ANNUAL REPORT 2018

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ABOUT FREJA

Values and attitudes

Quality, honesty, liability, and flexibility have been our guidelines for the company and the employees since the very beginning. To be able to hold on to those values while the company grows, our own FREJA Leadership Academy offers significant education in leadership, transport and logistics and ensures that our original values prepare the company for all future challenges.

Employees are our most important assets

When dealing with customers, colleagues and partners, we always remember the FREJA values.

Dare to challenge us. We can do it

With our extensive knowledge of logistics and transport systems and 30 years of experience, we will find the best solution for you. We make sure that your cargo will get there: on time, safely, and on budget.

FLEXIBILITY
RESULT-ORIENTATION
ENGAGEMENT
JUST IN TIME
ATTENTION
NETWORK
INNOVATION
TRUST

YOU HAVE A NEED - WE HAVE THE SOLUTION

ROAD TRANSPORT

SEA FREIGHT

AIR FREIGHT

PROJECT FORWARDING

LOGISTICS SOLUTIONS

HEALTHCARE SOLUTIONS

WAREHOUSING SOLUTIONS

REFRIGERATED SOLUTIONS

ABOUT FREJA

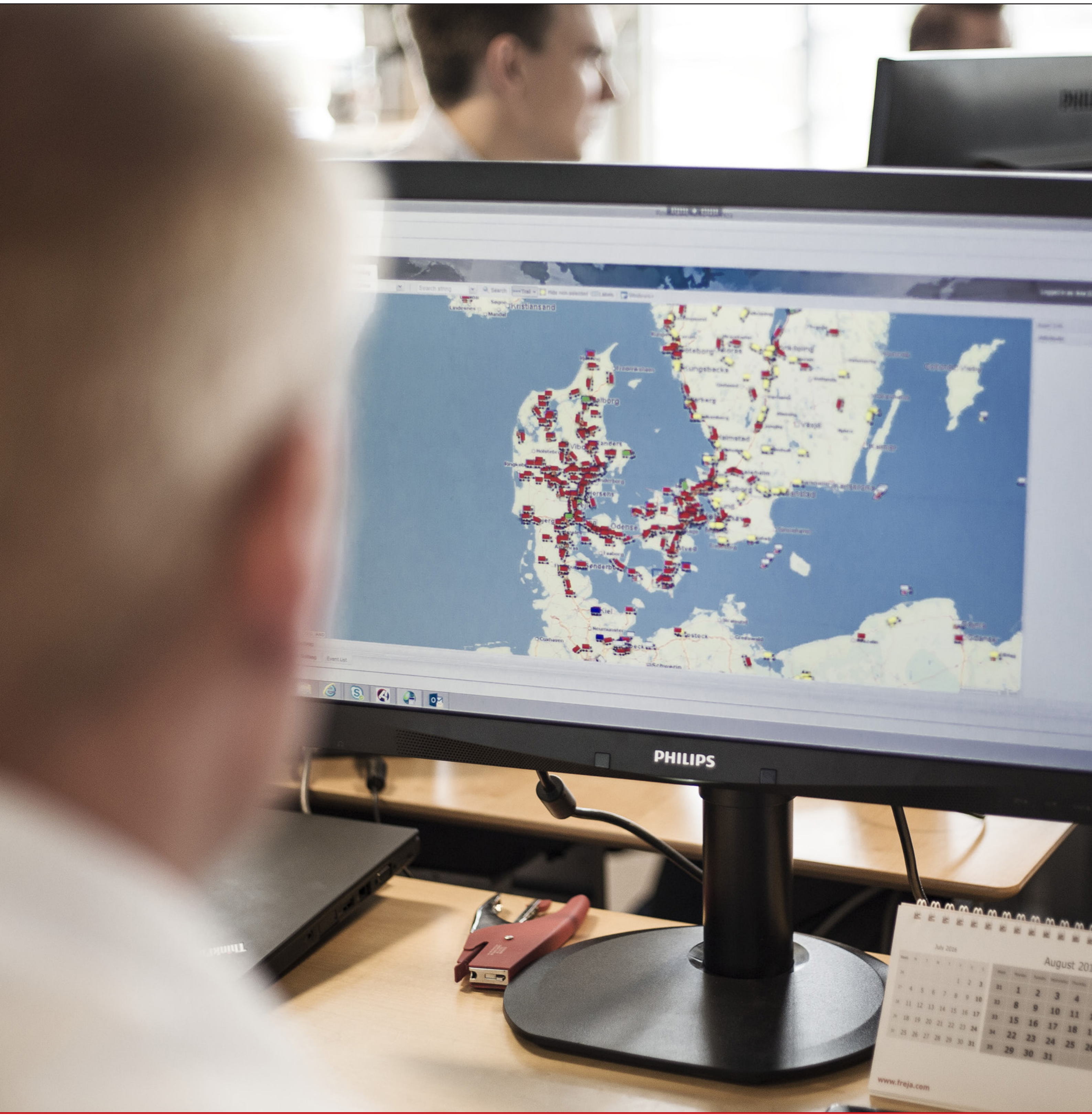
FREJA GROUP IN NUMBERS - 2019 ESTIMATES

100% privately owned Nordic Company	**800** professionals	**460** MEUR turnover
2 M Consignments per year	**2600** trailers	**270** direct groupage lanes

FREJA WORLD MAP

FIVE-YEAR **OVERVIEW**

(MDKK)	2018	2017	2016	2015	2014
Income statement					
Revenue	3.120,6	2.546,8	2.431,4	2.408,4	2.244,1
Gross profit	364,9	305,2	307,6	297,9	260,8
Operating profit (EBIT)	51,4	41,6	47,3	44,3	31,0
Net financials	-2,4	-2,9	-1,4	0,5	-7,6
Profit before tax	38,0	59,4	45,9	44,8	23,4
Profit for the year	23,3	45,4	34,9	34,4	17,6
Comprehensive income incl. non-controlling interests	19,3	40,4	36,3	32,8	11,7
Statement of financial position					
Total assets	964,6	678,2	624,9	616,6	561,3
Equity, parent company's share	285,6	252,5	211,9	183,8	150,2
Total equity	285,5	252,2	211,8	183,8	150,2
Cash flows					
Cash flows from operating activities	57,8	70,8	30,1	47,0	32,9
Cash flows from investing activities *1	-205,0	10,9	-0,6	-27,5	-5,2
Cash flows from financing activities	86,6	0,0	-22,1	-3,8	-13,5
Total cash flows	-60,6	81,7	7,4	15,6	14,1
*1 Portion relating to acquisition of property, plant and equipment	-35,0	-6,4	-4,2	-11,0	-4,0
Financial ratios					
Gross margin	11,7	12,0	12,7	12,4	11,6
(gross profit in % of revenue)					
Payroll ratio	121,3	120,5	123,9	123,2	118,8
(gross profit in % of staff costs)					
Profit margin	1,6	1,6	1,9	1,8	1,4
(operating profit in % of revenue)					
Return on capital employed	6,3	6,4	7,6	7,5	5,6
(operating profit in % of average total assets)					
Solvency ratio	29,6	37,2	33,9	29,8	26,8
(equity in % of total assets)					
Staffing					
Average number of employees	797	611	597	575	536


PHILIPS
www.freja.com

STRATEGY AND FINANCIAL TARGETS

Industry, market and strategy

The FREJA Group has worked hard for several years, building a solid foundation, which is the cornerstone of the future positive development in the Group.

To secure the future development of FREJA's business, we are focused on the following strategic areas:

Developing organisation and HR

Freight forwarding is a people's business, and managing human resources is a vital part of our strategy. Even though we constantly introduce new technology, we always depend on skilled and well-educated employees with a high degree of motivation to deliver excellent service to our customers.

Developing and optimizing processes and IT

The purpose of investments in new technology is to reduce and minimize the daily environmental impact of moving goods from A to B. More efficient solutions help us to achieve greater synergies in the value chain for benefit off all involved partners.

Extension of CSR initiatives where it make sense

FREJA is working with the UN sustainable development goals where it's possible. To ensure that we work with our targets, they are followed up in our Certified quality & Environment management system.

FREJA has been Quality & Environment certified for many years and therefore it is natural to use our existing management systems towards the next level in our CSR work.

Be known to live up to our concepts and attitudes

FREJA highlights its responsibility and it is an integral part of the way we do business. This means that accountability and consistency are key words in our business base and branding. We are committed to ensuring sustainability, high business ethics, as well as full integrity.

Creating long-term relationships through close cooperation with our customers and collaborators

FREJA continuously develops partnerships with customers as well as suppliers. The goal is to optimize the overall value chain and thus create win-win for all parties.

Outlook for 2019

FREJA started 2019 by signing a contract for building a new logistics hub in Szczecin Poland. The expectation is that this center will be the future platform to develop business towards the Nordic countries as well as northern Germany.

Transcargo Poland, which was acquired in 2018 will during 2019 implement and change into the same IT platform as the rest of the group, which we believe will help to strength the position and future possibilities to develop significantly.

In general, markets within our business segments are expected to grow marginally in 2019. The FREJA Group expects its organic growth to exceed that of the market. The continued integration of Transcargo is expected to contribute to reach that goal.

The FREJA Group has succeeded in attracting new customers, as well as developing further business with existing customers. Coupled with the strategic alliances in the groupage load market, our own skills and Transcargo, we expect earnings far beyond EBIT level for 2018.

2019 will further more be the year where we prepare and strengthening the management team for further growth, which might include M&A's.

Treasury shares

FREJA Transport & Logistics Holding A/S owns treasury shares of nom. DKK 163 thousand, corresponding to 2,2% of the share capital.

FINANCIAL PERFORMANCE

FREJA GROUP

Jørgen J. Hansen
Group CEO

GROUP PERFORMANCE IN 2018

In 2018, the FREJA Group focused on becoming a Full Service Provider. Thus, we provide our customers with services within the Road, Logistics and Global Forwarding segments, including Air & Sea.

This focus was primarily ensured by resource allocation and expansion in the integration with Transcargo in Denmark and Poland as well as the subsidiaries and reorganizing the management in Sweden.

The Group saw positive development in revenue and EBIT as well. Particularly Norway and Finland showed earnings above market level. Denmark performed on a higher level as previous years. China performed very well with positive earning on app. DKK 1 mio. Sweden has negative earnings that compared to 2018 are even more significant. In Sweden the last quarter of 2018 showed improvements and the implemented measures will have a major impact in 2019.

It is crucial for the FREJA Group to be able to maintain and further develop the historic high level of quality and service for our customers. FREJA continuously consolidates this high level of quality and service by means of close dialogue with our customers and offers access to unique IT solutions that give customers full overview and security.

From 2017 to 2018, the Group realized an increase in revenue of 23% in terms of Danish kroner. Total revenue amounted to DKK 3.121 million in 2018.

Total EBIT before special items increased by 23% and amounted to DKK 51.4 million compared to DKK 41.6 million in 2017.

Special items amounts to DKK 10.9 million. They are related to FREJA Holding and FREJA Denmark, and comprise of acqusition costs and integration costs from the acqusition.

Profit for the year before tax amounted to DKK 38.0 million against DKK 59.4 million in 2017.

Other comprehensive income was affected by minor negative value adjustments regarding investments in foreign subsidiaries and totaled a negative net amount of DKK 3.9 million.

In the financial year, the Group's equity was strengthened by DKK 33.3 million, and the solvency ratio decreased to 29.6%.

The Group's total assets increased by 42% to DKK 964.6 million.

In 2018, the Group's cash flows from operating activities amounted to DKK 57.8 million. Net cash flows from investing activities amounted to DKK -205.0 million. The change in cash and cash equivalents was negative by DKK 60.6 million.

The Group as a whole expects improved earnings in 2019. Q1 shows development supporting this expectation.

The Group regularly prepares segmental financial statements, and the revenue stated in the financial statements is distributed by 90% on Road activities, 4% on Logistics activities and 6% on Project and Air & Sea activities.

FREJA DENMARK

Ulrik Rasmussen
Managing Director,
Denmark

PERFORMANCE IN 2018

FREJA Denmark continues to invest in future growth

During 2018 FREJA Denmark had very much focus on the integration of Transcargo, which amongst many other integration subjects included moving all former Transcargo employees to FREJAs ERP platform and a rapid development of our new branch in Padborg. FREJA Denmark also continued to invest in our Logistics Healthcare & Pharma set up. Furthermore, FREJA Denmark once again expanded our European Road groupage set up.

In 2018, we once again gained market shares and reached a revenue of almost 1,7 billion. Our contribution margin increased with more than 26% and our EBIT level increased with more than 230%, which was partly due to the acquisition of Transcargo.

All our divisions Road, Global Forwarding and Logistics experienced growth and now have strong organization, that provide a solid platform well prepared for further growth.

Market situation

During 2018 the lack of drivers and thereby capacity challenge had a great impact in the Road market, which FREJA Denmark also was part of. FREJA Denmark expects to see a very competitive year in 2019, especially in the Road Divisions, where the market growth will be less than in 2018 and on some markets we might even see a recession.

Focus areas in 2019

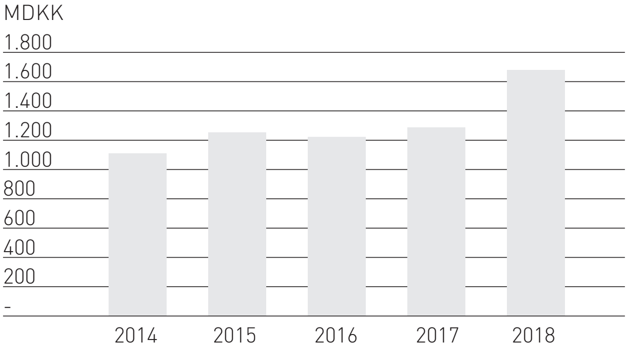
FREJA Denmark is ready to accelerate the growth in all divisions and is particularly optimistic on substantial developments in the Road Division and our Healthcare & Pharma logistics solutions.

Q1 2019 was much better than our expectations and we expect to see a 2019 result, which will be far better than 2018 on all relevant KPI figures.

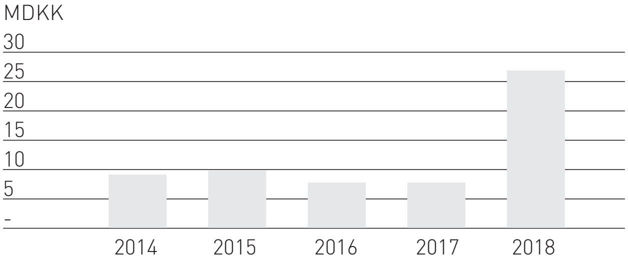
INCOME STATEMENT

(MDKK'000)	2018	2017
Revenue	1.691,5	1.303,6
Direct costs	-1.430,7	-1.096,0
Contribution margin	**260,8**	**207,6**
Other external costs	-61,0	-59,2
Gross profit	**199,8**	**148,4**
Staff costs	-164,4	-131,0
EBITDA	**35,4**	**17,4**
Depreciations	-9,6	-9,6
Other operating income	1,2	0,3
Other operating costs	-0,2	0,0
EBIT before special items	**26,8**	**8,1**
Special items	-5,5	0,0
Finance income	4,5	2,8
Finance costs	-2,1	-0,9
Profit before tax	**23,7**	**10,0**
Tax on profit for the year	-5,4	-2,3
Profit for the year	**18,3**	**7,7**

FREJA DENMARK, TURNOVER



FREJA DENMARK, EBIT BEFORE SPECIAL ITEMS



FREJA NORWAY

Kjell-Arne Eloranta
Managing Director,
Norway

PERFORMANCE IN 2018

FREJA Norway all time high again and continue to invest for further growth

The company's activity in 2018 was the fifth year in a row historically high. Investments initiated in 2017 in the leadership and competence development program "Forwarder 2.0" and improved IT solutions has contributed into an even better quality in 2018. This has led into a higher customer loyalty, despite though competition and continuously dynamic customer demands.

Also the EBIT margin was improved by more efficient IT- and capacity-utilization. Establishment of another logistics warehouse with 8.300 pallet places, increased the capacity to 36.000 pallet places. The opening of a new Branch-office in Ålesund also contributed to further growth through local competence in a strong region. The good cooperation with the other companies in the Group continued in the Nordics, Poland and China and resulted in very positive synergies.

The company was ISO certified in 2015 according to the group's ISO 9001/14001. Our quality-focus adapted from the Pharma & Healthcare operations attract customers also outside the Pharma industry who have the understanding that the best quality is the best investment.

Our focus on environment using EURO 6 engines and ships which connect to shore power, reminds us that we all have to contribute to a better environment, which also is an expectation from our customers. Our policy is to use company cars with electrical engines, and there are invested in charging stations to facilitate charging for our employees too.

Market situation

FREJA is, with all our products, well prepared to serve the market, and has a range of dynamic logistics solutions which the market seems to find very attractive.

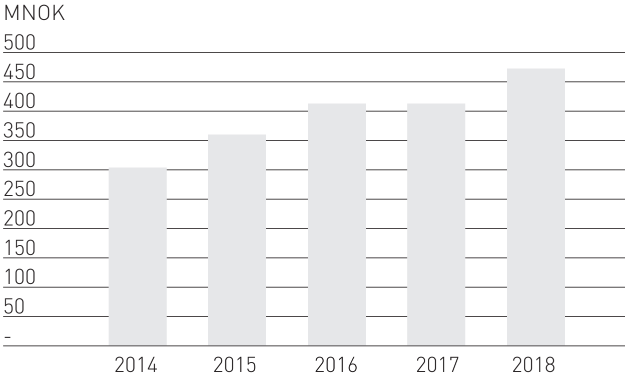
Focus areas in 2019

The investments in more personnel, more environment-friendly solutions, more transport equipment, another branch-office and another warehouse, has given us a very positive start and forecast in 2019 and we expect 2019 to grow even faster than 2018.

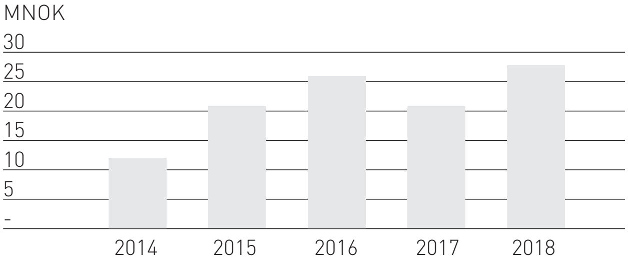
INCOME STATEMENT

(MNOK'000)	2018	2017
Revenue	473,9	423,3
Direct costs	-315,7	-279,6
Contribution margin	**158,2**	**143,7**
Other external costs	-65,8	-58,8
Gross profit	**92,4**	**84,9**
Staff costs	-63,4	-63,6
EBITDA	**29,0**	**21,3**
Depreciations	-1,4	0,0
Other operating income	0,0	0,0
EBIT before special items	**27,6**	**21,3**
Finance income	1,0	0,8
Finance costs	-1,3	-1,0
Profit before tax	**27,3**	**21,1**
Tax on profit for the year	-6,3	-5,6
Profit for the year	**21,0**	**15,5**

FREJA NORWAY, TURNOVER



FREJA NORWAY, EBIT BEFORE SPECIAL ITEMS



FREJA SWEDEN

Jørgen J Hansen
Acting Managing Director,
Sweden

PERFORMANCE IN 2018

FREJA Sweden

Profit performance during the year has been clearly negative and overall the result is unsatisfactory and not at all in line with expectations. The major organizational adjustment in 2017 has not shown the expected development during the first approximately 3 quarters. Over the fourth quarter we have seen some improvements, but not in line with the forecast. In the beginning of 2019 the coorporation with the CEO was terminated.

During the 2. half-year, the daily Swedish management together with the board has analyzed all departments and segments, and various initiatives have been implemented. Initiatives which partly has shown some effect in Q1 2019. Further initiatives will be taken in order to establish an acceptable development in earnings while the performance and quality operationally is good. The partner agreements in Europe still make it possible to achieve the quality and profitability targets set for the future.

Resources have also been added in to Air & Sea activities, to be able to offer these services to the Swedish market. The segment is in the process of being built up.

Resources have been added to the sales & market department in order to strengthen our presence and speed up the process, in order to be a recognised alternative on the Swedish market. Overall, the above actions are in line with the Group's strategy to strengthen profiling as supplier with comprehensive solutions in forwarding and logistics services

Market situation

During 2018 the periodic lack of capacity and Brexit have had a great impact of the road market, and this will continue also in 2019.

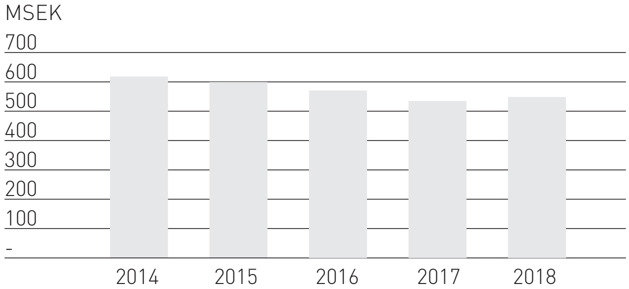
Focus areas in 2019

2019 will be a complete transformation year with focus on the organization and customers as well as to optimize the earnings. We also expect the acquisition of Transcargo with a small branch in Trelleborg and 4 branches in Poland to have a significant impact on trade line to and from Sweden.

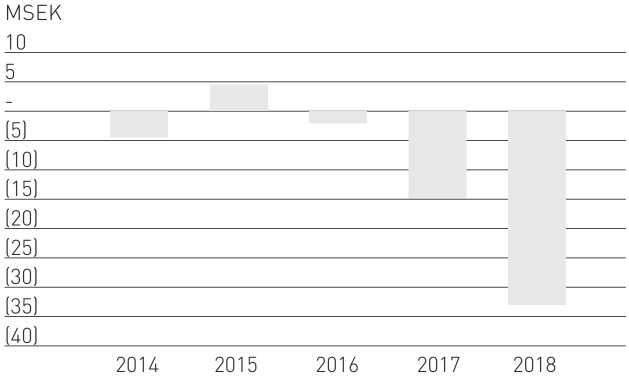
INCOME STATEMENT

(MSEK'000)	2018	2017
Revenue	546,5	535,5
Direct costs	-477,4	-457,6
Contribution margin	**69,1**	**77,9**
Other external costs	-36,5	-31,9
Gross profit	**32,6**	**46,0**
Staff costs	-64,9	-59,8
EBITDA	**-32,3**	**-13,8**
Depreciations	-0,6	-0,9
Other operating income	0,1	0,0
EBIT before special items	**-32,8**	**-14,7**
Special items	0,0	26,9
Finance income	0,2	0,2
Finance costs	-0,3	-1,8
Profit before tax	**-32,9**	**10,6**
Tax on profit for the year	0,0	-2,9
Profit for the year	**-32,9**	**7,7**

FREJA SWEDEN, TURNOVER



FREJA SWEDEN, EBIT BEFORE SPECIAL ITEMS



FREJA FINLAND

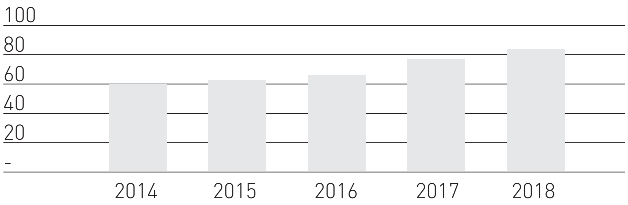
Matti Urmas
Managing Director,
Finland

INCOME STATEMENT

(MEUR'000)	2018	2017
Revenue	82,9	77,9
Direct costs	-74,5	-68,6
Contribution margin	**8,4**	**9,3**
Other external costs	-2,2	-2,2
Gross profit	**6,2**	**7,1**
Staff costs	-3,3	-3,2
EBIT before special items	**2,9**	**3,9**
Finance income	0,0	0,0
Finance costs	0,0	0,0
Profit before tax	**2,9**	**3,9**
Tax on profit for the year	-0,6	-0,8
Profit for the year	**2,3**	**3,1**

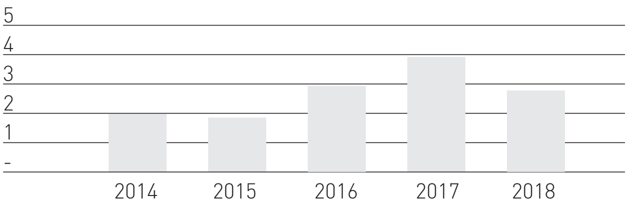
FREJA FINLAND, TURNOVER

MEUR



FREJA FINLAND, EBIT BEFORE SPECIAL ITEMS

MEUR



PERFORMANCE IN 2018

FREJA Finland continued profitable growth

During 2018 FREJA Finland continued positive growth taking more market share especially in road activities even though Finnish foreign trade decreased in the second half of the year. Other business areas like Sea & Air and Project Activities kept their position in the market bringing value added for Freja Finland business portfolio.

In 2018 FREJA Finland turnover increased 6,5 % and EBIT decreased 27% due to rapidly increasing production costs like oil price and also due for change of Finnish foreign trade.

During 2018 FREJA Finland continued active marketing with different types of events & activities to increase local awareness and strengthen FREJA brand.

Freja Finland was chosen best service provider in the whole freight forwarding industry 2018 in Finland based on independent market research made by Taloustutkimus Oy.

Market situation

Due to change of the Finnish foreign trade, the market situation became more challenging and needs more attention to sales and marketing in every business unit to maintain positive development continuing.

Focus areas in 2018

FREJA Finland will continue to develop existing business areas, to be even stronger and take a role of trendsetter.

To maintain the level of operational excellence Freja Finland also needs to put special attention to this changed trade situation together with new marketing actions like purpose driven marketing.

FREJA POLAND

Torben Mortensen
Managing Director,
Poland

PERFORMANCE IN 2018

Transcargo Sp. Z o. o. continued growth in turnover and EBIT

In 2018. Transcargo increased turnover with 8 % and EBIT with 16 %. The business was very stable the first 6 months. Additionally in the last part of the year we gained extra business shares especially in Poland – EU trade lanes and focused on supplying the logistics needs of the E-Commerce Business. Transcargo is now a strong member of the FREJA Group. This resulted in many new customers and strong opportunities in optimizing and helping our clients. During 2018 we started to work with dedicated roles to sales and marketing with our strong FREJA brand we will increase full awareness of Freja in Poland and steadily increase the market share in the largest CEE-logistics market.

Market situation

The market is faced with high activity and a general pressure because of the lack of drivers and capacity. Having our vision to be recognized as the most flexible and reliable all-round supplier of logistics, services and transport in EU, we are confident to be able to grow in this market despite of its challenges.

Focus areas in 2019

We will continue to develop the Polish organisation to be as strong and independent as in every FREJA homeland. We aim at sustainable growth with additional resources supporting operational and commercial excellence.

We will also continue to be a strong partner for the E-Commerce sector. Our focus will be also in business Poland – EU – Poland. In 2019 we will be fully integrated onto the FREJA Transport Management System.

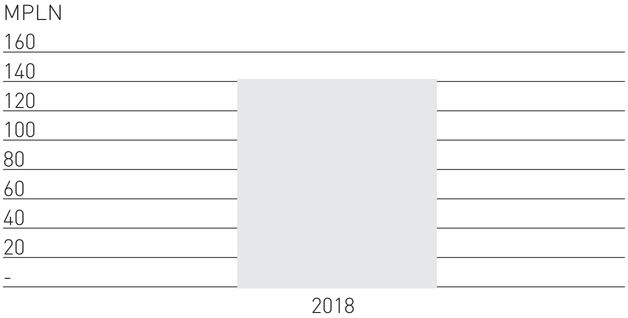
During 2019 our cross-docking and warehousing facility in Szczecin will be under construction. Both our customers and we are looking forward to May 2020 when it is ready. 2019 is for us also the time to develop the organisation, our leaders and our market position.

Q1 2019 is positive and our investment in extra qualified staff is giving us the right position in the market to serve our customers with high professional service level. We also work together with the best partners and market-experts together to become a top-notch organisation in Poland that is combining the Scandinavian business DNA and values with the deep expertise in the local market.

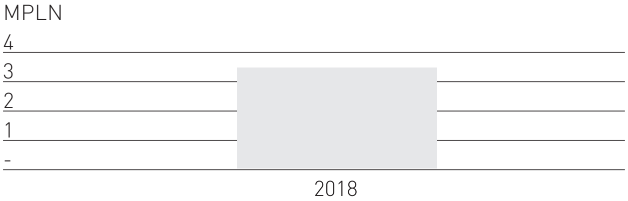
INCOME STATEMENT

(MPLN'000)	2018
Revenue	141,5
Direct costs	-126,7
Contribution margin	**14,8**
Other external costs	-2,7
Gross profit	**12,1**
Staff costs	-7,1
EBITDA	**5,0**
Depreciations	-2,5
Other operating income	1,0
EBIT before special items	**3,5**
Finance income	1,5
Finance costs	-0,7
Profit before tax	**4,3**
Tax on profit for the year	-0,9
Profit for the year	**3,4**

FREJA POLAND, TURNOVER



FREJA POLAND, EBIT BEFORE SPECIAL ITEMS



RISK MANAGEMENT

Particular risks

The Group's primary operating risks are related to the ability to be strongly positioned in the markets where the products are sold and to ensure constantly competitive prices, high efficiency and customised adaptable solutions.

Price risks

The market for transport services is very sensitive to fluctuations, and the price of transport services is very sensitive to productive capacity and freight volumes.

Due to the significant price fluctuations in the transport market, the Company's acquisition of transport services poses a special risk as price increases on transport services can only partly – and only with some time lag – be recognised in the Company's selling prices.

By means of strategic measures, the Company has reduced the sensitivity to fluctuation in fuel prices.

Currency risks

Together with the acquisition and sale of transport services abroad, activities abroad entail that results, cash flows and equity are affected by the exchange rate development in a number of currencies. The Group minimises these currency risks relating to cash flows from operations by timing acquisitions and sales so that currency flows match one another to the largest extent possible.

In addition, the Group hedges commercial currency risks on a small scale by means of foreign exchange contracts in the currencies in question, and the real risks are thus very limited in relation to currency flows and operating results.

Value adjustments of investments in subsidiaries that are separate entities are recognised in other comprehensive income. Currency risks in this respect are generally not hedged as it is the Group's opinion that ongoing hedging of such non-current investments will not be optimum in terms of overall risks and costs.

Interest rate risks

The Group's interest-bearing debt carries floating-rate interest. As the interest-bearing debt is limited, changes in interest rate levels will not have significant financial implications for the Group.

Consequently, interest rate risks are considered very limited.

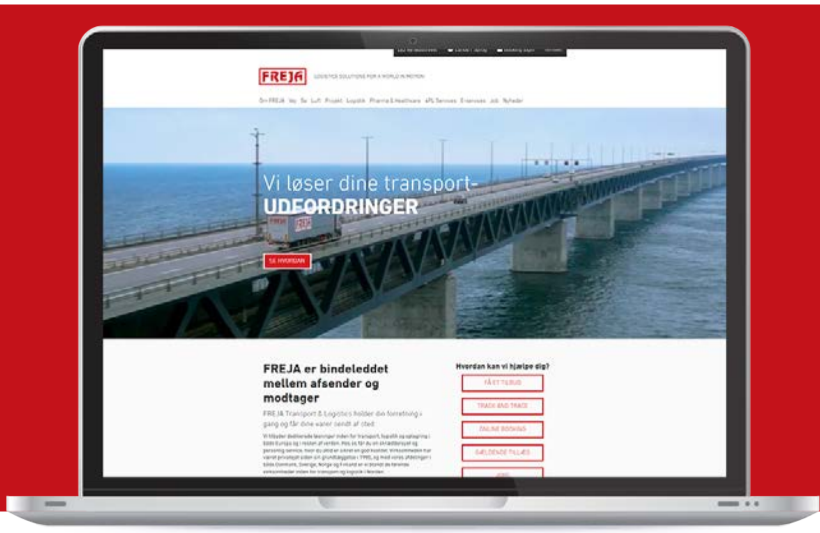
Credit risks

The Group's credit risks primarily relate to receivables. Large customers and cooperative partners are rated on an ongoing basis, and the majority of trade receivables are covered by credit insurance.

CORPORATE **SOCIAL RESPONSIBILITY**

FREJA has chosen to publish its corporate social responsibility statement and statement on gender distribution on the Company's website at the following link:

http://www.freja.com/frontpage/freja/csr/



STATEMENTS

STATEMENT BY THE BOARD OF DIRECTORS AND THE CORPORATE MANAGEMENT

The Board of Directors and the Corporate Management have today considered and adopted the annual report of FREJA Transport & Logistics Holding A/S for the financial year 1 January – 31 December 2018.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. The parent company financial statements are prepared in accordance with the Danish Financial Statements Act. Management review are prepared in accordance with the Danish Financial Statement Act.

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

Furthermore, in our opinion, the Management review gives a fair account of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Company's financial position and the financial position as a whole of the entities included in the consolidated financial statements as well as a description of the most significant risks and uncertainties that the Group and the Parent Company face.

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

Skive, 10 May 2019

Group CEO:

Jørgen J. Hansen

Board of Directors:

Asbjørn Berge, Chairman

Jørgen J. Hansen

Søren Kr. Sørensen

Knud Borup Jensen

Morten Windfeldt

Nicolai Søborg Præstholm

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF FREJA TRANSPORT & LOGISTICS HOLDING A/S

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31December 2018 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2018 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of FREJA Transport & Logistics Holding A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group ("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

INDEPENDENT AUDITOR'S REPORT

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 Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 judgment and maintain professional skepticism throughout the audit.

INDEPENDENT AUDITOR'S REPORT

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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and Related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the 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.

Skive, 10 May 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole Østergaard
State Authorised Public Accountant
MNE-nr. 23414

Thomas Baagøe
State Authorised Public Accountant
MNE-nr. 34119


FREJA

CONSOLIDATED FINANCIAL STATEMENTS 2018

CONSOLIDATED INCOME STATEMENT

(DKK'000)	Note	2018	2017
Revenue	2.1	3.120.563	2.546.838
Direct costs	2.2	-2.595.807	-2.095.095
Contribution margin		**524.756**	**451.743**
Other external costs	2.3	-159.899	-146.563
Gross profit		**364.857**	**305.180**
Staff costs	2.4	-300.689	-253.170
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		**64.168**	**52.010**
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	2.5	-13.837	-10.605
Other operating income	2.6	1.292	280
Other operating costs	2.6	-266	-38
Operating profit before special items (EBIT)		**51.357**	**41.647**
Special items, net	2.7	-10.913	20.650
Finance income	4.3	4.234	1.541
Finance costs	4.3	-6.629	-4.442
Profit before tax		**38.049**	**59.396**
Tax on profit for the year	5.2	-14.779	-14.023
Profit for the year		**23.270**	**45.373**
Distribution of profit for the year			
Shareholders in FREJA Transport & Logistics Holding A/S		22.977	45.532
Non-controlling interests		293	-159

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(DKK'000)	Note	2018	2017
PROFIT FOR THE YEAR		23.270	45.373
Items that can be reclassified to the income statement:			
Foreign exchange adjustments of subsidiaries		-3.921	-5.128
Tax on other comprehensive income	5.2	0	140
OTHER COMPREHENSIVE INCOME AFTER TAX		**-3.921**	**-4.988**
TOTAL COMPREHENSIVE INCOME		**19.349**	**40.385**
Distribution of total comprehensive income for the year:			
Shareholders in FREJA Transport & Logistics Holding A/S		19.119	40.509
Non-controlling interests		230	-124

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

ASSETS

(DKK'000)	Note	2018	2017
Goodwill		289.510	153.006
Customers relationships		4.782	0
Software		13.512	11.914
Intangible assets	3.1	**307.804**	**164.920**
Land and buildings		35.649	3.877
Leasehold improvements		5.646	8.646
Plant and equipment		25.750	12.431
Assets under construction		1.753	0
Property, plant and equipment	3.2	**68.798**	**24.954**
Other equity investments	3.3	5.224	4.114
Receivable deposits		7.325	17.225
Deferred tax asset	5.2	4.069	4.305
Investments		**16.618**	**25.644**
TOTAL NON-CURRENT ASSETS		393.220	215.518
Trade receivables	4.4	406.590	314.520
Corporation tax receivable	5.2	1.400	1.011
Other receivables	4.4	38.221	30.779
Prepayments	3.4	10.961	18.211
Cash and cash equivalents		114.220	98.193
TOTAL CURRENT ASSETS		571.392	462.714
ASSETS		964.612	678.232

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

EQUITY AND LIABILITIES

(DKK'000)	Note	2018	2017
Share capital	4.1	7.341	7.341
Reserves		278.236	245.117
Parent company's share of equity		**285.577**	**252.458**
Non-controlling interests	4.1	-45	-275
TOTAL EQUITY	4.1	285.532	252.183
Deferred tax	5.2	6.564	2.337
Provisions	3.5	1.099	434
Banks and credit institutions	4.5	55.696	0
Lease obligations	4.5	4.169	0
Non-current liabilities		**67.528**	**2.771**
Provisions	3.5	120	480
Banks and credit institutions	4.5	95.133	2.684
Lease obligations	4.5	1.528	0
Trade payables		426.049	331.898
Corporation tax payable	5.2	6.733	7.403
Other payables, including freight forwarding in progress		81.989	80.813
Current liabilities		**611.552**	**423.278**
TOTAL LIABILITIES		679.080	426.049
EQUITY AND LIABILITIES		964.612	678.232

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2018

(DKK'000)	Share capital	Translation reserve	Retained earnings	Parent Company's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2018	**7.341**	**-11.669**	**256.786**	**252.458**	**-275**	**252.183**
Profit for the year	**-**	**-**	**22.977**	**22.977**	**293**	**23.270**
Foreign exchange adjustments of subsidiaries	-	-3.858	-	-3.858	-63	-3.921
Other comprehensive income after tax	**-**	**-3.858**	**-**	**-3.858**	**-63**	**-3.921**
Total comprehensive income for the period	**-**	**-3.858**	**22.977**	**19.119**	**230**	**19.349**
Transactions with shareholders:						
Disposal of treasury shares	-	-	14.000	14.000	-	14.000
Total transactions with shareholders	**-**	**-**	**14.000**	**14.000**	**-**	**14.000**
Equity at 31 December 2018	**7.341**	**-15.527**	**293.763**	**285.577**	**-45**	**285.532**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2017

(DKK'000)	Share capital	Translation reserve	Retained earnings	Parent Company's share of equity	Non-controlling interests	Total equity
Equity at 1 January 2017	**7.341**	**-6.506**	**211.114**	**211.949**	**-151**	**211.798**
Profit for the year	**-**	**-**	**45.532**	**45.532**	**-159**	**45.373**
Foreign exchange adjustments of subsidiaries	-	-5.163	-	-5.163	35	-5.128
Tax on other comprehensive income	-	-	140	140	-	140
Other comprehensive income after tax	**-**	**-5.163**	**140**	**-5.023**	**35**	**-4.988**
Total comprehensive income for the period	**-**	**-5.163**	**45.672**	**40.509**	**-124**	**40.385**
Equity at 31 December 2017	**7.341**	**-11.669**	**256.786**	**252.458**	**-275**	**252.183**

CONSOLIDATED STATEMENT OF CASH FLOWS 1 JANUARY – 31 DECEMBER

(DKK'000)	Note	2018	2017
Operating profit before special items		**51.357**	**41.647**
Adjustments	3.7	14.564	9.986
Changes in working capital	3.7	20.432	14.342
Finance income		4.234	1.541
Finance costs		-6.200	-4.442
Corporation tax paid	5.2	-15.653	-12.956
Special items	2.7	-10.913	20.650
Cash flows from operating activities		**57.821**	**70.768**
Acquisition of intangible assets	3.1	-5.810	-4.525
Acquisition of property, plant and equipment	3.2	-34.963	-6.413
Disposal of property, plant and equipment		8.838	26.431
Acquisition of business activities	5.1	-184.756	0
Changes in deposits and other financial assets		11.675	-4.574
Cash flows from investing activities		**-205.016**	**10.919**
Proceeds from loans	4.5	76.532	0
Repayment on loans	4.5	-3.934	0
Disposal of treasury shares		14.000	0
Cash flows from financing activities		**86.598**	**0**
Changes in cash and cash equivalents		**-60.597**	**81.687**
Cash and cash equivalents at 1 January		95.509	11.914
Foreign currency translation adjustments		-133	1.908
Cash and cash equivalents at 31 December		**34.779**	**95.509**
Cash and cash equivalents at 31 December can be specified as follows:			
Cash and cash equivalents		114.220	98.193
Overdraft facilities	4.5	-79.441	-2.684
Cash and cash equivalents		**34.779**	**95.509**

NOTES

The notes to the consolidated financial statements are divided into five chapters that each reflect the nature of the financial information. Each chapter includes a short description of the coherence of the note disclosures with our way of carrying on business. To increase transparency and make the notes easier to read, the accounting policies and significant accounting estimates have been included in the other note disclosures.

Chapter

Overview of notes

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The annual report for the Group has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the Danish Executive Order on Adoption of IFRSs issued in accordance with the Danish Financial Statements Act.

Measurement Basis

The annual report is presented in DKK thousands as Danish kroner is the Company's functional currency.

Accounting Policies

The accounting policies except for the changes described below have been applied consistently for all financial years presented.

Changed accounting policies and classification on the annual report 2018

The Annual Report has been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2017, except for the following new IFRS Standards that were adopted as of 1 January 2018:

- IFRS 9 "Financial Instruments"
- IFRS 15 "Revenue from Contracts with Customers", including clarifications and amendments to IFRS 15

IFRS 9 "Financial instruments"

The Group has implemented the new classifications and impairment rules under IFRS 9. The impact of reclassifications and the calculation of expected credit losses arising from these are not material to the consolidated financial statements, and the standard has thus been implemented without adjusting the opening balance at 1 January 2018.

The change in accounting policy did not have a material impact on other comprehensive income or the income statement.

IFRS 15 "Revenue from contracts with customers"

The Group has implemented the new framework for revenue recognition and measurement under IFRS 15 using the modified retrospective approach without adjusting the opening balance at 1 January 2018.

The change in accounting policy did not have a material impact on the revenue recognition practices applied by the Group.

Application of new and revised IFRSs

IASB has issued a number of new standards and amendments which have not yet taken effect. Of these standards, the Group only expects IFRS 16 to have a material impact on the consolidated financial statements at the time of implementation.

IFRS 16 "Leasing" will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the balance sheet. The standard will take effect on 1 January 2019.

The Group has concluded analyses of the impending changes resulting from IFRS 16 which show that right-of-use assets and corresponding liabilities will amount to DKK 630 – 660 million at initial application with no effect on equity.

The impact of the income statement in 2019 is estimated to be a reduction in rental costs of DKK 125-140 million and an increase in amortisation costs of DKK 125-130 million. Impact on interest expense is expected to be approximately DKK 10 million.

No other new standards or interpretations are expected to have significant impact on the financial statements of the Group.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including adjustments of financial assets and liabilities. Moreover, costs, including amortisation, depreciation and impairment losses, are recognised in the income statement.

Assets are recognised in the statement of financial position when it is probable that future economic benefits will flow to the Group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is probable that future economic resources will flow from the Group and the value of the liability can be reliably measured.

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual accounting item below.

Certain financial assets and liabilities are measured at amortised cost, and thus, constant effective interest is recognised over the term. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for events occurring between the reporting date and the date when the annual report is presented that evidence matters existing at the reporting date.

The carrying amount of intangible assets and property, plant and equipment is subject to an annual assessment of indications of impairment other than the decrease in value reflected by ordinary depreciation or amortisation. If indications of impairment are identified, an impairment test is performed and, if necessary, write-down to the lower recoverable amount.

Accounting estimates and assessments

The preparation of the consolidated financial statements include management estimates and assessments of future matters that materially affect the carrying amount of assets and liabilities.

These estimates and assessments are made based on experience and assumptions.

The areas where these estimates and assessments have the most significant effect on the consolidated financial statements include:

- Accrual of transportation income and expenses (note 2.1)
- Measurement of goodwill (note 3.1)
- Distinction between finance and operating leases (note 3.2)
- Return liabilities provided for (note 3.5)
- Measurement of receivables (note 4.4)
- Acquisition of entities (note 5.1)
- Measurement of deferred tax assets (note 5.2)

Consolidated financial statements

The consolidated financial statements comprise the Parent Company FREJA Transport & Logistics Holding A/S and subsidiaries that the Company controls. The Company is considered to control another entity when it has dominant influence, the possibility to or a right to affect the size of the return. This assessment includes that an entity must be consolidated when the Group has de facto control even though the majority of the shares or voting rights are not owned by the Group.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The consolidated financial statements are based on consistent accounting policies across all the Group's entities.

Consolidation is performed by summarizing the financial statements of the Parent Company and its subsidiaries. Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' profit is presented in the income statement. The non-controlling shareholders' share of the consolidated equity is presented as a separate line item under equity.

Foreign currency translation

All the Group's entities have a functional currency, which is the currency that the entity in question is primarily affected by when determining prices on acquisitions and sales, etc. All transactions are measured in the functional currency. Foreign currencies are all other currencies than the functional currency.

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as finance income or finance costs.

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the reporting date are translated at the exchange rates at the reporting date. Differences between the exchange rates at the reporting date and the exchange rate at the date when the receivable or payable arose are recognised in the income statement as finance income and finance costs.

On recognition in the consolidated financial statements of foreign subsidiaries with another functional currency than the Group's presentation currency, the income statement items are translated at average exchange rates, and the items of the statement of financial position are translated at the exchange rates of the reporting date. Foreign exchange differences arising from the translation of foreign subsidiaries' opening balance of equity at the exchange rates at the reporting date and from translation of the income statement from average rates to the exchange rates at the reporting date are recognised in other comprehensive income.

Balances with equity investments that, in reality, are an addition or deduction in respect of the entity's equity are translated at the exchange rates of the reporting date, and the translation adjustment is recognised in the consolidated other comprehensive income.
Foreign currency translation adjustments of debt denominated in foreign currencies hedging the Group's net investments in foreign subsidiaries are recognised in the consolidated other comprehensive income in the consolidated financial statements.

CHAPTER 2 – OPERATING PROFIT/LOSS

This chapter includes an elaboration of the consolidated operating profit/loss. Moreover, reference is made to the comment on the consolidated earnings development in the Management commentary on pages 7-9.

2.1 Revenue

Accounting policies
Revenue from contracts with customers is recognized when control of freight forwarding services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Freight forwarding services and other services are generally characterized by short delivery times except for sea services that takes longer due to the nature of the service delivered.

Timing of revenue recognition reflects when fulfilment of performance obligations towards customers take place and follows the over-time principle because the customer receives and uses the benefits simultaneously.

Revenue form services delivered are recognized based om the price specified in the contract with the costumer.

The Group's ordinary course of business is to agree a price (transaction price) with the customer for performing the specific service before delivering the service.

No material effect of variable consideration is present, and no significant financing component is included in the transaction price, as all sales are made with credit terms between 0-60 days from the delivery date.

Where services delivered have yet to be invoiced accrued revenue of services in progress at the reporting date are recognized, and where and invoices from haulier/carrier have still to be received for delivered services accrued costs of services in progress at the reporting date are estimated and recognized.

Accounting estimates
Accrual of transportation income and expenses entails that, in connection with the preparation of the annual report, it must be assessed to what extent income will subsequently be invoiced and expenses will subsequently be incurred regarding transportation carried out at the reporting date. Management makes this assessment based on experience and estimates.

Our main services consists of the following:

- Road activities comprise transportation of goods in Europe.
- Logistics activities comprise warehousing solutions including healthcare with a geographical focus on the Nordic market.
- Project and Air & Sea activities comprise international air and ocean freight service, including project transports.

Revenue from these main services:

(DKK'000)	2018	2017
Road activities	2.806.991	2.258.278
Logistics activities	135.236	120.973
Project and Air & Sea activities	178.336	167.587
Total revenue	**3.120.563**	**2.546.838**

2.2 Direct costs

Accounting policies
Direct external costs comprise external costs incurred to generate revenue for the year, including truck credits, etc., and staff costs directly related to the services provided.

2.3 Other external costs

Accounting policies
Other external costs comprise costs for rent, marketing, IT, training, communication, travels and other sales costs and administrative expenses.

CHAPTER 2 – OPERATING PROFIT/LOSS

2.4 Staff costs

Accounting policies
Staff costs comprise costs for wages and salaries and other costs related to staff, however excluding staff costs recognised as direct costs.

Staff costs are recognised in the financial year when the employees have carried out their work.

Staff costs

(DKK'000)	2018	2017
Wages and salaries	301.004	256.294
Pensions	24.079	20.136
Other staff costs and social security costs	36.362	32.722
Total costs	**361.445**	**309.152**
Portion transferred to direct costs	-60.756	-55.982
Staff costs	**300.689**	**253.170**
Average number of employees	797	611
Remuneration of the Corporate Management and the Board of Directors	4.341	4.737
Pension contributions to the Corporate Management and the Board of Directors	200	131
Total remuneration of the Corporate Management and the Board of Directors	**4.541**	**4.868**

2.5 Depreciation, amortisation and impairment losses

Accounting policies
Depreciation and amortisation for the year is recognised in accordance with the determined depreciation/amortisation profile of the assets. See notes 3.1 and 3.2.

Depreciation, amortisation and impairment losses

(DKK'000)	2018	2017
Depreciation on property, plant and equipment	8.940	4.899
Amortisation of intangible assets	4.897	5.706
Total depreciation, amortisation and impairment losses	**13.837**	**10.605**

2.6 Other operating income/expenses

Accounting policies
Other operating income and costs comprise items secondary to the primary activities of the Company.

Other operating income and costs

(DKK'000)	2018	2017
Gains from the disposal of property, plant and equipment	1.292	280
Other operating income	**1.292**	**280**
Losses from the disposal of property, plant and equipment	266	38
Other operating costs	**266**	**38**

2.7 Special items

Accounting policies

Special items include significant income and expenses of a special nature in terms of the group's revenue-generating operating activities that cannot be attributed directly to the group's ordinary operating activities.

Special items are shown separately from the group's ordinary operations, as this gives a truer and fairer view of the group's operation profit.

Special items

(DKK'000)	2018	2017
Gain on disposal of property	0	22.787
Special items, income	**0**	**22.787**
Transaction and integration costs from business combinations	10.913	0
Costs related to restructuring	0	2.137
Special items, expenses	**10.913**	**2.137**
Special items, net	**-10.913**	**20.650**
If special items had been recognised in operating profit before special items, they would have been included in the following items:		
Other external costs	-6.327	-843
Staff costs	-4.586	-1.294
Other operating income	0	22.787
Special items, net	**-10.913**	**20.650**

Special items in 2018 comprise:

- Transaction and integration costs from acquisition of Transcargo.

Special items in 2017 comprise:

- Gain on disposal of property in Sweden. The transaction is part of a sale and leaseback transaction, that results in an operating lease and the sale is carried out at fair value.
- Restructuring costs relating to fundamental structural, procedural and managerial reorganisation in Sweden.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

Customer relationsships

Accounting policies

Customer relationships identified in connection with acquisition of activities or entities are recognised in the balance sheet at fair value, measured at cost less accumulated amortisation and impairment losses.

Customer relations are amortised on a straight-line basis over 8 years.

Customer relationships

(DKK'000)	2018	2017
Cost at 1 January	0	0
Additions from business combinations	5.465	0
Cost at 31 December	**5.465**	**0**
Amortisation and impairment losses		
at 1 January	0	0
Amortisation	683	0
Amortisation and impairment losses at 3	**683**	**0**
Carrying amount	**4.782**	**0**

Software

Accounting policies

Costs for acquisition of software are recognised as intangible assets if it is sufficiently certain that future earnings can cover the purchase price.

Capitalised costs from the acquisition of software are measured at the lower of cost less accumulated amortisation and the recoverable amount.

Software is amortised on a straight-line basis after entry into service over the estimated useful life, which is 3-5 years. The basis of amortisation is reduced by amortisation made.

Software

(DKK'000)	2018	2017
Cost at 1 January	47.016	47.205
Additions	5.810	4.525
Disposals	0	-4.674
Currency translation adjustments	-3	-40
Cost at 31 December	**52.823**	**47.016**
Amortisation and impairment losses		
at 1 January	35.102	34.110
Amortisation	4.214	5.706
Amortisation of assets disposed of	0	-4.674
Currency translation adjustments	-5	-40
Amortisation and impairment losses at 3	**39.311**	**35.102**
Carrying amount	**13.512**	**11.914**

All software is acquired from an external provider.

3.2 Property, plant and equipment

Accounting policies

Land and buildings, plant and machinery as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises costs for materials, components, sub-suppliers, direct cost of labour and indirect production costs as well as borrowing costs if the manufacturing period is long. Moreover, cost comprises estimated costs of dismantling and of removing the asset as well as restoration costs to the extent that these costs have been recognised as a liability.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items that are depreciated separately.

Customer relationsships

Accounting policies

Customer relationships identified in connection with acquisition of activities or entities are recognised in the balance sheet at fair value, measured at cost less accumulated amortisation and impairment losses.

Customer relations are amortised on a straight-line basis over 8 years.

Customer relationships

(DKK'000)	2018	2017
Cost at 1 January	0	0
Additions from business combinations	5.465	0
Cost at 31 December	**5.465**	**0**
Amortisation and impairment losses at 1 January	0	0
Amortisation	683	0
Amortisation and impairment losses at 3	**683**	**0**
Carrying amount	**4.782**	**0**

Software

Accounting policies

Costs for acquisition of software are recognised as intangible assets if it is sufficiently certain that future earnings can cover the purchase price.

Capitalised costs from the acquisition of software are measured at the lower of cost less accumulated amortisation and the recoverable amount.

Software is amortised on a straight-line basis after entry into service over the estimated useful life, which is 3-5 years. The basis of amortisation is reduced by amortisation made.

Software

(DKK'000)	2018	2017
Cost at 1 January	47.016	47.205
Additions	5.810	4.525
Disposals	0	-4.674
Currency translation adjustments	-3	-40
Cost at 31 December	**52.823**	**47.016**
Amortisation and impairment losses at 1 January	35.102	34.110
Amortisation	4.214	5.706
Amortisation of assets disposed of	0	-4.674
Currency translation adjustments	-5	-40
Amortisation and impairment losses at 3	**39.311**	**35.102**
Carrying amount	**13.512**	**11.914**

All software is acquired from an external provider.

3.2 Property, plant and equipment

Accounting policies

Land and buildings, plant and machinery as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises costs for materials, components, sub-suppliers, direct cost of labour and indirect production costs as well as borrowing costs if the manufacturing period is long. Moreover, cost comprises estimated costs of dismantling and of removing the asset as well as restoration costs to the extent that these costs have been recognised as a liability.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items that are depreciated separately.

Subsequent expenditure for replacement of components is recognised as property, plant and equipment when it is probable that it will entail future economic benefits. The carrying amount of the replaced components is recognised in the income statement. All other repair and maintenance costs are recognised in the income statement as incurred.

The basis of depreciation is cost less expected residual value after the end of the useful life. The residual value is reassessed annually. Depreciation is provided on a straight-line basis based on the following assessment of the expected useful lives and residual values of the assets:

	Useful life	Residual value
Buildings	20-40 years	0%
Leasehold improvements	5-15 years	0%
Operating equipment, tools and equipment	3-5 years	0%
Trucks	5-8 years	0%

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the net disposal proceeds and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income and other operating costs, respectively.

Leases

Leases for property, plant and equipment that transfer substantial all risks and rewards incident to ownership to the Group (finance leases) are recognised in the statement of financial position as assets. On initial recognition in the statement of financial position, the assets are measured at cost, corresponding to fair value, or (if lower) the present value of the future lease payments. When the net present value is calculated, the interest rate implicit in the lease or an approximate value thereof is used as the discount factor.

Finance leases are depreciated in line with the Group's other property, plant and equipment.

The capitalised residual lease obligation is recognised in the statement of financial position as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered as operating leases.

Accounting estimates

At the inception of leases, Management must assess whether the leases should be considered finance or operating leases.

Management bases the assessment on the fact that leases are considered finance leases when the present value of the lease payment exceeds 90% of the fair value of the leased asset.

The assessment of the present value is made by Management based on an estimate of the market rate and maintenance costs, etc., that are included in the lease payment made, if any.

When the seller and lessor are the same, an estimate of the fair value of the leased asset is made based on the alternative purchase price that could have been achieved. This estimate is based on information from the seller or lessor.

Impairment of property, plant and equipment

The carrying amount of the Group's assets is assessed annually to determine whether there is any indication of impairment. When indication of impairment exists, the recoverable amount of the asset is calculated. The recoverable amount is the higher of the net selling price and the value in use of an asset. If the carrying amount exceeds the recoverable amount, the impairment loss is recognised in the income statement.

Property, plant and equipment

(DKK'000)	Land and buildings 2018	Land and buildings 2017	Leasehold improvements 2018	Leasehold improvements 2017	Plant and equipment 2018	Plant and equipment 2017
Cost at 1 January	3.877	41.091	18.868	18.599	40.795	39.323
Additions from business combinations	18.480	0	0	0	7.952	0
Additions	15.347	0	459	486	17.380	5.927
Disposals	0	-36.688	-4.886	-117	-8.379	-3.489
Currency translation adjustments	-483	-526	-14	-100	-488	-966
Cost at 31 December	**37.221**	**3.877**	**14.427**	**18.868**	**57.260**	**40.795**
Depreciation and impairment losses at 1 January	0	12.026	10.222	9.220	28.364	27.400
Depreciation	1.587	211	998	1.185	6.355	3.503
Depreciation on assets disposed of	0	-12.067	-2.429	-110	-3.024	-1.928
Currency translation adjustments	-15	-170	-10	-73	-185	-611
Depreciation and impairment losses at 31 December	**1.572**	**0**	**8.781**	**10.222**	**31.510**	**28.364**
Carrying amount	**35.649**	**3.877**	**5.646**	**8.646**	**25.750**	**12.431**
Portion related to assets held under finance lease	**0**	**0**	**0**	**0**	**5.802**	**0**

Assets under construction

(DKK'000)	2018	2017
Cost at 1 January	0	0
Additions	1.777	0
Currency translation adjustments	-24	0
Cost at 31 December	**1.753**	**0**
Carrying amount	**1.753**	**0**

The group has in 2019 signed agreements with contractors for the supply of buildings, technical plant and machinery for DKK 60 million (2017: DKK 0)

3.3 Other equity investments

Accounting policies
Equity investments in minor shareholdings are measured at fair value.

Financial assets recognised as "Other equity investments" comprise financial assets for which no active market exists and fair value is based on a valuation methodology (see note 4.6).

Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

(DKK'000)	2018	2017
Investments at fair value through income statement	965	0
Investments at fair value through other comprehensive income	4.259	4.114
Financial assets at fair value	**5.224**	**4.114**

Investments at fair value through income statement comprise an equity investment in a supplier company.

Investments at fair value through other comprehensive income comprise equity investment in a company which gives right to one apartment and is intended to be held as long as the apartment is in use.

Reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

Investment at fair value through income statement:

(DKK'000)	2018	2017
Balance at 1 January	0	0
Additions from business combinations	1.394	0
Gains or losses recognized in income statement	-429	0
Balance at 31 December	**965**	**0**

Investment at fair value through comprehensive income:

(DKK'000)	2018	2017
Balance at 1 January	4.114	0
Purchase	133	4.111
Currency translation adjustments	12	3
Financial assets at fair value	**4.259**	**4.114**

3.4 Prepayments and deferred income

Accounting policies
Prepayments comprise costs incurred relating to subsequent financial years.

Deferred income comprises payments received that are income relating to subsequent years.

3.5 Provisions

Accounting policies
Recognition is made of provisions that are probable at the reporting date and where the amount of the provision can be measured reliably.

Provisions are measured at the expected outflow of resources in connection with the settlement of the provision.

On measurement of provisions, the costs necessary to settle the provision is discounted to net present value if it has a material effect on the measurement of the provision.

Return liabilities
Return liabilities relate to operating leases on trailers. The liabilities are recognised based on a specific estimate of expected costs to be paid when returning trailers held under operating leases.

On measurement of the above-mentioned provisions, discounting to net present value has not been made as the effect thereof is not material.

Accounting estimates
Costs in connection with the return of trailers held under operating leases, etc., are accrued in respect of damage, etc., expected to entail costs upon return. Management makes this assessment based on experience and estimates.

Provisions

(DKK'000)	2018	2017
Return liabilities	1.219	914
Provisions at 31 December	**1.219**	**914**

(DKK'000)	2018	2017
Development in provisions:		
Provisions at 1 January	914	1.291
Additions for the year	1.227	479
Disposals for the year	-922	-856
Currency translation adjustments	0	0
Provisions at 31 December	**1.219**	**914**

(DKK'000)	2018	2017
Expected maturity of provisions:		
0-1 year	120	480
1-5 year	1.080	434
>5 years	19	0
Provisions at 31 December	**1.219**	**914**
Provisions have been recognised in the statement of financial position as follows:		
Non-current provisions	1.099	434
Current provisions	120	480
Provisions at 31 December	**1.219**	**914**

3.6 Operating lease obligations

Accounting policies
Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease.

Operating lease obligations

(DKK'000)	2018	2017
0-1 year	76.146	54.729
1-5 year	160.633	115.929
>5 years	3.041	435
Residual lease payment at 31 December	**239.820**	**171.093**
The development in the residual lease payment can be explained as follows:		
Residual lease payment at 1 January	171.093	139.421
Additions from business combinations	69.274	0
Lease payments expensed in the year	-73.817	-53.437
Cancelled contracts	-3.745	-4.085
New operating leases entered into	77.565	90.368
Currency translation adjustments	-550	-1.174
Residual lease payment at 31 December	**239.820**	**171.093**

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

The Group leases operating equipment under operating leases. The lease term is typically 3-5 years.

Service obligations

(DKK'000)	2018	2017
Service costs related to operating leases in the non-cancellable period amount to	84.782	52.486

Rental obligations

(DKK'000)	2018	2017
Future annual rent amounts to	56.441	51.797
Rent in the non-cancellable period amounts to	406.225	385.795

3.7 Statement of cash flows

Accounting policies

The statement of cash flows show the consolidated cash flows for the year broken down by operating activities, investing activities and financing activities for the year, changes in cash and cash equivalents for the year as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are determined as profit for the year adjusted for non-cash operating items, changes in working capital and corporation tax. Corporation tax paid is presented as a separate line item under operating activities.

Cash flows from investing activities comprise payments related to acquisition and disposal of non-current assets and cash flows from the acquisition and disposal of entities and activities. Acquisition and disposal of other securities that are not cash and cash equivalents are also included in investing activities.

Cash flows from financing activities comprise changes in the size or composition of the share capital and costs in this respect as well as borrowing, instalments on interest-bearing loans, acquisition and disposal of treasury shares as well as distribution of dividend.

Cash and cash equivalents comprise bank overdrafts and cash at bank and in hand with a maturity of less than three months.

Adjustments, statement of cash flows

(DKK'000)	2018	2017
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	13.837	10.605
Gains and losses from the disposal of property, plant and equipment and intangible assets	-1.026	-242
Adjustment of provisions and impairment losses	1.753	-377
Total adjustments of cash flows	**14.564**	**9.986**

Changes in working capital

(DKK'000)	2018	2017
Changes in receivables	-13.227	-37.985
Changes in trade payables and other payables	33.659	52.327
Total changes in working capital	**20.432**	**14.342**

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

This chapter describes the financial base of the Group's activities. Financing is reflected in the Group's capital structure defined as the relationship between funds generated from operations and loan financing as well as components thereof, including related financial risks.

4.1 Equity

Accounting policies

Share capital
The share capital comprises 7,340,933 shares of nom. DKK 1 each that are all fully paid-up. There have been no changes to the share capital for the last five years. All shares rank equally. There are no restrictions on negotiability or voting rights.

Treasury shares
Acquisition costs and considerations as well as dividend for treasury shares are recognised directly in retained earnings under equity. Consequently, gains and losses from disposal are not recognised in the income statement. Capital reduction in connection with the cancellation of treasury shares reduces the share capital by an amount equivalent to the nominal value of the treasury shares.

Equity reserves
The foreign currency translation reserve comprises foreign exchange differences on the translation of subsidiary financial statements that have another functional currency than the Parent Company's currency (DKK).

Non-controlling interests

(DKK'000)	2018	2017
Non-controlling interests at 1 January	-275	-151
Non-controlling interests' share of comprehensive income for the year	230	-124
Non-controlling interests at 31 December	**-45**	**-275**

Treasury shares
The Group owns the following holding of treasury shares:

	No. of shares		Nominal value, DKK'000		% of share capital	
	2018	2017	2018	2017	2018	2017
Treasury shares at 1 January	403.677	403.677	404	404	5,5%	5,5%
Disposal for the year	-240.984	0	-241	0	-3,3%	0,0%
Treasury shares at 31 December	**162.693**	**403.677**	**163**	**404**	2,2%	5,5%

All treasury shares are owned by FREJA Transport & Logistics Holding A/S.

The holding of treasury shares was acquired in connection with the buy-back of employee shares.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

4.2 Capital structure

The Group regularly assesses the need for an adjustment of the capital structure. The solvency ratio of 29.6% realised at 31 December 2018 is considered satisfactory given the current composition of the statement of financial position. This matter is assessed on an ongoing basis. The assessments include balancing required rate of return and equity and the opportunities to obtain loan capital, independence thereof and required rate of return in this respect.

4.3 Finance income and costs

Accounting policies
Other finance income primarily relate to interest on receivables and cash and cash equivalents measured at amortised cost.

Other finance expenses primarily relate to interest on borrowings measured at amortised cost.

Finance income

(DKK'000)	2018	2017
Interest, corporation tax	3	0
Dividend from other equity investments at fair value through income statement	21	0
Other finance income	4.210	1.541
Total finance income	**4.234**	**1.541**

Other finance income primarily relate to interest on receivables and cash and cash equivalents measured at amortised cost.

Finance costs

(DKK'000)	2018	2017
Interest, corporation tax	0	6
Interest, leasing	367	0
Changes in exchange rates	765	3.351
Fair value adjustments, financial assets	429	0
Other finance costs	5.068	1.085
Total finance costs	**6.629**	**4.442**

Other finance costs primarily relate to interest on borrowings measured at amortised cost.

Fair value adjustments of equity investments at fair value through income statement has resulted in cost of 429 tDKK in 2018.

4.4 Financial risks

The Board of Directors is responsible for the Company's overall financial policy. The Board of Directors has decided that speculation is not accepted. Group Finance in Denmark has the day-to-day operational responsibility for ensuring that the Company is in compliance with its policy. The policy remains unchanged compared to 2017.

Accounting policies
On initial recognition, derivative financial instruments are recognised at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables or other payables, respectively. The fair value of derivative financial instruments is measured based on the market data received from the Group's bankers.

Changes in the fair value of derivative financial instruments that are not designated as hedging instruments are recognised in the income statement under finance income and costs.

Changes in the fair value of derivative financial instruments designated and qualifying as hedges of the fair value of a recognised asset or a recognised liability are recognised in the income statement along with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments designated and qualifying as hedges of future cash flows are temporarily recognised in other comprehensive income until the hedged transaction is carried out. If the future transaction entails recognition in assets or liabilities, the value of the hedging instrument is transferred from equity to the cost of the asset or liability, respectively. If the future transaction entails income or costs, the value of the hedging instrument is transferred to the income statement.

Changes in the fair value of derivative financial instruments used for hedging net investments in separate foreign subsidiaries are recognised in other comprehensive income.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

Liquidity risk

It is group policy to ensure flexibility by means of diversification of borrowings from cooperative partners (credit institutions) and ensure access to committed credit facilities with appropriate pricing.

Thus, the Group aims to always have access to undrawn credit facilities.

Cash resources at the reporting date can be specified as follows:

(DKK'000)	2018	2017
Cash and cash equivalents	114.220	98.193
Overdraft facilities	91.295	103.414
Total cash ressources	**205.515**	**201.607**

Currency risk

The Group's activities entail an exposure to changes in exchange rates. The Group's most significant currency exposures relate to the following currencies: EUR, SEK, NOK and PLN.

The currency exposures affect both translation and cash flows.

Translation

The Group has currency risks related to translation of monetary items in other currencies than the functional currency of the entity in question and net investments in foreign subsidiaries with another functional currency than DKK.

Cash flows

The Group seeks to minimise currency risks from operations by timing acquisitions and sales so that currency flows match one another to the largest extent possible.

The Group uses the following financial contracts to handle cash flows in currencies:

- Currency swap agreements
- Forward contracts

Currency swap agreements are in some but rare cases used for interest rate optimisation by converting excess liquidity in one currency to another currency. Thus, the yield spread (the difference between deposit rate and lending rate) is saved by optimising the liquidity.

Currency swap agreements do not affect the Group's currency exposure, and the specific use of currency swaps will not have an adverse financial effect on the Group.

Forward contracts are used in rare cases to hedge cash flows in foreign currencies.

As the Group only enters into short-term forward contracts to a very limited extent and the contracts are solely used for hedging cash flows in foreign currencies, this matter does not – and will not – have a material financial effect on the Group.

Sensitivity

The Group's currency exposure and sensitivity to changes in exchange rates are summarised in the tables below. Fairly probable changes in exchange rates compared to the exchange rates at the reporting date will, all other things being equal, have the following hypothetical effect on profit before tax for the year and the consolidated closing equity:

(DKK'000)	Change in exchange rate	Hypothetical effect in profit/loss before tax for the year(+/-) 2018	2017	Hypothetical effect in Other comprehensive income before tax (+/-) 2018	2017
SEK/DKK	5%	1.000	800	4.000	3.100
NOK/DKK	5%	3.400	2.500	6.500	5.300
EUR/DKK	1%	2.300	1.900	1.600	1.200
USD/DKK	5%	400	1.900	400	1.200
PLN/DKK	5%	100	0	3.300	0
Total		**7.200**	**7.100**	**15.800**	**10.800**

Corresponding negative changes in exchange rates would have a similar opposite effect on profit and equity.

Sensitivity has been determined based on an assumption of unchanged sales, price levels and interest rate levels. Sensitivity related to financial instruments has been calculated based on the financial instruments recognised at 31 December. It is assumed that all hedging relationships are 100% effective.

There were no open hedging instruments at 31 December 2018 and only immaterial open hedging instruments at 31 December 2017.

At 31 December 2018, the Group's monetary currency positions included the following:

(DKK'000)	DKK	SEK	NOK	EUR	USD	PLN	Other	Total
Cash and cash equivalents	21.207	9.355	25.142	51.859	1.163	4.229	1.265	114.220
Trade receivables, nominal value	137.574	31.032	33.654	183.360	5.740	0	18.301	409.661
Trade receivables, impairment loss	-1.002	-125	-469	-1.460	-15	0	0	-3.071
Trade payables	-132.034	-35.496	-27.673	-209.037	-2.930	-17.294	-1.585	-426.049
Banks and credit institutions	-146.030	-410	0	-4.389	0	0	0	-150.829
Lease obligations	0	0	0	-3.082	0	-2.615	0	-5.697
Net position	**-120.285**	**4.356**	**30.654**	**20.333**	**3.958**	**-13.065**	**17.981**	

At 31 December 2017, the Group's monetary currency positions included the following:

(DKK'000)	DKK	SEK	NOK	EUR	USD	PLN	Other	Total
Cash and cash equivalents	7.279	10.469	21.429	48.661	3.439	0	6.916	98.193
Trade receivables, nominal value	106.676	28.248	24.314	147.897	6.673	0	2.335	316.143
Trade receivables, impairment loss	-152	-149	-352	-970	0	0	0	-1.623
Trade payables	-106.200	-22.475	-24.130	-175.478	-2.771	0	-844	-331.898
Banks and credit institutions	0	-49	0	-2.635	0	0	0	-2.684
Net position	**7.603**	**16.044**	**21.261**	**17.475**	**7.341**	**0**	**8.407**	

Interest rate risk

The Group's interest-bearing debt carries floating-rate interest (see note 4.5). Consequently changes in interest rate levels will have financial implications for the Group.

Credit risk

The Group's credit risks primarily relate to receivables.

Credit risks correspond to receivables, but as large customers and cooperative partners are rated regularly and the majority of trade receivables are covered by credit insurance at a respected credit insurer, the risks are considered minimal. Based on the Group's internal credit procedures, it is assessed that there are no significant differences in the credit quality of the Group's trade receivables, including in respect of customer types and markets.

Receivables are measured at amortised cost, which usually corresponds to nominal value.

If it is assessed that there is a risk of loss on a receivable, it is written down in connection with year end.

Receivables – and thus credit risks – can be specified as follows:

(DKK'000)	Value of statement of financial position 31/12 2018	31/12 2017
Trade receivables	406.590	314.520
Other receivables	38.221	30.779
	444.811	**345.299**

(DKK'000)	Maximum credit risk 31/12 2018	31/12 2017
Trade receivables	406.590	314.520
Other receivables	38.221	30.779
	444.811	**345.299**

Trade receivables can be specified as follows:

(DKK'000)	31/12 2018	31/12 2017
Receivables not due	290.422	271.328
Less than 1 month overdue	95.753	25.496
1-3 months overdue	15.192	15.643
3-6 months overdue	2.445	1.764
More than 6 months overdue	5.849	1.912
Trade receivables, gross	409.661	316.143
Impairment	-3.071	-1.623
Carrying amount	**406.590**	**314.520**

Impairment of receivables

Accounting policies

Provisions for impaired trade receivables are provided for following the expected credit-loss model in accordance with IFRS 9. The model includes uninsured trade receivables.

Accounting estimates

Provisions for impairment of receivables is made to show consideration for impairment of receivables arisen after initial recognition. Provisions are primarily made based on individual assessments and is subject to estimates, including as to which receivables show objective indication of impairment. However, FREJA's credit risks are considered limited as large customers and cooperative partners are rated regularly, and the majority of trade receivables are covered by credit insurance at a respected credit insurer.

Expected losses on trade receivables, based on weighted loss percentages are as follows:

(DKK'000)	Gross carrying amount	Expected loss rate	Loss provisions
Receivables not due	290.422	0,1%	290
Less than 1 month overdue	95.753	0,3%	326
1-3 months overdue	15.192	3,0%	456
3-6 months overdue	2.445	10,0%	245
More than 6 months overdue	5.849	30,0%	1.755
	409.661		**3.071**

Loss allowances provisions for trade receivables can be specified as follows:

(DKK'000)	2018	2017
Provisions at 1 January	1.623	2.653
Additions from business combinations	1.158	0
Impairment for the year	1.651	1.407
Losses recognised	-862	-1.160
Reversal of impairments	-482	-1.215
Exchange rate adjustments	-17	-62
Provisions at 31 December	**3.071**	**1.623**

Impairment losses on trade receivables for 2018 amounted to DKK 862 corresponding to 0.03% of consolidated revenue (2017: DKK 1.160 or 0.05%).

FREJA

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

4.5 Financial liabilities

Accounting policies

Financial liabilities are measured at the time of borrowing at the proceeds received, corresponding to the principal amount less transaction costs paid. In subsequent periods, financial liabilities are recognised at amortised cost, corresponding to the capitalised value using the effective interest method. Borrowing costs are thus recognised in the income statement over the term of the loan.

Financial liabilities also comprise the capitalised residual lease obligation of finance leases.

Current liabilities other than provisions, such as trade payables, payables to group entities and associates as well as other payables, are measured at amortised cost, which usually corresponds to the nominal value.

Non-current liabilities

(DKK'000)	2018	2017
Bank and credit institutions:		
Non-current liabilities	55.696	0
Current liabilities	95.133	2.684
Total debt at 31 December	**150.829**	**2.684**
Lease obligations:		
Non-current liabilities	4.169	0
Current liabilities	1.528	0
Total debt at 31 December	**5.697**	**0**
Total debt at 31 December	**156.526**	**2.684**

Financial liabilities, Financing activities 2018:

(DKK'000)	Beginning of year	Cash flow: Proceeds from loans	Cash flow: Repayment on loans	Additions from business combinations	Exchange rate adjust.	End of year
Banks and credit institutions	0	72.112	-687	0	-37	71.388
Lease obligations	0	4.420	-3.247	4.645	-122	5.697
Total liabilities from financing activities	0	76.532	-3.934	4.645	-159	77.085
Overdraft facilities	2.684					79.441
Total financial liabilities	**2.684**	**76.532**	**-3.934**	**4.645**	**-159**	**156.526**

Financial liabilities, Financing activities 2017:

(DKK'000)	Beginning of year	Cash flow: Proceeds from loans	Cash flow: Repayment on loans	Additions from business combinations	Exchange rate adjust.	End of year
Overdraft facilities	42.644					2.684
Total financial liabilities	**42.644**	**0**	**0**	**0**	**0**	**2.684**

The Groups financial liabilities fall due as follows:

Financial liabilities – Maturity 2018:

(DKK'000)	Carrying amount	Total cash flow incl. interest	Overdraft facilities expected to be continued	0-1 year	1-5 year	>5 years
Banks and credit institutions	150.829	154.977	79.441	17.271	58.265	0
Lease obligations	5.697	5.934	0	1.626	4.308	0
Trade payables	426.049	426.049	0	426.049	0	0
Other payables	81.989	81.989	0	81.989	0	0
Total financial liabilities	**664.564**	**160.911**	**79.441**	**18.897**	**62.573**	**0**

Financial liabilities – Maturity 2017:

(DKK'000)	Carrying amount	Total cash flow incl. interest	Overdraft facilities expected to be continued	0-1 year	1-5 year	>5 years
Banks and credit institutions	2.684	2.684	2.684	0	0	0
Trade payables	331.898	331.898	0	331.898	0	0
Other payables	80.813	80.813	0	80.813	0	0
Total financial liabilities	**415.395**	**415.395**	**2.684**	**412.711**	**0**	**0**

Loan and credit facilities:

	2018			2017		
(DKK'000)	Carrying amount	Fixed/ floating interest rate	Expiry	Carrying amount	Fixed/ floating interest rate	Expiry
Bank loan DKK	70.000	Floating	2023			
Bank loan EUR	1.388	Floating	2020			
Overdraft facility	79.441	Floating	2019	2.684	Floating	2019
	150.829			**2.684**		

4.6 Financial instruments and Fair Value hierarchy

Fair value hierarchy by category
The Group has no financial instruments measured at fair value based on level 1 input (quoted active market prices).

All financial instruments are measured based on level 2 input (input other than quoted prices that are observable either directly or indirectly) or level 3 input (non-observable market data), or level 3 input (non-observable market data).

Other equity investments
The fair value of other equity investments is based om the cost approach (Level 3). This valuation technique reflects the amount that would be required currently to replace the asset (current replacement cost).

Derivative financial instruments
The fair value of currency and interest rate derivatives is determined based on generally accepted valuation methods using available observable market data. Calculated fair values are verified against comparable external market quotes on a monthly basis.

Financial liabilities measured at amortised cost
The carrying value of financial liabilities measured at amortised cost is not considered to differ significantly from fair value.

Trade receivables, trade payables and other receivables
Receivables and payables pertaining to operating activities and with short turn ratios are considered to have a carrying value equal to fair value.

Financial instrument categories:

	Carrying amount	
(DKK'000)	2018	2017
Equity investments measured at fair value	5.224	4.114
Loans and receivables measured at amortised costs	444.811	345.299
Financial liabilities measured at amortised cost	-508.038	-412.711

CHAPTER 5 – OTHER NOTES

This chapter includes other statutory notes that are not directly derived from the Group's ordinary operating activities. The chapter describes acquisition and disposal of entities during the year, tax on the Company's activities, contingent liabilities and collateral as well as transactions with the Company's auditor and other related parties.

5.1 Acquisition and disposal of entities

Accounting policies

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation.

Enterprises disposed of are recognised in the consolidated financial statements up to the date of disposal. Discontinued operations and assets held for sale are presented separately.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group.

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred as special items.

The difference between the consideration transferred and the fair value of acquired identifiable net assets is recognised as goodwill. Contingent consideration is measured at fair value and any subsequent changes to contingent consideration are recognised as other income or other costs in the income statement.

Accounting estimates

When applying the acquisition method of accounting, fair value assessments are made for identifiable assets acquired and liabilities assumed.

Determining fair values at the date of acquisition by nature requires management to apply estimates.

Significant estimates are particularly applied in the valuation of trade receivables, property, plant and equipment and customer relationships.

Acquisitions in 2017

No enterprises were acquired in 2017.

Acquisitions in 2018

As of 1 February 2018, the Group acquired 100% of the shares in Transcargo.

Transcargo has a strong brand in temperature-controlled transports, and is among the market leaders on the lines from Denmark to Greece and Poland.

The acquisition significantly strengthened the Road Activities in certain parts of Europe and contributed to increasing the industry-specific capabilities of the Group.

The consideration paid for Transcargo comprises a cash purchase of 100% of the shares in the company. The total consideration transferred amounted to tDKK 225.555.

Adjusted for the fair value of acquired cash and cash equivalents of tDKK. 40.799 thousand, the net cash flow amounted to tDKK 184.756.

Total transaction costs amounted to 5.386 tDKK and are accounted for in the income statement under “special items”.

The acquisition of Transcargo resulted in the recognition of the following fair values of net assets and goodwill:

(DKK'000)	2018	2017
Intangible assets	5.465	0
Property, plant and equipment	26.432	0
Other equity investments	1.394	0
Receivable deposits	1.920	0
Trade receivables	75.082	0
Other receivables and prepayments	5.402	0
Cash and cash equivalents	40.799	0
Total assets	**156.493**	**0**
Lease obligations	4.645	0
Trade payables	52.411	0
Deferred tax liabilities	4.241	0
Other payables	9.257	0
Total liabilities	**70.555**	**0**
Acquired net assets	**85.938**	0
Fair value of total consideration	225.555	0
Goodwill arising from the acquisition	**139.617**	**0**

The goodwill of tDKK 139.617 is primarily attributable to network synergies and is not deductible for tax purposes.

Earnings impact

Due to the merger of the operating companies FREJA Transport & Logistics A/S and Transcargo A/S, International Transport & Spedition it is not possible to measure the precise revenue and earnings of the acquiree since the acquìsition.

Since the acquisition date, the acquisition contributed with approx. tDKK 679.831 to the Groups revenue and approx. tDKK 5.971 to the result after tax.

If the acquisition had taken place January 1, 2017 the Group's revenue in 2017 would have amounted to tDKK 3.074.009 and result after tax would have amounted to tDKK 78.885.

5.2 Tax

Accounting policies

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to other comprehensive income is recognised in other comprehensive income.

Current tax payable and receivable are recognised in the statement of financial position as tax computed on the taxable income for the year adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is calculated in accordance with the balance sheet liability method on temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax is calculated in accordance with the tax rules and at the tax rates applicable at the reporting date when the deferred tax is expected to crystallise as current tax.

Deferred tax assets are recognised at the value of their expected utilisation, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

The Danish consolidated companies are included in national joint taxation. International joint taxation has been deselected.

Accounting estimates

Deferred tax assets are recognised in the consolidated financial statements to the extent that Management assesses that the tax assets can be utilised within the foreseeable future. Utilisation may take place by using tax losses carried forward for offsetting in future taxable profits in accordance with applicable tax rules.

In connection with the measurement of deferred tax assets, estimates of future earnings have been made based on budgets and forecasts. A number of factors affect the actual development, including market trends, customer behaviour and competitive environment.

CHAPTER 5 – OTHER NOTES

Tax for the year

(DKK'000)	2018	2017
Current tax	14.610	13.048
Adjustment of deferred tax	144	810
Adjustment of tax regarding prior years	25	25
Total tax	**14.779**	**13.883**
Tax for the year relates to:		
Tax on profit for the year	14.779	14.023
Tax on other comprehensive income	0	-140
Total tax	**14.779**	**13.883**

Reconciliation of tax for the year:

(DKK'000)	2018	2017
The effective tax rate can be explained as follows:		
Profit before tax	38.049	59.396
Applicable Danish tax rate	22,0%	22,0%
Tax computed	**8.371**	**13.067**
Effect of differences in tax rates in foreign entities, net	-473	-272
Non-taxable income	-318	-201
Non-tax deductible expenses	3.036	1.236
Change in tax rate	60	-154
Tax asset valuation adjustments, net	4.078	322
Changes regarding previous years	25	25
Tax on profit for the year	**14.779**	**14.023**

Tax on other comprehensive income

(DKK'000)	2018	2017
Tax on foreign currency translation regarding net investments in foreign subsidiaries	0	-140
Tax on other comprehensive income	**0**	**-140**

Corporation tax payable

The development in corporation tax payable can be explained as follows:

(DKK'000)	2018	2017
Corporation tax payable at 1 January	6.392	6.613
Corporation tax paid for the year	-15.653	-12.956
Tax calculated on taxable income for the year	14.610	13.048
Adjustment of tax regarding prior years	25	25
Currency translation adjustments	-41	-338
Corporation tax payable at 31 December	**5.333**	**6.392**

Corporation tax has been recognised as follows:

Corporation tax receivable	1.400	1.011
Corporation tax payable	6.733	7.403
Net liability	**5.333**	**6.392**

CHAPTER 5 – OTHER NOTES

Deferred tax

(DKK'000)	2018	2017
Deferred tax at 1 January	-1.968	-2.875
Addition on purchase of subsidiary	4.236	0
Deferred tax adjustment for the year	144	810
Currency translation adjustments	83	97
Deferred tax recognised in the income statement at 31 December	**2.495**	**-1.968**
Deferred tax relates to:		
Intangible assets and property, plant and equipment	6.939	2.528
Financial assets	206	0
Trade receivables	-653	-135
Prepayments, deferred income, provisions and borrowing costs	2	-201
Tax loss carried forward	-3.999	-4.160
Total deferred tax	**2.495**	**-1.968**
Deferred tax has been recognised as follows:		
Deferred tax assets	4.069	4.305
Deferred tax (liabilities)	6.564	2.337
Net liability	**2.495**	**-1.968**

Tax losses carried forward that are recognised in the consolidated statement of financial position at 31 December 2018 amount to DKK 4.0 million (2017: DKK 4.2 million), and these items solely relate to tax losses carried forward in Sweden.

Deferred Swedish tax assets are recognised at the value of their expected utilisation as a set-off against tax on future income from the Swedish activities based on budgets and forecasts for the period 2019-2023. These budgets and forecasts are based on specific management initiatives and business assumptions for a successful transformation of the Swedish organisation.

A reassessment of the expected rate of utilisation has been made in the financial year. The specific estimates entail that certain tax losses carried forward have not been recognised at a value.

The unrecognised deferred tax assets at 31 December 2018 amount to DKK 11.9 million (2017: DKK 7.0 million) and can be recognised in subsequent financial years if earnings forecasts of the Swedish activities improve.

5.3 Fees to auditors appointed at the general meeting

(DKK'000)	2018	2017
Fee for statutory audit of the consolidated financial statements	80	80
Fee for other assurance engagements	913	924
Fee for tax services	30	2
Fee for non-audit services	66	250
Total fees to auditor appointed at the general meeting	**1.089**	**1.256**

5.4 Contingent liabilities

Contingent liabilities

From time to time, the Group is party to legal disputes and disputes regarding direct and indirect tax matters. In respect of pending disputes, it is Management's opinion that the outcome of these disputes will not affect the Group's financial position apart from the receivables and liabilities recognised in the statement of financial position at 31 December 2018.

CHAPTER 5 – OTHER NOTES

5.5 Related parties

Related parties comprise the following:

Control
JJH Invest ApS, Durupvej 23, Glyngøre, 7870 Roslev, Denmark, which is the parent company. This company is included in the consolidated financial statements of JH Holding I Glyngøre ApS, which is the ultimate parent company.

Other related parties that the Group has had transactions with
Apart from Management, other related parties that the Group has had transactions with comprise:

- Subsidiaries
- Ejendomsselskabet Viborgvej 52, 7800 Skive ApS, which is a subsidiary of AH Skive ApS, which owns significant equity investments in the Parent Company, FREJA Transport & Logistics Holding A/S.

Related party transactions
In the year, the Group has leased a property:

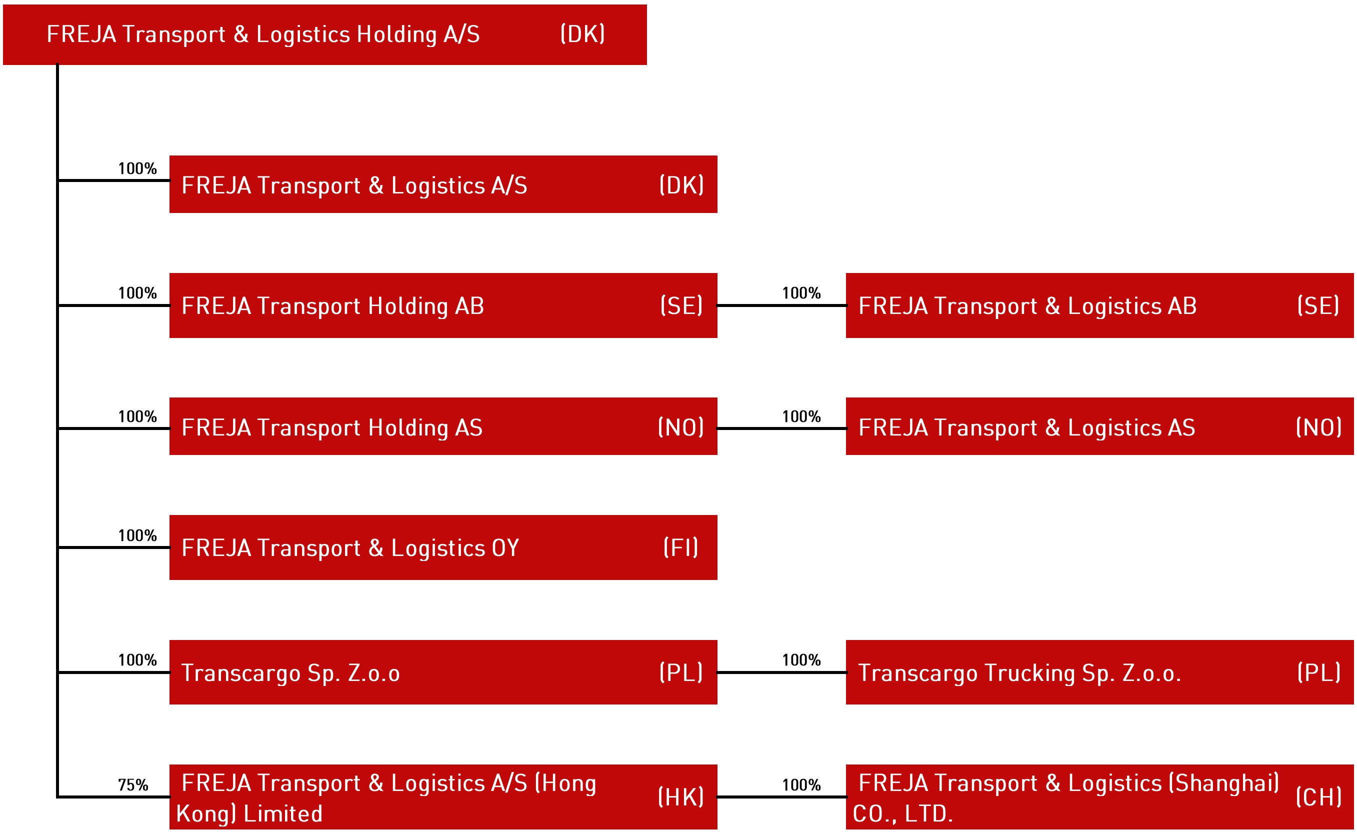
(DKK'000)	2018	2017
Ejendomsselskabet Viborgvej 52, 7800 Skive ApS	1.789	1.740

In the financial year, there have been no transactions with Management apart from ordinary remuneration as described in note 2.4.

5.6 Events after the reporting date

Apart from the events recognised or disclosed in the consolidated financial statements, no events have occurred after the reporting period of importance to the consolidated financial statements.

GROUP STRUCTURE



	Registered office	Equity interest	Share capital in local currency	Share capital in DKK'000 at closing rate
Consolidated subsidiaries				
FREJA Transport & Logistics A/S	Denmark	100%	7.341 DKK'000	7.341
FREJA Transport Holding AB	Sweden	100%	500 SEK'000	363
FREJA Transport Holding AS	Norway	100%	200 NOK'000	150
FREJA Transport & Logistics OY	Finland	100%	39 EUR'000	291
Transcargo Sp. Z.o.o, Poland	Poland	100%	50 PLN'000	87
FREJA Transport & Logistics A/S (Hong Kong) Limited	Hong Kong	75%	50 HKD'000	87
Consolidated subsubsidiaries				
FREJA Transport & Logistics AB	Sweden	100%	400 SEK'000	291
FREJA Transport & Logistics AS	Norway	100%	201 NOK'000	150
Transcargo Trucking Sp. Z.o.o	Poland	100%	50 PLN'000	87
FREJA Transport & Logistics (Shanghai) CO., LTD.	China	75%	5.000 CNY'000	4.740

PARENT COMPANY FINANCIAL STATEMENT 2018

FREJA

PARENT COMPANY FINANCIAL STATEMENT 2018

INCOME STATEMENT, PARENT COMPANY

(DKK'000)	Note	2018	2017
Revenue		656	1.131
Other external costs		-497	-438
Gross profit		**159**	**693**
Staff costs	2	-810	-1.123
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		**-651**	**-430**
Depreciations		-67	0
Operating profit before special items (EBIT)		**-718**	**-430**
Special items	3	-5.386	0
Income from investments in Group entities	4	52.233	22.859
Finance income	5	409	1.199
Finance costs	6	-6.229	-5.365
Profit before tax		**40.309**	**18.263**
Tax on profit for the year	7	1.383	1.011
Profit for the year		**41.692**	**19.274**

PARENT COMPANY FINANCIAL STATEMENT 2018

STATEMENT OF FINANCIAL POSITION 31. DECEMBER, PARENT COMPANY

ASSETS

(DKK'000)	Note	2018	2017
Fixtures and operating equipment		509	0
Plant and equipment	8	**509**	**0**
Investments in Group entities		510.659	245.068
Non-current receivables from Group entities		19.770	51.614
Financial assets	9	**530.429**	**296.682**
TOTAL NON-CURRENT ASSETS		530.938	296.682
Corporation tax		1.400	1.011
Receivables from Group entities		5.046	16.283
Other receivbles		6	8.450
Cash and cash equivalent		28	13
TOTAL CURRENT ASSETS		6.480	25.757
TOTAL ASSETS		537.418	322.439

EQUITY AND LIABILITIES

(DKK'000)	Note	2018	2017
Share capital	10	7.341	7.341
Reserves		264.383	208.691
TOTAL EQUITY		271.724	216.032
Deferred tax		17	**0**
Bank and credit institutions	11	55.000	0
Non-current liabilities		**55.017**	**0**
Bank and credit institutions	11	75.008	0
Payables to Group entities		135.289	105.194
Other payables		380	1.213
Current liabilities		**210.677**	**106.407**
TOTAL LIABILITIES		265.694	106.407
EQUITY AND LIABILITIES		537.418	322.439

PARENT COMPANY FINANCIAL STATEMENT 2018

STATEMENT OF CHANGES IN EQUITY

(DKK'000)	Share capital	Retained earnings	Total
Equity at 1 January 2017	7.341	189.417	196.758
Profit for the year	0	19.274	19.274
Equity at 31 December 2017 and at 1 Januar	7.341	208.691	216.032
Profit for the year	0	41.692	41.692
Disposal of treasury shares	0	14.000	14.000
Equity 31 December 2018	**7.341**	**264.383**	**271.724**

NOTES

Note 1 Accounting policies

As parent company for the FREJA Group, the financial statements of FREJA Transport & Logistics Holding A/S are separate financial statements disclosed as required by the Danish Financial Statements Act for accounting class C companies.

The annual report is prepared according to the same accounting policies as last year.

Income Statement

Revenue
Revenue from delivery of administrative services is recognised in the income statement if the services are completed before the balance sheet date and the income can be calculated reliably and expected to be received.

Other external costs
Other external costs comprise primarily administrative expenses.

Staff costs
Staff costs include costs for wages and salaries, as well as other expenses related to staff employed.

Special items
Special items include significant income and expenses of a special nature in terms of the company's revenue-generating operating activities that cannot be attributed directly to the company's ordinary operating activities.

Special items are shown separately from the group's ordinary operations, as this gives a truer and fairer view of the group's operation profit.

Income from investments in Group entities
In the Parent company's income statement, the dividend adopted during the financial year as well as impairment losses on investments in Group companies are recognised.

Financial income and costs
Financial income and costs include interest income and expenses, realised and unrealised gains and losses on liabilities and transactions in foreign currency, amortization of financial assets and liabilities, as well as surcharges and allowances under the a-conto tax scheme etc. Financial income and costs are recognised by the amount relating to the financial year.

Tax on profit for the year
The tax for the year, which consists of current tax and changes in deferred tax for the year, is recognised in the income statement with the portion attributable to the profit for the year and directly to equity, with the part attributable to entries directly to equity.

Statement of financial position

Plant and equipment
Plant and machinery as well as fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. The cost of self-constructed assets comprises costs for materials, components, sub-suppliers, direct cost of labour and indirect production costs as well as borrowing costs if the manufacturing period is long. Moreover, cost comprises estimated costs of dismantling and of removing the asset as well as restoration costs to the extent that these costs have been recognised as a liability.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items that are depreciated separately.

Subsequent expenditure for replacement of components is recognised as property, plant and equipment when it is probable that it will entail future economic benefits. The carrying amount of the replaced components is recognised in the income statement. All other repair and maintenance costs are recognised in the income statement as incurred.

The basis of depreciation is cost less expected residual value after the end of the useful life. The residual value is reassessed annually.

Depreciation is provided on a straight-line basis based on the following assessment of the expected useful lives and residual values of the assets:

	Useful life	Residual value
Operating equipment, tools and equipm	3-5 year	0%

Financial assets
Investments in Group companies are measured at cost. In cases where the cost price exceeds the net realizable value, the investments are written down to these lower values.

Other financial assets except from Investments in Group companies are measured at amortized cost price, and comprise loans and other long-term receivables expected to be held to expiration.

Impairment of financial assets
The carrying amount of financial fixed assets not measured at fair value is assessed annually for indications of impairment in addition to that expressed by depreciation.

If there are indications of impairment, impairment tests of each asset or group of assets are carried out. A write-down of the recoverable amount is made if this is lower than the carrying amount.

Recovery value is the highest value of net selling price and capital value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or asset group and expected net cash flows on the sale of the asset or asset group after the end of life.

Receivables
Receivables are measured at amortized cost, which usually corresponds to the nominal value. Write-downs are made to meet expected losses based on an individual assessment of the individual exposures.

Corporation and deferred tax
Current corporation tax liabilities and receivables are recognised in the balance sheet as calculated tax on taxable income for the year adjusted for tax on previous years taxable income as well as for paid taxes.

The company is jointly taxed with group-linked Danish companies. The current corporation tax is distributed among the jointly taxed companies in proportion to their taxable income and with full distribution with a refund on tax losses. The jointly taxed companies are included in the a-conto tax scheme. Accrued and receivable joint taxation contributions are recognised in the balance sheet under current assets and liabilities respectively.

Deferred tax is measured by temporary differences between the accounting and tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the value at which the asset is expected to be realised either by settlement in tax on future earnings or by offsetting in 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 apply at the balance sheet date when the deferred tax is expected to be set of as current tax. Changes in deferred tax due to changes in tax rates are recognised in the income statement, except for items that are recognised directly in equity.

Liabilities
Amortized cost of current liabilities normally corresponds to nominal value.

Translation policies
Transactions in foreign currency are translated at the exchange rates on the transaction date. Exchange rate differences arising between the transaction date and the exchange rate on the payment date are recognised in the income statement as a financial item.

Receivables, debt and other monetary items denominated in foreign currency, which are not settled at the balance sheet date, are translated at the exchange rate at the balance sheet date. The difference between the balance sheet date and the exchange rate at the time of the receivable or debt arising is recognised in the income statement under financial income and expenses.

Fixed assets purchased in foreign currency are translated at the exchange rate on the transaction date.

PARENT COMPANY FINANCIAL STATEMENT 2018

Note 2 Staff costs

(DKK'000)	2018	2017
Remuneration of the Corporate Management and the Board of directors	810	1.123
Total staff costs	**810**	**1.123**
Average number of employees	5	5

Note 3 Special items

(DKK'000)	2018	2017
Transaction and integration costs from business combinations	5.386	0
Special items, expenses	**5.386**	**0**
If special items had been recognised in operating profit before special items, they would have been included in the following items:		
Other external costs	-5.386	0
Special items, net	**-5.386**	**0**

Note 4 Income from investments in Group entities

(DKK'000)	2018	2017
Income from investments in Group entities	52.233	22.859
Total income from investments Group entities	**52.233**	**22.859**

Note 5 Financial income

(DKK'000)	2018	2017
Interest from Group entities	409	1.199
Total financial income	**409**	**1.199**

Note 6 Financial costs

(DKK'000)	2018	2017
Interest expenses for Group entities	2.458	2.153
Changes in exchange rates	182	3.211
Other financial costs	3.589	1
Total financial costs	**6.229**	**5.365**

Note 7 Tax on profit for the year

(DKK'000)	2018	2017
Current tax	1.400	1.011
Adjustment of deferred tax	-17	0
Total tax on profit for the year	**1.383**	**1.011**

Note 8 Plant and equipment

(DKK'000)	2018	2017
Cost at 1 January	0	0
Additions	576	0
Cost at 31 December	576	0
Depreciation and impairment losses at 1 January	0	0
Depreciation	67	0
Depreciation and impairment losses at 31 December	67	0
Carrying amount	**509**	**0**

Note 9 Investments in Group entities

(DKK'000)	Investments in Group entities	Receivables from Group entities
Cost at 1 January	305.068	51.614
Additions	343.382	-31.844
Cost at 31 December	**648.450**	**19.770**
Impairments at 1 January	60.000	0
Impairments	77.791	0
Impairments at 31 December	**137.791**	**0**
Carrying amounts	**510.659**	**19.770**

Investments in Group entities are specified as follows:

(DKK'000)	Ownership	Equity	Profit for the year
FREJA Transport & Logistics A/S, Danmark	100%	142.801	44.759
FREJA Transport & Logistics AB, Sverige	100%	53.573	69
FREJA Transport & Logistics AB, Sverige	100%	7.896	-24.446
FREJA Transport Holding Norge AS, Norge	100%	32.995	36
FREJA Transport & Logistics AS, Norge	100%	34.521	16.637
FREJA Transport & Logistics OY, Finland	100%	47.415	16.620
Transcargo Sp. Z.o.o, Poland	100%	37.192	6.885
Transcargo Trucking Sp. Z.o.o	100%	83	-4
FREJA Transport & Logistics Limited, Hong Kong	75%	-14	-35
FREJA Transport & Logistics (Shanghai) CO., LTD.	75%	4.746	1.208

Note 10 Share capital

(DKK'000)	2018	2017
Share capital is distributed as follows:		
7.340.933 pcs. at 1 DKK	7.341	7.341

Note 11 Bank and credit institutions

(DKK'000)	2018	2017
Non-current liabilities	55.000	0
Current liabilities	75.008	0
Total debt at 31 December	**130.008**	**0**

Non-current liabilities to banks and credit institutions

(DKK'000)	2018	2017
Total debt at 1 January	0	0
Proceeds from loans	70.000	0
Total debt at 31 December	**70.000**	**0**

The debt fall due as follows:

(DKK'000)	2018	2017
0-1 year	15.000	0
1-5 years	55.000	0
Total debt at 31 December	**70.000**	**0**

Current liabilities to banks and credit institutions

(DKK'000)	2018	2017
Repayment of long-term - Bank and credit institutions	15.000	0
Draws on credit facilities	60.008	0
Total debt at 31 December	**75.008**	**0**

Material transactions with related parties

FREJA Transport & Logistics Holding A / S (parent company) has over the year had outstandings with Group companies. These balances, which reflect lendings, are repaid at an interest rate reflecting the parent company's average bank overdraft rate.

Transactions have taken place under market conditions. The company has chosen to only disclose transactions not made under normal market conditions pursuant to section 98c of the Danish Financial Statements Act. 7th.

Group issues

The parent company is included in consolidated accounts prepared by the parent company JJH Holding I Glyngøre ApS, Glyngøre, 7870 Roslev, which is the top company in the Group.

Contingent liabilities

The company is jointly liable with other group companies for the subsidiaries' total engagement with banks.

The company is jointly and severally liable with the company's parent company and the other companies in the jointly taxed group for tax on the Group's jointly taxed income and for certain withholding taxes as income tax. Deferred tax on the Group's jointly taxed income is stated in the annual report of JJH Invest ApS, who is the administration company of the joined taxation.

The company has guaranteed for subsidiary debt to a specific supplier.

The company has provided a guarantee of DKK 96,000 regarding a subsidiary's lease.

The company has provided guarantees regarding subsidiaries credit facilities.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