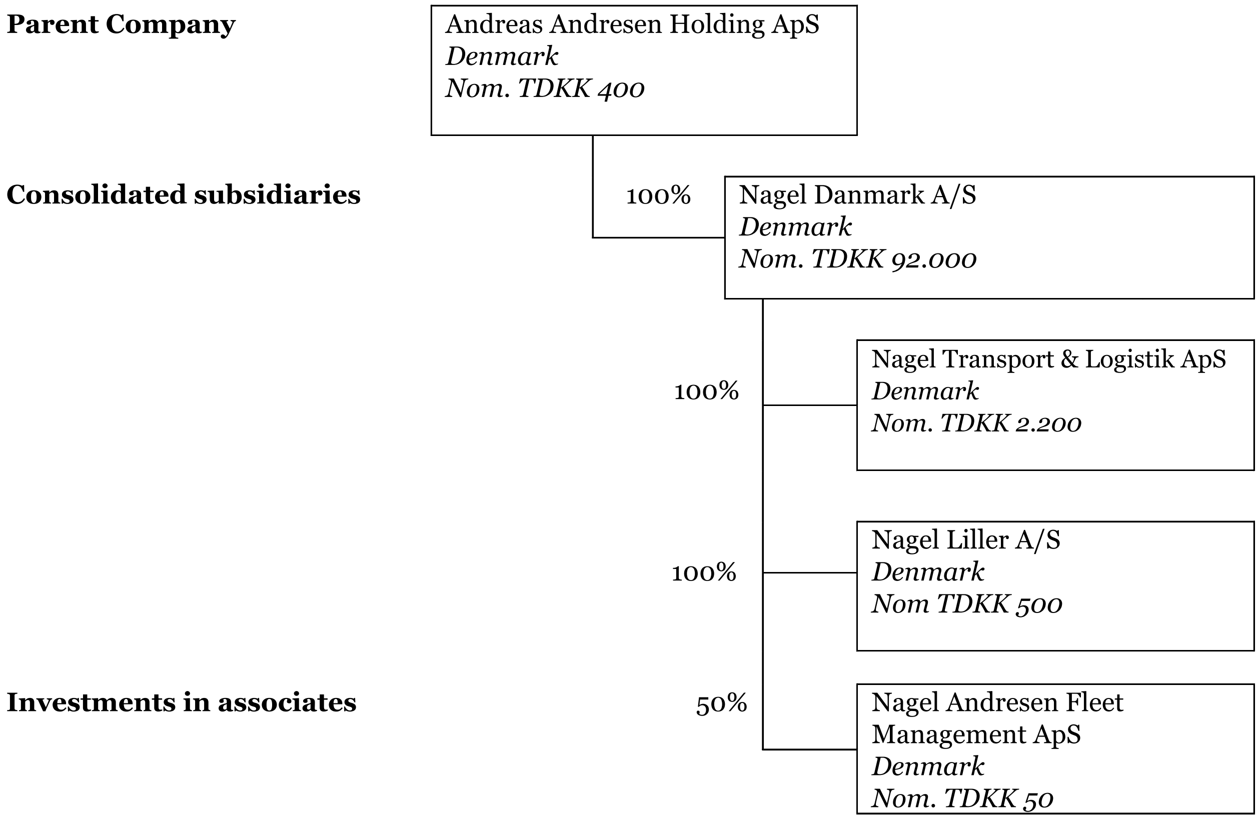
Trekantområdet, 26 May 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jan Bunk Harbo Larsen	Henrik Forthoft Lind
State Authorised Public Accountant	State Authorised Public Accountant
mne30224	mne34169

Company Information

The Company	Andreas Andresen Holding ApS Thorsvej 19 Frøslev DK-6330 Padborg Telephone: + 45 74 30 74 30 Facsimile: + 45 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: 14th financial year Municipality of reg. office: Aabenraa
Executive Board	Tobias Nagel
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%
Nagel Liller A/S
Denmark
Nom TDKK 500
Investments in associates
50%
Nagel Andresen Fleet Management ApS
Denmark
Nom. TDKK 50

Financial Highlights

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

	Group				
	2019	2018	2017	2016	2015
	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK	Mio. DKK
Key figures					
Profit/loss					
Revenue	972	1.086	1.031	972	1.050
Gross profit/loss	270	289	286	255	261
Profit/loss before financial income and expenses	-1	-43	-24	3	4
Net financials	-3	-2	2	0	-1
Net profit/loss for the year	2	-45	-24	3	1
Balance sheet					
Balance sheet total	292	446	403	424	417
Equity	58	56	109	133	133
Cash flows					
Cash flows from:					
- operating activities	-76	16	-49	13	9
- investing activities	94	4	-10	0	-5
including investment in property, plant and equipment	-3	-1	-3	-2	-5
- financing activities	-44	-11	56	-23	-7
Change in cash and cash equivalents for the year	-26	9	-3	-10	-3
Number of employees	479	636	637	553	573
Ratios					
Gross margin	27,8%	26,6%	27,7%	26,2%	24,9%
Profit margin	-0,1%	-4,0%	-2,3%	0,3%	0,4%
Return on assets	-0,3%	-9,6%	-6,0%	0,7%	1,0%
Solvency ratio	19,9%	12,6%	27,0%	31,4%	31,9%
Return on equity	3,5%	-54,5%	-19,8%	2,3%	0,8%

For definitions, see under accounting policies.

Management’s Review

Key activities

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

The group moreover offers 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 972 million compared to the last year's DKK 1,086 million. The net result for the year amounted to DKK 2.3 million compared to DKK -45.1 million last year.

In the financial year 2019 the group sold land and buildings, as part of a group wide sale and leaseback transaction, which resulted in other income of DKK 10.2 million.

The net result is in line with expectations expressed in the Annual Report 2018.

Even though the net result is in line with the expectations, it's still considered unsatisfactory. During the year, significant operational improvements have been implemented successfully in 2019, however the full effect is not yet reflected in the financial statements and further steps to improve the group and optimize its activities continue as planned also in 2020.

Development expectations

Also 2020 is expected to be challenging for both the transport industry and the Andreas Andresen group due to competition, traffic bottlenecks, as well as increasing waiting times in connection with offloading at the central warehouses in Europe.

The group expects a profit before tax in 2020 in the range of DKK 6 - 10 million.

COVID-19 impact

The group’s outlook for the future is not materially affected by the COVID-19 outbreak and the impact from restrictions imposed by governments in Denmark and the rest of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 1.

Statement of corporate social responsibility ref. Danish Financial Statements Act section 99a

Business Model

The main purpose of Andreas Andresen Holding A/S (AAH) is to operate as holding company for a number of subsidiaries including Nagel Danmark A/S and Nagel Liller A/S and hereby-related business. The key activities within the group comprise national and international logistics services with focus on especially temperature-controlled transportation for the food processing industry and trade in Europe.

Management's Review

Moreover, AAH offers chilled and frozen storage, dry goods storage, re-usable packaging systems, analysis and consultancy services.

Identified risks

AAH's risk of having an impact on the areas specified within the law regarding environment, social and employee relationships, human rights and anti-corruption, is assessed to be limited. Furthermore, the group's activities do not give rise to any other risks related to social responsibility. AAH complies with all relevant legislation in all countries in which the group operates.

Nevertheless, AAH is aware of potential risks related to the activities of the group, including the ability to attract and retain competent employees, as well as emission-related environmental impact caused by the group's transport, storage and management of goods.

Environment and climate change

AAH is aware that the group has to treat the environment as an indispensable partner. It is a basic principle for AAH to act responsibly about the use of resources; therefore, the group frequently performs facility-assessments in order to ensure that all facilities are compatible with best practice environmental requirements. In addition, AAH's ambitions to reduce the environmental impact of the group's operations are represented via AAH's efforts to compile the flow of goods as well as applying environmental- and resource-friendly-technology such as fuel efficiency instruments.

Efforts and results concerning environmental issues and climate change

In 2019 AAH continued to improve the energy efficiency in the group's storage facilities by extending the changing of fluorescent lights sources, both inside and outside multiple storage halls, parking areas, warehouse offices, to resource-friendly LED lighting. Also light sources in office buildings have been exchanged with resource-friendly LED lighting. The group has replaced diesel-fueled equipment with electricity-based solutions, at some of the group's facilities. Dock shelters have been replaced at multiple loading/unloading areas. The noise level in one location has been significantly reduced. Cooling equipment in one location has been exchanged resulting in decreased energy usage.

In 2019 AAH continued to rejuvenate the fleet and exchanged a significant number of trucks to new EURO 6 compliant trucks. The group uses 7% biodiesel compliant with the European standard E590. The group continued to collaborate with ZNU (Zentrum für Nachhaltige Unternehmensführung), which works with training and education in order to make sustainability tangible for present and future leaders. Additionally, AAH has joined the Lean&Green initiative in 2018, in which the group has committed itself to reduce logistics related emissions by 20% within the coming five years.

Social- and employee conditions

AAH is aware of the risk related to the attraction and the retention of competent employees. It is the group's ambition to constantly improve conditions for current as well as for future employees. In order to do so, AAH frequently conducts employee surveys throughout the group, to constantly better the workplace. The group aims to increase employee satisfaction and the group's attraction to new employees by creating a solid culture that reflects the wishes of existing and potential employees.

Management's Review

AAH believes that the group has a responsibility to its surrounding environment and its people. As such, the group wishes to contribute via efforts made within education, sport and social institutions by working actively to promote sport and youth activities, educational opportunities and to promote a healthy work-life-balance.

Efforts and results concerning social- and employee conditions

In 2019 AAH continued to provide educational opportunities for employees by acting as an educational site for the Nagel-Group; AAH receives 2-4 exchange trainees on a regular basis. Furthermore, the group decided in 2019 to continue stress management training for all middle management employees.

In 2019 AAH maintained the cooperation with Youth on Top ("Unge på Toppen"), which aims to help social security recipients into work or education. In addition, cooperation with local schools was extended promoting the German language and offering the students an internship for four weeks enabling them to get a feeling for the transport industry.

The cooperation with "Julemærkehjemmene" has been prolonged for 2019. Through an annual donation the group is committed as "Virksomhedsven". AAH also participates in the Nagel-Group donations to various SOS Kinderdorf ("SOS Børnebyer") projects.

In 2019 the group applied for, and later received, the "CSR-Mærke" which is given by Aabenraa Kommune in recognition of the work that the local companies do as an act of social responsibility. In order to obtain the "CSR-Mærke" the companies must meet several demands. As a minimum 10% of the employees must have been employed under a scheme within the last 3 month prior to application – i.e. internships, flexijobs, sheltered jobs, adult apprentice, integration basic education (IGU), basic vocational education and training (EGU), special designed youth educations (STU).

Human rights and anti-corruption

AAH does not have a separate policy regarding human rights, because the group only conducts business in highly regulated markets, in which European and national legislations protect and uphold human rights. The same is applicable for policies on anti-corruption.

AAH complies with IFS Logistics (International Featured Standards), which is a standard for companies offering logistics service, that ensures comparability and transparency throughout the entire supply chain. Based on the group's compliance with European and national legislation, as well as IFS Logistics, AAH evaluates that a separate policy is not necessary.

Continuous Improvement

We work constantly to improve our services, structures, and processes in order to satisfy the high quality standards the Nagel-Group has set for the long term. The know-how and skills of each employee are the basis for this continuous improvement process. To ensure this, we interact at all levels in an open, communicative manner which is defined by mutual respect.

Management's Review

Every employee is called upon to report violations of laws and/or violations of ethical and moral principles to the Compliance Officer or the Nagel-Group's ombudsman. The anonymity of the whistleblower is protected. By doing this, the Nagel-Group wants to prevent that the whistleblower does not suffer any detriment when they report actual or suspected violations.

Statement on gender composition ref. Danish Financial Statements Act section 99b

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 2017-2022. 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 2022: One female member on the Board of Directors.

At the moment the group has no female representation on the Board of Directors. The main reason for not meeting the objective is due to reelection of the board in the subsidaries of AAH, and the only change in Board of Directors of the subsidiaries during the year, are the group representative.

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. The group encourages every employee to pursue and realise his or her personal goals.

The group is working on promoting its female talents. This work has produced a result that is satisfactory for the industry. Through further training and education, we have succeeded in retaining female talents.

At management and administrative levels the representation of women is currently some 35% and hence women are slightly underrepresented

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2019	2018	2019	2018
		TDKK	TDKK	TDKK	TDKK
Revenue		**971.724**	**1.086.252**	**0**	**0**
Other operating income		11.259	978	0	0
Direct freight expenses		-664.889	-729.548	0	0
Other external expenses		-48.219	-68.881	-35	-25
Gross profit/loss		**269.875**	**288.801**	**-35**	**-25**
Staff expenses	2	-261.404	-308.729	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-9.132	-23.177	0	0
Other operating expenses		-190	0	0	0
Profit/loss before financial income and expenses	3	**-851**	**-43.105**	**-35**	**-25**
Result from investments in subsidiaries	4	0	0	4.288	-10.723
Income from investments in associates		31	25	0	0
Financial income	5	1.773	2.525	0	1
Financial expenses	6	-4.932	-4.513	-192	-88
Profit/loss before tax		**-3.979**	**-45.068**	**4.061**	**-10.835**
Tax on profit/loss for the year	7	6.303	-10	41	-16
Net profit/loss for the year		**2.324**	**-45.078**	**4.102**	**-10.851**

Balance Sheet 31 December

Assets

		Group		Parent Company	
	Note	2019	2018	2019	2018
		TDKK	TDKK	TDKK	TDKK
Software		11.523	14.640	0	0
Development projects in progress		2.368	0	0	0
Intangible assets	8	**13.891**	**14.640**	**0**	**0**
Land and buildings		0	104.002	0	0
Other fixtures and fittings, tools and equipment		3.274	6.469	0	0
Property, plant and equipment	9	**3.274**	**110.471**	**0**	**0**
Investments in subsidiaries	10	0	0	122.737	118.448
Investments in associates	11	181	150	0	0
Other investments	12	1.517	1.441	0	0
Deposits	12	13.841	1.449	0	0
Other receivables	12	510	510	0	0
Fixed asset investments		**16.049**	**3.550**	**122.737**	**118.448**
Fixed assets		**33.214**	**128.661**	**122.737**	**118.448**
Raw materials and consumables		4.861	8.065	0	0
Inventories		**4.861**	**8.065**	**0**	**0**
Trade receivables		176.416	112.397	0	0
Receivables from group enterprises		66.152	160.023	0	2
Other receivables		211	405	0	0
Corporation tax		0	186	460	189
Prepayments	13	4.462	4.022	0	0
Receivables		**247.241**	**277.033**	**460**	**191**
Cash at bank and in hand		**6.218**	**32.032**	**193**	**2.070**
Currents assets		**258.320**	**317.130**	**653**	**2.261**
Assets		**291.534**	**445.791**	**123.390**	**120.709**

Balance Sheet 31 December

Liabilities and equity

	Note	Group 2019	Group 2018	Parent Company 2019	Parent Company 2018
		TDKK	TDKK	TDKK	TDKK
Share capital		400	400	400	400
Reserve for development costs		0	0	8.945	11.171
Retained earnings		58.035	55.711	113.331	107.003
Equity		**58.435**	**56.111**	**122.676**	**118.574**
Provision for deferred tax	15	2.400	11.453	0	0
Other provisions	16	5.569	8.930	0	0
Provisions		**7.969**	**20.383**	**0**	**0**
Mortgage loans		0	41.207	0	0
Long-term debt	17	**0**	**41.207**	**0**	**0**
Mortgage loans	17	0	5.725	0	0
Credit institutions		3	2	0	0
Prepayments received from customers		1.455	1.446	0	0
Trade payables		123.491	134.350	0	0
Payables to group enterprises		42.569	133.373	569	2.116
Corporation tax		2.372	0	129	0
Other payables		55.240	53.194	16	19
Short-term debt		**225.130**	**328.090**	**714**	**2.135**
Debt		**225.130**	**369.297**	**714**	**2.135**
Liabilities and equity		**291.534**	**445.791**	**123.390**	**120.709**

Subsequent events	1
Distribution of profit	14
Contingent assets, liabilities and other financial obligations	20
Related parties	21
Fee to auditors appointed at the general meeting	22
Accounting Policies	23

Statement of Changes in Equity

Group

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	400	0	55.711	56.111
Net profit/loss for the year	0	0	2.324	2.324
Equity at 31 December	**400**	**0**	**58.035**	**58.435**

Parent Company

	Share capital	Reserve for development costs	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	400	11.171	107.003	118.574
Depreciation, amortisation and impairment for the year	0	-2.226	2.226	0
Net profit/loss for the year	0	0	4.102	4.102
Equity at 31 December	**400**	**8.945**	**113.331**	**122.676**

Cash Flow Statement 1 January - 31 December

	Note	Group 2019	Group 2018
		TDKK	TDKK
Net profit/loss for the year		2.324	-45.078
Adjustments	18	-2.320	25.172
Change in working capital	19	-73.232	37.863
Cash flows from operating activities before financial income and expenses		**-73.228**	**17.957**
Financial income		1.773	2.526
Financial expenses		-4.933	-4.513
Cash flows from ordinary activities		**-76.388**	**15.970**
Corporation tax paid		316	-180
Cash flows from operating activities		**-76.072**	**15.790**
Purchase of intangible assets		-2.368	-7.985
Purchase of property, plant and equipment		-3.238	-1.193
Fixed asset investments made etc		-12.468	-1.554
Sale of property, plant and equipment		112.196	615
Sale of fixed asset investments etc		0	625
Business sale		0	13.712
Cash flows from investing activities		**94.122**	**4.220**
Repayment of mortgage loans		-46.932	-5.592
Repayment of loans from credit institutions		1	-3
Repayment of payables to group enterprises		3.067	11.942
Repayment of payables to associates		0	-9.584
Other adjustments		0	-7.500
Cash flows from financing activities		**-43.864**	**-10.737**
Change in cash and cash equivalents		**-25.814**	**9.273**
Cash and cash equivalents at 1 January		32.032	22.759
Cash and cash equivalents at 31 December		**6.218**	**32.032**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		6.218	32.032
Cash and cash equivalents at 31 December		**6.218**	**32.032**

Notes to the Financial Statements

1 Subsequent events

The situation on 31 December 2019 was that a limited number of cases of an unknown virus had been reported to the World Health Organisation. There was no explicit evidence of human-to-human transmission at that date.

These are the conditions that existed on 31 December. The subsequent spread of the virus and its identification as a new coronavirus does not provide additional evidence about the situation that existed at 31 December 2019, and it is therefore a non-adjustments event.

Therefore, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

2 Staff expenses

	Group		Parent Company	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	237.876	276.184	0	0
Pensions	18.933	19.490	0	0
Other social security expenses	2.623	10.053	0	0
Other staff expenses	1.972	3.002	0	0
	261.404	**308.729**	**0**	**0**
Average number of employees	**479**	**636**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

3 Special items

In the financial year 2019 the company sold land and buildings including some other fixtures and fittings, which resulted in other income of TDKK 10.236.

In the financial year 2018 (comparative figures), expenses amouting to DKK 12.4 mio. regarding pallet and packing materials has been booked in the group consolidated income statement. Of this amount DKK 8.9 mio. has been booked as other provisions in the balance sheet.

Furthermore in 2018, an impairment of goodwill DKK 11 mio. has impacted the income statement for both the parent company and the consolidated financial statements.

Notes to the Financial Statements

		Parent Company	
		2019	2018
		TDKK	TDKK
4	**Result from investments in subsidiaries**		
	Share of profits of subsidiaries	4.288	4.029
	Amortisation of goodwill	0	-14.752
		4.288	**-10.723**

		Group		Parent Company	
		2019	2018	2019	2018
		TDKK	TDKK	TDKK	TDKK
5	**Financial income**				
	Income from fixed asset investments	550	556	0	0
	Interest received from group enterprises	549	1.137	0	0
	Other financial income	674	832	0	1
		1.773	**2.525**	**0**	**1**
6	**Financial expenses**				
	Interest paid to group enterprises	1.558	1.096	63	88
	Other financial expenses	3.374	3.417	129	0
		4.932	**4.513**	**192**	**88**
7	**Tax on profit/loss for the year**				
	Current tax for the year	2.750	0	-41	-3
	Deferred tax for the year	-9.053	526	0	0
	Adjustment of tax concerning previous years	0	-516	0	19
		-6.303	**10**	**-41**	**16**

Notes to the Financial Statements

8 Intangible assets

Group

	Software	Development projects in progress
	TDKK	TDKK
Cost at 1 January	22.871	0
Additions for the year	0	2.368
Disposals for the year	-6.221	0
Cost at 31 December	16.650	2.368
Impairment losses and amortisation at 1 January	8.231	0
Amortisation for the year	3.117	0
Reversal of amortisation of disposals for the year	-6.221	0
Impairment losses and amortisation at 31 December	5.127	0
Carrying amount at 31 December	**11.523**	**2.368**
Amortised over	3-5 years	

Notes to the Financial Statements

9 Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	192.822	38.739
Additions for the year	0	3.823
Disposals for the year	-192.822	-28.602
Cost at 31 December	0	13.960
Impairment losses and depreciation at 1 January	88.820	32.270
Depreciation for the year	3.150	2.868
Impairment and depreciation of sold assets for the year	0	-1.711
Reversal of impairment and depreciation of sold assets	-91.970	-22.741
Impairment losses and depreciation at 31 December	0	10.686
Carrying amount at 31 December	**0**	**3.274**
Depreciated over	10-40 years	3-20 years
Including assets under finance leases amounting to	0	0

Notes to the Financial Statements

	Parent Company	
	2019	2018
	TDKK	TDKK

10 Investments in subsidiaries

	2019 TDKK	2018 TDKK
Cost at 1 January	197.392	197.392
Cost at 31 December	197.392	197.392
Value adjustments at 1 January	-78.944	-60.748
Exchange adjustment	0	26
Net profit/loss for the year	4.289	4.029
Other equity movements, net	0	-7.500
Amortisation of goodwill	0	-14.751
Value adjustments at 31 December	-74.655	-78.944
Carrying amount at 31 December	**122.737**	**118.448**

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%

Notes to the Financial Statements

11 Investments in associates

	Group		Parent Company	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
Cost at 1 January	25	25	0	0
Cost at 31 December	25	25	0	0
Value adjustments at 1 January	125	100	0	0
Net profit/loss for the year	31	25	0	0
Value adjustments at 31 December	156	125	0	0
Carrying amount at 31 December	**181**	**150**	**0**	**0**

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Nagel Andresen Fleet Management ApS	Padborg, Denmark	TDKK 50	50%

12 Other fixed asset investments

	Group		
	Other investments	Deposits	Other receiv-ables
	TDKK	TDKK	TDKK
Cost at 1 January	1.441	1.449	510
Additions for the year	76	12.392	0
Cost at 31 December	1.517	13.841	510
Carrying amount at 31 December	**1.517**	**13.841**	**510**

13 Prepayments

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

Notes to the Financial Statements

14 Distribution of profit

	Parent Company	
	2019	2018
	TDKK	TDKK
Retained earnings	4.102	-10.851
	4.102	**-10.851**

15 Provision for deferred tax

	Group		Parent Company	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
Provision for deferred tax at 1 January	11.453	10.927	0	0
Amounts recognised in the income statement for the year	-9.053	526	0	0
Provision for deferred tax at 31 December	**2.400**	**11.453**	**0**	**0**

16 Other provisions

Other provisions include obligations in respect of pallets and packing materials and a recognised net in the balance sheet.

Other provisions	5.569	8.930	0	0
	5.569	**8.930**	**0**	**0**

Notes to the Financial Statements

17 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	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
Mortgage loans				
After 5 years	0	18.284	0	0
Between 1 and 5 years	0	22.923	0	0
Long-term part	0	41.207	0	0
Within 1 year	0	5.725	0	0
	0	**46.932**	**0**	**0**

18 Cash flow statement - adjustments

	Group	
	2019	2018
	TDKK	TDKK
Financial income	-1.773	-2.525
Financial expenses	4.932	4.513
Depreciation, amortisation and impairment losses, including losses and gains on sales	855	23.177
Income from investments in associates	-31	-25
Tax on profit/loss for the year	-6.303	10
Other adjustments	0	22
	-2.320	**25.172**

19 Cash flow statement - change in working capital

Change in inventories	3.203	6.321
Change in receivables	-64.265	4.740
Change in other provisions	-3.361	8.930
Change in trade payables, etc	-8.809	17.872
	-73.232	**37.863**

	Group		Parent Company	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK

20 Contingent assets, liabilities and other financial obligations

Charges and security

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

	2019	2018	2019	2018
Land and buildings with a carrying amount of	0	104.002	0	0

The following assets have been placed as security with bankers:

	2019	2018	2019	2018
Mortgages registered to the mortgagors and all monies mortgages totalling TDKK 0 (2018: TDKK 53.360) on land and buildings as well as other property, plant and equipment with a total carrying amount of	0	104.002	0	0

Contingent assets

Total unrecognised deferred tax assets amount to DKK 6,7 mio (2018: DKK 12,9 mio), hereof tax loss carry-forwards for which deferred tax assets have not been recognised in the income statement and balance sheet amount to DKK 6,9 mio (2018: DKK 12,9 mio).

Rental and lease obligations

	2019	2018	2019	2018
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	40.804	45.204	0	0
Between 1 and 5 years	21.490	53.867	0	0
After 5 years	0	133	0	0
	62.294	**99.204**	**0**	**0**
Rental obligations, period of interminability up to 30 months (2018: 37 months)	56.849	9.465	0	0

Notes to the Financial Statements

20 Contingent assets, liabilities and other financial obligations (continued)

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 2.372. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Payment guarantees totalling TDKK 7.783 have been provided through a credit institution.

A guarantee has been issued in respect of lease obligations of group enterprises. The total guarantee commitment at 31. December 2019 amounts to tDKK 2.317 (2018: tDKK 7.213).

The group has registered a pledge ban regarding the some of the group's accounts receivables.

21 Related parties

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

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The Company is included in the Consolidated Annual Report of its ultimate Parent Company, Nagel-Group SE & Co. KG.

Name	Place of registered office
Nagel-Group SE & Co. KG	D-33775 Versmold

21 Related parties (continued)

The Group Annual Report of Nagel-Group SE & Co. KG may be obtained at the following address:

Friedrich-Menzefricke-Straße 6
D-33775 Versmold
Germany

22 Fee to auditors appointed at the general meeting

	Group		Parent Company	
	2019	2018	2019	2018
	TDKK	TDKK	TDKK	TDKK
Audit fee to PricewaterhouseCoopers	463	457	15	15
Other assurance engagements	8	7	0	0
Tax advisory services	0	15	0	0
Other services	162	268	2	2
	633	**747**	**17**	**17**

Notes to the Financial Statements

23 Accounting Policies

The Annual Report of Andreas Andresen Holding ApS for 2019 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.

The Consolidated and Parent Company Financial Statements for 2019 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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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".

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 alternative borrowing rate 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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

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

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences 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 rates at the time when the receivable or the debt arose 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 is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

Direct freight expenses

Direct freight expenses comprise the raw materials and consumables consumed 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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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 main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries and associates

The items "Result 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.

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 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, Nagel Transport & Logistik ApS and Nagel Liller A/S. Andreas Andresen Holding ApS has been selected as the administrative company. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Notes to the Financial Statements

23 Accounting Policies (continued)

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 are measured at the lower of cost less accumulated amortisation and recoverable amount. Software is amortisied on a straight-line basis over it's useful life, which is assessed at 3-5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

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 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.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

Investments in subsidiaries and associates

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

The items“Investments in subsidiaries” and “Investments in associates” 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 the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries and associates 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 and the associates.

Subsidiaries and associates 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.

Other fixed asset investments

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

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of raw materials and consumables equals landed cost.

Notes to the Financial Statements

23 Accounting Policies (continued)

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management.

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.

Prepayments

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

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Group has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

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 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 or in equity if the deferred tax relates to items recognised in equity.

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.

Notes to the Financial Statements

23 Accounting Policies (continued)

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.

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”.

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

Notes to the Financial Statements

23 Accounting Policies (continued)

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	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$