ANNUAL REPORT 2019

JJH HOLDING I GLYNGØRE APS I DURUPVEJ 23 I DK–7870 ROSLEV I CVR NR. 37560235 I www.freja.com

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FREJA

FIVE-YEAR OVERVIEW

(MDKK)	2019	2018	2017	2016	2015
Income statement					
Revenue	3.341,9	3.120,6	2.546,8	2.431,4	2.408,4
Gross profit	527,7	364,8	305,2	307,6	297,9
Operating profit (EBIT)	73,1	51,3	41,6	47,3	44,3
Net financials	-15,4	-2,4	-2,9	-1,4	0,5
Profit before tax	53,8	38,1	59,4	45,9	44,8
Profit for the year	36,9	23,3	45,4	34,9	34,4
Comprehensive income incl. non-controlling interests	36,3	19,4	40,4	36,3	32,8
Statement of financial position					
Total assets	1.597,6	965,7	679,2	625,8	617,5
Total equity	294,9	286,3	252,9	212,5	184,6
Cash flows					
Cash flows from operating activities	192,5	57,8	70,8	47,2	46,1
Cash flows from investing activities *1	-36,6	-205,0	10,9	-7,5	-27,5
Cash flows from financing activities	-130,1	86,6	0,0	-22,3	-3,8
Total cash flows	25,7	-60,6	81,7	7,4	14,8
*1 Portion relating to acquisition of property, plant and equipment	-34,1	-35,0	-6,4	-4,2	-11,0
Financial ratios					
Gross margin (gross profit in % of revenue)	15,8	11,7	12,0	12,6	12,4
Payroll ratio (gross profit in % of staff costs)	165,0	121,3	120,5	123,9	123,2
Profit margin (operating profit in % of revenue)	2,2	1,6	1,6	1,9	1,8
Return on capital employed (operating profit in % of average total assets)	5,7	6,2	6,4	7,6	7,5
Solvency ratio (equity in % of total assets)	18,5	29,6	37,2	34,0	29,9
Staffing					
Average number of employees	797	611	611	597	575

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 clients.

Developing and optimizing processes and IT

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

CSR as part of our DNA

FREJA is working with the UN sustainable development goals where it makes sense. To ensure that we work with our targets, they are followed up in the use of 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 in reaching 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 2020

Transcargo Poland which was acquired in 2018 has during 2019 been

fully integrated into the FREJA Group. As part of the full integration, since 1 January 2020 we also changed name to FREJA. In 2019 we started the process of building a new top modern logistics center in Szczecin, which will be our new headquarter in Poland. According to the plan it will be operationally ready latest in July 2020. The investment in Poland will in the long term help to strengthen and develop our position in Poland.

The FREJA Group has succeeded in attracting new customers, as well as we have succeeded to develop further business with present customers. Coup- led with the strategic alliances in the groupage market, we expect to gain market shares also in 2020. 2020 will further be the year where we prepare and strength the management team for further growth, which might include M&A's.

COVID-19

Our asset light business model, where we continue to invest in customer faced solutions and improved customer service experience, where we are in close dialog with all our partners, showed good results in 2019. The positive trend continues in 2020 where we delivered record revenue and earnings for a single quarter in Q1 2020. However, as the world faces uncertainty around economy and public health, due to the COVID-19 pandemia, the global transport industry will see an overall decline in activities. FREJA will also be affected by less activity, especially within our Road services throughout Europe.

Due to this, we expect to be affected by a decline in revenue as well as earnings especially during Q2 and less so in Q3. Depending on the effects of a second wave of COVID-19, we assess that FREJA Group will be able to deliver a financial performance above the general market.

We strongly believe that our business model and our competent organization is prepared for this extraordinary situation and we will take all necessary measures to become stronger in the long term.

FREJA GROUP – FINANCIAL PERFORMANCE

GROUP PERFORMANCE IN 2019

Solid growth and earnings resulted in a stronger market position
In 2019, the FREJA Group focused on strengthening our already strong organization with more skillful people and utilizing our position as Full Service Provider. Thus, we continued to provide our customers with excellent services within the Road, Logistics and Global Forwarding segments, including Air & Sea.

Our staff is core, hence the reason we continue to invest in developing our organization. Our ability to hire, educate, develop and retain staff in accordance with our core values and mindset will be key to long term success.

The Group saw positive and satisfying development in revenue and EBIT. Particularly Finland and Norway showed development on topline and earnings well above market level. Denmark improved earnings once again and continues to perform on a high and solid level. Poland showed a really strong development on topline as well as satisfied earnings and at the same time invested in the full integration into the FREJA Group. China performed well with positive earnings. Sweden still has negative earnings but major measures, implemented especially during Q2 and Q3, have since August showed good improvements for FREJA Sweden.

It is crucial to the FREJA Group to continuously invest in IT solutions and IT tools, which can support our customer service experience. FREJA wants to meet the demands from our customers, now and in the future, who want to have access to all relevant data and hereby have a full over- view of their Business Intelligence. FREJA believes that transparency is key to long term success with all our partners and we strive to deliver "best in class" on that agenda. Hence pushing both ourselves and the market in general on this topic.

From 2018 to 2019, the Group realized an increase in revenue of 7%. Total revenue amounted to DKK 3.342 million in 2019.

Total EBIT before special items increased by 42% and amounted to DKK 73.1 million compared to DKK 51.3 million in 2018. DKK 10.1 million of the increase is related to the implementation of IFRS 16.

Special items amount to DKK 3.8 million. They are related to FREJA Sweden, and comprise of costs associated with the closure of the two locations in Stockholm and Gothenburg.

Profit for the year before tax amounted to DKK 53.8 million against DKK 38.1 million in 2018. Profit before tax decreased by DKK 5.7 million due to the implementation of IFRS 16.

Other comprehensive income was affected by minor positive value adjustments regarding investments in foreign subsidiaries of DKK 0.6 million and minor negative value adjustments regarding other hedging instruments of DKK 1.6 million.

In the financial year, the Group's equity was strengthened by DKK 8.6 million, and the solvency ratio decreased to 18.5%.

The Group's total assets increased by 66% to DKK 1.597 million. The 2019 opening balance increased DKK 645.4 million due to the implementation of IFRS 16.

In 2019, the Group's cash flows from operating activities amounted to DKK 192.5 million. Net cash flows from investing activities amounted to DKK -36.6 million. The change in cash and cash equivalents was positive by DKK 25.7 million.

The Group regularly prepares segmental financial statements, and the revenue stated in the financial statements is distributed by 88% on Road activities, 5% on Logistics activities and 7% on Project and Air & Sea activities.

The Group as a whole has delivered record revenue and earnings for a single quarter in Q1 2020. Please see the section outlook 2020 for our expectations for 2020.

FREJA GROUP – FINANCIAL PERFORMANCE

FREJA DENMARK

FREJA Denmark continues to secure a platform for growth

During the course of 2019 FREJA Denmark had focused on increased co-operation between departments, divisions and FREJA homelands, after the successful integration of Transcargo. FREJA Denmark continued the great performance in our Healthcare Logistics set up, with the successful implementation of a major pharma customer and facilitating further expansion. FREJA Denmark's main focus was and still is to further develop our European Road groupage set up, and offer Global forwarding solutions.

In 2019, FREJA Denmark reached a revenue of just above 1,7 billion. Contribution margin increased once again with approximately 20% and EBIT level increased with 32%, which was partly due to the implementation of IFRS 16 and partly due to improvement in most of the divisions and costs control in general and particular on terminals.

The EBIT and EBITDA margin was positively impacted by IFRS 16, while the finance costs for the same reason were negatively affected.

With the exception of Domestic Distribution, all our divisions namely Road, Global Forwarding and Logistics showed growth. The organization was strengthen over all, particularly our sales and marketing organization. We therefore have a very solid platform well prepared for further growth. The increased competition and pressure on margins resulted in a small reduction of employees at the end of 2019 across all departments.

Market situation

During most periods in 2019, we saw there was sufficient capacity of drivers, although periods in Q1 showed lack of capacity.

In Q2 we saw increased competition and coupled with reduced activity in both the Road and Global Forwarding markets we have seen a market in decline with fierce competition in the second half of 2019.

Focus areas in 2020

FREJA Denmark expects to see a very competitive 2020, especially in the Road Divisions, where the margins are under pressure. Q1 has been according to expectations but the outlook for the rest of 2020 is uncertain due to the COVID-19 pandemia. FREJA Denmark's business model ensures very close contact to customers which is increasingly important in these challenging times.

FREJA NORWAY

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

The company's activity in 2019 was historically high for the sixth year in a row. Investments initiated during 2018 in the leadership and competence development program "Forwarder 2.0" and improved IT solutions, continued in 2019 and has contributed to an even better quality and educated staff. This has led into an even higher customer loyalty, despite though competition and continuously changing customer demands. In addition to general good activity, investments during 2018 in a new location in Ålesund, and a new 3PL warehouse at Berger outside Oslo, boosted the sales by 27 % in 2019. The good cooperation with the other companies in the Group continued in the Nordics, Poland and China and resulted in very positive synergies.

The EBIT and EBITDA margin was positively impacted by IFRS 16, while the finance costs for the same reason were negatively affected. FREJA 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 and employees. Our policy is to use company cars with electrical engines, and investments have been made in charging stations to facilitate charging for our employees too.

FREJA GROUP – FINANCIAL PERFORMANCE

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 2020

The investments in developing personnel and expanding the team, more environment-friendly solutions, more transport equipment, improved IT-solutions, extension of the pharma-warehouse and GMP-services, has given us a positive start in 2020 and we expect further growth also in 2020. The organization is flexible enough to face the extraordinary situation created by the COVID-19 pandemia with no negative impact for service levels offered to customers.

FREJA SWEDEN

FREJA Sweden – good growth but still negative earnings

Economic results in 2019 have been unsatisfactory in terms of earnings.

The first two quarters were especially challenging with changes in top management. Disturbances in logistics and domestic distribution also challenged the setups, especially in Stockholm and Jönköping.

The current management team was put together in May. During Q2 the complete setup was thoroughly analysed and this led to a larger restructuring in July. Gothenburg and Stockholm branches were downscaled and ultimately terminated. Several positions within FREJA Sweden were changed – with the ultimate purpose of creating a leaner and more simple organisation fit for growth and development.

Positive effects of the restructuring began to show from August with in- creased and more stable operational earnings. This improvement will together with increased turnover ultimately cater for a more sustainable business with profits in sight in 2021. This is also reflected in the operational quality that has seen a significant improvement, which in time will attract and retain further customers. The partner agreements in Europe still make it possible to achieve the quality and profitability targets set for the future.

Market situation

During Q4 of 2019 FREJA Sweden managed to gain larger clients, under- lining our position as a quality provider in the market, that in general is characterized by a lack of capacity.

Focus areas in 2020

We will continue the focus on stabilizing operational earnings and attract new business to gain critical mass in activity. Furthermore we will strengthen each segment as well as the organization to prepare for the expected growth.

The organization is flexible enough to face the extraordinary situation created by the COVID-19 pandemia with no negative impact for service levels offered to customers.

FREJA FINLAND

FREJA Finland continued profitable growth

During the course of 2019 FREJA Finland continued positive growth especially in the international road transport area. The company´s second largest business area Overseas, also showed growth despite the weak global market demand. The Overseas business area consists of global Project deliveries/Special transports and Air & Sea business. Especially the Air & Sea business area had positive growth in 2019 both in terms of net sales and delivery volumes.

In 2019 FREJA Finland's turnover increased by 5,4 % and EBIT increased by 30 %. The improvement of FREJA Finland's result is the positive outcome of the focus on working with efficiencies in all business areas.

FREJA GROUP – FINANCIAL PERFORMANCE

During 2019 FREJA Finland continued comprehensive work on the marketing area. In future the company will put more effort into providing all- round freight services and to be considered the most attractive service provider.

Again in 2019 FREJA Finland was chosen as "Best Service Provider" in the whole freight forwarding industry in Finland, based on independent market research made by Taloustutkimus Oy. It is a great honour to receive the same award for the second time.

Market situation

The COVID-19 pandemia will bring on new challenges to the global business market. The pandemia will most likely affect all three different levels: – individual, company and society.

Focus areas in 2020

FREJA Finland will focus on customer service, so the company will offer even better service to our customers as well strengthening the international network even wider.

FREJA POLAND

FREJA Transport & Logistics Sp. z o.o. continued growth in turnover and Contribution Margin

In 2019 Transcargo increased turnover with nearly 24 % and the Contribution Margin with 50 %. Incremental growth was possible due to highly efficient sales activities, combined with developing business generated by existing clients. Transcargo, as the recognized E-commerce operator has benefited a lot from very rapid growth of this market sector in 2019 in Poland. New investments planned for 2020 will also allow the company to offer contract logistics products what will generate synergy with professional distribution services for Scandinavia and all Europe and steadily increase the market share in the largest CEE-logistics market.

Market situation

The market in Poland has become highly competitive with many logistics operators offering high quality service. The key to success in such a situation is close relations with our partners, combined with the highest quality of performance and customer service which we are providing in the market. The unemployment rate in Poland has been on the lowest level in history (6%) which demands the creation of a good and creative high quality business environment for our employees.

Focus areas in 2020

We will continue to develop the Polish organisation to be as strong and in- dependent as in every FREJA homeland. The new brand of FREJA Trans- port & Logistics Sp. z o.o as of 1st of January 2020 is the milestone in the roadmap of creating a fully integrated Polish organization into FREJA's world. As of 2020 we are fully integrated into the FREJA Transport Management System.

In the second half of 2020 our cross-docking and warehousing facility in Szczecin will be ready to provide high quality service for our customers. This investment will be an important step to build FREJA's position as one of the leading logistics operators easily recognized by all prospects and existing clients. 2020 is also the time of setting up the professional Sales Department ready to develop business opportunities in each of the product lines portfolio. Q1 2020 is very positive in turnover and results. The organization is flexible enough to face the extraordinary situation created by the COVID-19 pandemia with no negative impact for service levels offered to customers.

FREJA GROUP – FINANCIAL PERFORMANCE

FREJA CHINA

FREJA China continues positive growth

FREJA China was established in 2016 and after 4 years of development, FREJA China has become known in the market among customers and suppliers. Awareness has increased steadily especially in combination with the strong brand recognition in the Nordic area. FREJA China together with other FREJA countries have made great progress together to gain customers in China, both locally and internationally.

During 2019 FREJA China gained good trust from many customers by our dedicated service and customized solutions and took more market shares especially in the industrial projects sectors.

In 2019, FREJA China's turnover increased by 21% but EBIT decreased by 37.5% due to investments made to enhance our teams and office locations. Externally the trade war between China and USA has given certain impacts as well.

Market situation

Overall the Chinese economy has been heavily affected by the COVID-19 pandemia from the end of January. Even though it starts recovering from April, there is still a big impact on trading markets both in terms of import and export which will also bring more competition in the shipping market.

Focus areas in 2020

FREJA China has established a third branch office in Qingdao in order to be able to serve our customers in a wider range in China. Furthermore North China area locally. With the establishment of our Qingdao office location, FREJA China has a good coverage in China of North, East and South along the coastal line.

FREJA China will continue to focus on developing existing business area and delivering the safety and quality to clients with the efforts of our professional and dedicated team.

RISK MANAGEMENT

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/dk/frontpage/freja/csr

STATEMENT BY THE MANAGEMENT

The Management have today discussed and approved the annual report of JJH Holding I Glyngøre ApS for the financial year 1 January – 31 December 2019.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

Management's review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2019 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 2019.

Furthermore, in our opinion, the Management review gives a fair review 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, 26 June 2020

Management:

Jørgen J. Hansen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of JJH Holding I Glyngøre ApS

Opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2019 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2019 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 2019 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of JJH Holding I Glyngøre ApS 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 the Management's review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

INDEPENDENT AUDITOR'S REPORT

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements 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.

We also

- identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 in-adequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Skive, 26 June 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ole Østergaard
State Authorised Public Accountant
MNE-nr. 23414

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED INCOME STATEMENT

(DKK'000)	Note	2019	2018
Revenue	2.1	3.341.935	3.120.563
Direct costs	2.2	-2.704.955	-2.595.806
Contribution margin		**636.980**	**524.757**
Other external costs	2.3	-109.273	-159.909
Gross profit		**527.707**	**364.848**
Staff costs	2.4	-319.856	-300.689
Operating profit before depreciation, amortisation and impairment losses (adjusted EBITDA)		**207.851**	**64.159**
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	2.5	-135.264	-13.837
Other operating income	2.6	1.019	1.292
Other operating costs	2.6	-552	-266
Operating profit before special items (adjusted EBIT)		**73.054**	**51.348**
Special items	2.7	-3.841	-10.913
Finance income	4.3	3.992	4.277
Finance costs	4.3	-19.430	-6.636
Profit before tax		**53.775**	**38.076**
Tax on profit for the year	5.2	-16.859	-14.785
Profit for the year		**36.916**	**23.291**
Distribution of profit for the year			
Shareholders of JJH Holding I Glyngøre ApS		5.316	4.085
Non-controlling interests		31.600	19.206

* Effective 1 January 2019 the Group implemented the new standard on leases, IFRS 16 which has had a material effect on the financial statements. See Note chapter 1 to the Annual Report 2019 for further information. Comparative figures were not restated.

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(DKK'000)	Note	2019	2018
PROFIT FOR THE YEAR		36.916	23.291
Items that can be reclassified to the income statement			
Translation from functional currency to presentation currency regarding foreign subsidiaries		654	-3.922
Fair value adjustment of cash flow hedges		-1.619	0
Tax on other comprehensive income	5.2	356	0
OTHER COMPREHENSIVE INCOME AFTER TAX		**-609**	**-3.922**
TOTAL COMPREHENSIVE INCOME		**36.307**	**19.369**
Distribution of total comprehensive income for the year:			
Shareholders of JJH Holding I Glyngøre ApS	4.1	5.232	3.526
Non-controlling interests	4.1	31.075	15.843

FREJA

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

ASSETS

(DKK'000)	Note	2019	2018
Goodwill		289.664	289.510
Customers relationships		4.099	4.782
Software		14.944	13.512
Intangible assets	3.1	**308.707**	**307.804**
Right-of-use assets	3.3	586.854	0
Land and buildings	3.2	34.976	35.649
Leasehold improvements	3.2	6.071	5.645
Plant and equipment	3.2	17.857	25.750
Assets under construction	3.2	27.518	1.753
Property, plant and equipment	3.2	**673.276**	**68.797**
Other equity investments	3.4	5.239	5.224
Deposits receivable		6.787	7.325
Deferred tax asset	5.2	8.903	4.069
Investments		**20.929**	**16.618**
TOTAL NON-CURRENT ASSETS		**1.002.912**	**393.219**
Trade receivables	4.4	427.759	406.590
Corporation tax receivable	5.2	973	1.400
Other receivables	4.4	39.163	39.208
Prepayments	3.5	8.831	10.961
Cash at bank and in hand		117.979	114.273
TOTAL CURRENT ASSETS		**594.705**	**572.432**
ASSETS		**1.597.617**	**965.651**

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER

EQUITY AND LIABILITIES

(DKK'000)	Note	2019	2018
Share capital	4.1	250	250
Reserves		42.512	41.280
Parent company's share of equity		**42.762**	**41.530**
Non-controlling interests	4.1	252.185	244.761
EQUITY	4.1	**294.947**	**286.291**
Deferred tax	5.2	2.517	6.564
Provisions	3.6	1.967	1.099
Banks and credit institutions	4.5	41.560	55.696
Lease obligations	4.5	501.752	4.169
Non-current liabilities		**547.796**	**67.528**
Provisions	3.6	750	120
Banks and credit institutions	4.5	72.147	95.133
Lease obligations	4.5	126.566	1.528
Trade payables		457.492	426.049
Corporation tax payable	5.2	7.034	6.739
Other payables		90.885	82.263
Current liabilities		**754.874**	**611.832**
TOTAL LIABILITIES		**1.302.670**	**679.360**
EQUITY AND LIABILITIES		**1.597.617**	**965.651**

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2019

(DKK'000)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Parent Companys share of equity	Non-controlling interests	Total equity
Equity at 1 January as previously reported	250	-7.716	-	48.996	41.530	244.761	286.291
Impact of accounting ploicy changes*				-4.000	-4.000	-23.651	-27.651
Equity at 1 January 2019	**250**	**-7.716**	**-**	**44.996**	**37.530**	**221.110**	**258.640**
Profit for the year	**-**	**-**	**-**	**5.316**	**5.316**	**31.600**	**36.916**
Translation from functional currency to presentation currency regarding foreign subsidiaries	-	99	-	-	99	555	654
Fair value adjustment of cash flow hedges	-	-	-234	-	-234	-1.385	-1.619
Tax on other comprehensive income	-	-	-	51	51	305	356
Other comprehensive income after tax	**-**	**99**	**-234**	**51**	**-84**	**-525**	**-609**
Total comprehensive income for the period	**-**	**99**	**-234**	**5.367**	**5.232**	**31.075**	**36.307**
Equity at 31 December 2019	**250**	**-7.617**	**-234**	**50.363**	**42.762**	**252.185**	**294.947**

* Cumulative effect of applying IFRS 16 Leases – see Notes Chapter 1 to the Annual Report 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2018

(DKK'000)	Share capital	Translation reserve	Hedging reserve	Retained earnings	Parent Companys share of equity	Non-controlling interests	Total equity
Equity at 1 January 2018	**250**	**-7.157**	**-**	**44.911**	**38.004**	**214.918**	**252.922**
Profit for the year	**-**	**-**	**-**	**4.085**	**4.085**	**19.206**	**23.291**
Translation from functional currency to presentation currency regarding foreign subsidiaries	-	-559	-	-	-559	-3.363	-3.922
Tax on other comprehensive income	-	-	-	-	-	-	-
Other comprehensive income after tax	**-**	**-559**	**-**	**-**	**-559**	**-3.363**	**-3.922**
Total comprehensive income for the period	**-**	**-559**	**-**	**4.085**	**3.526**	**15.843**	**19.369**
Transactions with non-controlling interests	-	-	-	-	-	14.000	14.000
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**14.000**	**14.000**
Equity at 31 December 2018	**250**	**-7.716**	**-**	**48.996**	**41.530**	**244.761**	**286.291**

CONSOLIDATED FINANCIAL STATEMENTS 2019

CONSOLIDATED STATEMENT OF CASH FLOWS 1 JANUARY – 31 DECEMBER

(DKK'000)	Note	2019	2018
Operating profit before special items (adjusted EBIT)		**73.054**	**51.348**
Adjustments	3.7	136.844	14.564
Changes in working capital	3.7	18.903	20.406
Finance income		3.965	4.277
Interest paid on lease liabilities		-15.452	0
Other finance costs		-3.978	-6.207
Corporation tax paid	5.2	-16.988	-15.659
Special items	2.7	-3.841	-10.913
Cash flows from operating activities		**192.507**	**57.816**
Acquisition of intangible assets	3.1	-6.744	-5.810
Acquisition of property, plant and equipment	3.2	-34.124	-34.963
Disposal of property, plant and equipment		3.698	8.838
Acquisition of business activities	5.1	0	-184.756
Changes in deposits and other financial assets		549	11.675
Cash flows from investing activities		**-36.621**	**-205.016**
Proceeds from loans	4.5	31.560	76.532
Repayment on loans	4.5	-45.693	-3.934
Repayment on lease liabilities	4.5	-116.016	0
Non-controlling interests	4.1	0	14.000
Cash flows from financing activities		**-130.149**	**86.598**
Changes in cash and cash equivalents		25.737	-60.602
Cash and cash equivalents at 1 January		34.832	95.567
Foreign currency translation adjustments		960	-133
Cash and cash equivalents at 31 December		**61.529**	**34.832**
Cash and cash equivalents at 31 December can be specified as follows:			
Cash at bank and in hand		117.979	114.273
Bank loans, bank overdraft	4.5	-56.450	-79.441
Cash and cash equivalents		**61.529**	**34.832**

The cash flow statement cannot be derived solely from the published financial information.
Cash and cash equivalents comprise cash and overdraft facilities repayable on demand.

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.

The Group has implemented all new EU-approved standards, interpretations and amendments effective on 1 January 2019. Of these standards, interpretations and amendments, only IFRS 16 had a material impact on the Group's financial statement.

Changed accounting policies and classification on the annual report 2019

The Annual Report has been prepared using the same accounting policies for recognition and measurement as those applied to the consolidated financial statements for 2018, except for the new IFRS 16 "Leases" standard that was adopted as of 1 January 2019.

IFRS 16 "Leases"

IFRS 16 Leases was implemented 1. January 2019. Implementation of IFRS 16 had a material impact on the Group's financial statements as most contracts previously classified as off-balance operating leases under IAS 17 have now been capitalized, recognising right-of-use assets and lease liabilities similar to previous practice for finance leases.

Consequently, reported EBIT has increased, as previous operating lease expenses have been replaced by depreciation and interest expenses. However, the impact on profit before tax is neutral over time, but a timing effect does occur due to frontloading of interest expenses.

Reported cashflow from operating activities has increased, but is offset by an increased cash outflow from financing activities. Accordingly, total cash flow for the period is unchanged.

Application and practical expedients applied

IFRS 16 has been applied following the modified retrospective approach with the cumulative effect of applying the standard recognised in the opening balance of retained earnings.

Comparatives have not been restated and are presented in accordance with the previous IFRS standard on leases IAS 17 – as disclosed in the Annual Report 2018. Right-of-use assets and lease liabilities have been presented as separate line items in the balance sheet, which has led to minor restatements of comparative figures.

For existing leases classified as operating leases under IAS 17, lease liabilities have been measured at the present value of the remaining lease payments discounted using a appropriate incremental borrowing rate at 1 January 2019. Right-of-use assets have been measured at the date of initial application at an amount equal to the lease liability. For a few major leases the right-of-use assets have been measured as if IFRS 16 had been applied since the lease commencement date and discounted using an appropriate incremental borrowing rate on 1 January 2019.

The weighted average incremental borrowing rate applied at 1 January 2019 has been determined country by country. The weighted average incremental borrowing rate applied was 2,54% for assets classified as land and buildings and 1,95% for assets classified as plant and equipment.

For existing leases classified as finance leases under IAS 17, the carrying amount of lease liabilities and right-of-use assets on 1 January 2019 equals the carrying amount of lease liabilities and lease assets on 31 December 2018.

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following practical expedients have been applied in implementing the standard:

- Previously applied assessments of lease contract classification in accordance with IAS 17 were maintained. Classification of existing leases as either financial or operational leasing arrangements were not reassessed at the implementation date. Contracts which previously were determined as not containing a lease in accordance with IAS 17 were not reassessed.
- Leasing contracts with a remaining term of 12 months or less from the implementation date, 1 January 2019, were exempted from the implementation of IFRS 16.

The Group applies the following practical expedients from IFRS 16 on all existing and new leasing contracts:

- A single discount rate has been applied to appropriate groups of leases with similar characteristics.
- Service components part of leasing contracts are not included in the calculation of right-of-use assets and corresponding lease liabilities. These costs will be recognised in the income statement as incurred.
- No right-of-use assets or lease liabilities is recognised for leases with terms of 12 months or less and leasing contracts of low value. These costs will be recognised in the income statement as incurred.

Implementation impact

Implementation of the standard has impacted the 2019 opening balance as outlined below:

(DKK'000)	31 December 2018 (IAS 17)	Change	Reclassification	1 January 2019 (IFRS 16)
Assets:				
Right-of-use assets	0	637.608	5.802	643.410
Plant and equipment	25.750		-5.802	19.948
Deferred tax assets	4.069	7.799		11.868
Liabilities:				
Lease liabilities	5.697	673.059		678.756
Equity:				
Retained earnings	293.763	-27.652		266.111

Recognised right-of use assets have been classified within the following asset categories:

(DKK'000)	1 January 2019
Land and buildings	409.149
Plant and equipment	234.261
Total right-of-use assets	**643.410**

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Differences between the operating lease commitments and rental obligations on 31 December 2018, disclosed in the 2018 Annual Report, and lease liabilities, recognised in the opening balance on 1 January 2019 in accordance with IFRS 16, specify as follows:

(DKK'000)	
Operating lease obligations 31 December 2018	239.820
Rental obligations 31 December 2018	406.225
Total IAS 17 liabilities	**646.045**
Discount effect 1 January 2019	-73.625
Short term and low value leases	-4.836
Adjustments *	105.475
Application effect	**673.059**
Leases previously classified as finance type under IAS 17	5.697
Lease liabilities recognised 1 January 2019	**678.756**
Lease liabilities have been recognised in the statement of financial position as follows:	
Non-current lease liabilities	563.697
Current lease liabilities	115.059
Lease liabilities recognised 1 January 2019	**678.756**

*Adjustments primarily comprise impact of reassessment of the reasonably certain lease term in contracts with extension options due to IFRS 16.

The impact on the consolidated income statement for the year of leases recognised in accordance with IFRS 16 are specified as follows:

(DKK'000)	2019
Direct costs	72.097
Other external costs	57.589
Operating profit before depreciations, amortisation and impairment losses (adjusted EBITDA)	**129.686**
Depreciations	-119.375
Other operating costs	-233
Operating profit before special items (adjusted EBIT)	**10.078**
Finance costs	-15.785
Profit before tax	**-5.707**

CHAPTER 1 – BASIS FOR PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

Application of new and revised IFRSs not yet adopted

IASB has issued a number of new standards and amendments which have not yet taken effect. No new standards or interpretations are expected to have significant impact on the financial statements of the Group.

Accounting estimates and assessments

The preparation of the consolidated financial statements includes 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)
- Leases (note 3.3)
- 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 JJH Holding I Glyngøre APS 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.

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.

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 recognised 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 recognised based om the price specified in the contract with the costumer.

Incremental costs of obtaining a contract with a customer are not recognised as an asset but as an expense when incurred due to the short delivery times.

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 sales typically 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 recognised, and where 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 recognised.

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)	2019	2018
Road activities	2.947.877	2.806.991
Logistics activities	167.010	135.236
Project and Air & Sea activities	227.048	178.336
Total revenue	**3.341.935**	**3.120.563**

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.

In 2018 other direct costs also include rent and operating lease payments. This is not the case in 2019 due to application of IFRS 16 (see chapter 1).

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CHAPTER 2 – OPERATING PROFIT/LOSS

2.3 Other external costs

Accounting policies

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

In 2018 other external costs also include rent and operating lease payments. This is not the case in 2019 due to application of IFRS 16 (see chapter 1).

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)	2019	2018
Wages and salaries	324.047	301.004
Pensions	26.428	24.079
Other staff costs and social security costs	38.440	36.362
Total costs	**388.915**	**361.445**
Portion transferred to direct costs	-69.059	-60.756
Staff costs	**319.856**	**300.689**
Average number of employees	870	797
Wages and salaries to corporate management and key management personel	5.427	4.341
Pension contributions to corporate management and key management personel	438	200
Total remuneration of the corporate management and key management personel	**5.865**	**4.541**

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, 3.2 and 3.3.

Depreciation, amortisation and impairment losses

(DKK'000)	2019	2018
Depreciation on right-of-use assets	121.146	0
Depreciation on property, plant and equipment	8.191	8.940
Amortisation of intangible assets	5.927	4.897
Total depreciation, amortisation and impairment losses	**135.264**	**13.837**

2.6 Other operating income/expenses

Accounting policies

Other operating income and costs comprise items secondary to the primary activities of the Group.

Other operating income and costs

(DKK'000)	2019	2018
Gains from the disposal of property, plant and equipment	1.019	1.292
Other operating income	**1.019**	**1.292**
Losses from disposal of Right-of-use assets	233	0
Losses from the disposal of property, plant and equipment	319	266
Other operating costs	**552**	**266**

CHAPTER 2 – OPERATING PROFIT/LOSS

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)	2019	2018
Transaction and integration costs from business combinations	0	10.913
Costs related to restructuring	3.841	0
Special items, expenses	**3.841**	**10.913**
Special items, net	**-3.841**	**-10.913**
If special items had been recognised in operating profit before special items, they would have been included in the following items:		
Other external costs	-2.427	-6.327
Staff costs	-1.414	-4.586
Special items, net	**-3.841**	**-10.913**

Special items in 2019 comprise:
- Costs associated with the closure of the two locations in Stockholm and Göteborg in Sweden.

Special items in 2018 comprise:
- Transaction and integration costs from acquisition of Transcargo.

Accounting estimates
In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

This chapter describes the Group's invested capital, which forms the basis for our activities. The invested capital is reflected in the Group's property, plant and equipment and intangible assets as well as in the Group's net working capital in the form of assets and liabilities derived from operations.

3.1 Intangible assets

Goodwill

Accounting policies

Goodwill acquired in connection with acquisition of activities or entities is measured at cost less impairment losses. Goodwill is not amortised.

The carrying amount of goodwill is assessed on an ongoing basis. Goodwill is tested for impairment at least once a year. Impairment losses are recognised as a separate item of expense in the income statement and cannot be reversed in later periods if there is no longer any impairment.

Accounting estimates

Goodwill acquired in connection with acquisitions is subject to an annual impairment test, which implies that Management estimates future cash flows from the acquired entities. A number of factors affect these cash flows, including market trends, customer behaviour and competitive environment. See a detailed description of the impairment test performed below.

Goodwill

(DKK'000)	2019	2018
Cost at 1 January	289.510	153.006
Additions from business combinations	0	139.617
Currency translation adjustments	154	-3.113
Cost at 31 December	**289.664**	**289.510**
Carrying amount	**289.664**	**289.510**

Impairment tests

The carrying amount of goodwill is tested for impairment in connection with the preparation of the financial statements. The impairment test did not show any indication of impairment.

It is Management's assessment that the integration of the Company's entities has been successful to an extent where the dependency between the individual entities entails that it is not possible to identify a smaller cash-generating unit than the Group as a whole.

The Group's impairment test is therefore based on the total consolidated cash flows as a whole.

The change of the Group's allocation of cash-generating units has not affected the assessment of the indication of impairment.

The impairment test is based on the calculated value in use determined by applying expected net cash flows based on budgets and forecasts for 2020-2024 and a discount rate before tax of 7% (2018: 9%).

For the budget and forecast period, an average annual revenue growth rate of 6% has been recognised along with an earnings improvement reflected by an increase in EBIT margin from 2.2% in 2019 to 2.3% in the terminal period.

Revenue growth is expected as all consolidated companies are assessed to be able to realise growth compared to their current revenue levels due to a strong market position. The recognised revenue growth corresponds to previously realised growth.

Improved earnings are expected based on measures taken by the Group that have entailed an increased profit margin in recent financial years. This development is expected to continue.

In the terminal period, growth of 2% (2018: 2%) has been recognised, which corresponds to the expected inflation. Thus, no real growth has been recognised.

It is Management's assessment that probable changes in the basic assumptions will not entail that the carrying amount will exceed the recoverable amount.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

Customer relationships

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)	2019	2018
Cost at 1 January	5.465	0
Additions from business combinations	0	5.465
Cost at 31 December	**5.465**	**5.465**
Amortisation and impairment losses at 1 January	683	0
Amortisation	683	683
Amortisation and impairment losses at 3	**1.366**	**683**
Carrying amount	**4.099**	**4.782**

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 the amortisation applied.

Software

(DKK'000)	2019	2018
Cost at 1 January	52.823	47.016
Additions	6.744	5.810
Disposals	-275	0
Currency translation adjustments	8	-3
Cost at 31 December	**59.300**	**52.823**
Amortisation and impairment losses at 1 January	39.311	35.102
Amortisation	5.244	4.214
Amortisation of assets disposed of	-206	0
Currency translation adjustments	7	-5
Amortisation and impairment losses at 3	**44.356**	**39.311**
Carrying amount	**14.944**	**13.512**

All software is acquired from an external provider.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

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. 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.

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.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

Property, plant and equipment

(DKK'000)	Land and buildings 2019	Land and buildings 2018	Leasehold improvements 2019	Leasehold improvements 2018	Plant and equipment 2019	Plant and equipment 2018
Cost at 1 January	37.221	3.877	14.427	18.868	57.260	40.795
Additions from business combinations	0	18.480	0	0	0	7.952
Additions	90	15.347	1.212	459	7.218	17.380
Disposals	0	0	0	-4.886	-9.527	-8.379
Reclassification of financial lease assets	0	0	0	0	-6.201	0
Currency translation adjustments	216	-483	23	-14	139	-488
Cost at 31 December	**37.527**	**37.221**	**15.662**	**14.427**	**48.889**	**57.260**
Depreciation and impairment losses at 1 January	1.572	0	8.782	10.222	31.510	28.364
Depreciation	964	1.587	796	998	6.431	6.355
Depreciation on assets disposed of	0	0	0	-2.429	-6.599	-3.024
Reclassification of financial lease assets	0	0	0	0	-399	0
Currency translation adjustments	15	-15	13	-9	89	-185
Depreciation and impairment losses at 31 December	**2.551**	**1.572**	**9.591**	**8.782**	**31.032**	**31.510**
Carrying amount	**34.976**	**35.649**	**6.071**	**5.645**	**17.857**	**25.750**

Assets under construction

(DKK'000)	2019	2018
Cost at 1 January	1.753	0
Additions	25.604	1.777
Currency translation adjustments	161	-24
Cost at 31 December	**27.518**	**1.753**
Carrying amount	**27.518**	**1.753**

An obligation regarding the purchase of property, plant and equipment of DKK 36 million exists at 31 December 2019 (2018: DKK 60 million)

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

3.3 Leases 2019

Accounting policies
Lease contracts, as defined by IFRS 16 "Leases", are recorded in the balance sheet, which leads to the recognition of:

- an asset representing a right of use of the asset leased during the lease term of the contract;
- a liability related to the payment obligation.

Right-of-use assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less.

Measurement of the right-of use asset
At the commencement date, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

Following the initial recognition, the right-of-use asset is measured less accumulated depreciations and impairment losses and adjusted for any remeasurements of the lease liability (see below).

Depreciations are done following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest.

Measurement of the lease liability
At the commencement date, the lease liability is measured at the present value of lease payments discounted using the interest rate implicit in the lease contract. ln cases where the implicit interest rate cannot be determined, an appropriate incremental borrowing rate is used instead.

Amounts involved in the measurement of the lease liability are fixed payments, variable lease payments that depend on an index or a rate (initially measured using the index or the rate in force at the lease commencement date) and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Types of capitalized lease contracts
Right-of-use assets classified as land and buildings mainly relate to leases of warehouses, terminals and office buildings, whereas assets recognised as other plant and operating equipment mainly relates to leases of trailers, trucks, company cars, IT hardware and other office equipment.

Land and buildings leases normally have a lease term of up to 15 years, whereas leases of other plant and operating equipment normally have a lease term of up to 5 years.

Accounting estimates
In accounting for lease contracts, various judgements are applied in determining right-of-use assets and lease liabilities.

Judgements include assessment of lease periods, utilization of extension options and applicable discount rates. In addition, significant estimates have been applied in determining these in relation to the implementation of IFRS 16.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

Right-of-use assets

(DKK'000)	Land and buildings 2019	Land and buildings 2018	Plant and equipment 2019	Plant and equipment 2018	Total right-of-use assets 2019	Total right-of-use assets 2018
Beginning balance at 1 January	0	0	0	0	0	0
Application effect	409.149	0	228.459	0	637.608	0
Reclassification of financial lease assets	0	0	5.802	0	5.802	0
Additions	1.929	0	63.738	0	65.667	0
Adjustments due to remeasurement and reassessment	409	0	-2.377	0	-1.968	0
Depreciation	-44.106	0	-77.040	0	-121.146	0
Terminations	-122	0	-111	0	-233	0
Currency translation adjustments	1.293	0	-169	0	1.124	0
Ending balance at 31 December	**368.552**	**0**	**218.302**	**0**	**586.854**	**0**

Lease liabilities:

(DKK'000)	Land and buildings 2019	Land and buildings 2018	Plant and equipment 2019	Plant and equipment 2018	Total lease liabilities 2019	Total lease liabilities 2018
Beginning balance at 1 January	0	0	0	0	0	0
Application effect	444.600	0	228.459	0	673.059	0
Reclassification of financial lease assets	0	0	5.697	0	5.697	0
Additions	1.929	0	63.738	9.065	65.667	9.065
Interest expense	10.922	0	4.530	0	15.452	0
Adjustments due to remeasurement and reassessment	409	0	-2.377	0	-1.968	0
Lease payments	-51.487	0	-79.981	-3.247	-131.468	-3.247
Currency translation adjustments	1.460	0	419	-121	1.879	-121
Ending balance at 31 December	**407.833**	**0**	**220.485**	**5.697**	**628.318**	**5.697**

Lease payments

Lease payments according to IFRS 16 are included in the change in lease liabilities as specified above. Other lease costs are included in Direct costs and Other external costs. These other lease costs can be specified as follows:

(DKK'000)	2019
Lease expenses for short term leases, that have a lease term of 12 months or less, and leases of low-value assets (DKK 25.000 or less)	3.976
Leases expensed related to contracts with a remaining term of 12 months or less from the implementation date, 1 January 2019, that were exempted from the implementation of IFRS 16	4.844

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CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

3.4 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)	2019	2018
Investments at fair value through income statement	991	965
Investments at fair value through other comprehensive income	4.248	4.259
Financial assets at fair value	**5.239**	**5.224**

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)	2019	2018
Balance at 1 January	965	0
Additions from business combinations	0	1.394
Gains or losses recognized in income statement	26	-429
Balance at 31 December	**991**	**965**

Investment at fair value through comprehensive income:

(DKK'000)	2019	2018
Balance at 1 January	4.259	4.114
Purchase	0	133
Disposal	-14	0
Currency translation adjustments	3	12
Financial assets at fair value	**4.248**	**4.259**

3.5 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.

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

3.6 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 costs to be paid on return of leased trailers as a result of damages etc.

Such costs are considered variable payments not included in the measurement of the lease.

Return liabilities are recognised based on an estimate of expected costs to be paid when returning leased trailers.

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 leased trailers, 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)	2019	2018
Return liabilities	2.717	1.219
Provisions at 31 December	**2.717**	**1.219**

(DKK'000)	2019	2018
Development in provisions:		
Provisions at 1 January	1.219	914
Reclassification	739	0
Additions for the year	943	1.227
Disposals for the year	-175	-922
Currency translation adjustments	-9	0
Provisions at 31 December	**2.717**	**1.219**

(DKK'000)	2019	2018
Expected maturity of provisions:		
0-1 year	750	120
1-5 year	1.965	1.080
>5 years	2	19
Provisions at 31 December	**2.717**	**1.219**
Provisions have been recognised in the statement of financial position as follows:		
Non-current provisions	1.967	1.099
Current provisions	750	120
Provisions at 31 December	**2.717**	**1.219**

CHAPTER 3 – OPERATING ASSETS AND LIABILITIES

3.7 Statement of cash flows

Accounting policies

The statement of cash flows shows 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.

Overdraft facilities form an integral part of an entity's cash management and for that reason, overdraft facilities are included as a component of cash and cash equivalents meaning that overdraft balances are offset against any positive cash and cash equivalent balances for the purposes of the statement of cash flows.

Adjustments, statement of cash flows

(DKK'000)	2019	2018
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	135.264	13.837
Gains and losses from the disposal of property, plant ans equipment and intangible assets	-700	-1.026
Right-of-use termination	233	0
Adjustment of provisions and impairment losses	2.047	1.753
Total adjustments of cash flows	**136.844**	**14.564**

Changes in working capital

(DKK'000)	2019	2018
Changes in receivables	-19.543	-13.268
Changes in trade payables and other payables	38.446	33.674
Total changes in working capital	**18.903**	**20.406**

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 250,000 shares of nom. DKK 1 each that are all fully paid-up. There have been no changes to the share capital since the foundation of the company. 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).

Hedging reserve
The hedging reserve comprises the fair value of hedging instruments qualifying for hedge accounting.

Hedge accounting ceases when the hedging instrument matures or if a hedge is no longer effective.

Non-controlling interests

(DKK'000)	2019	2018
Non-controlling interests at 1 January	244.761	214.918
Non-controlling interests' share of impact of accounting policy changes	-23.651	0
Non-controlling interests' share of comprehensive income for the year	31.075	15.843
Transactions with non-controlling interests:		
Capital increase	0	14.000
Non-controlling interests at 31 December	**252.185**	**244.761**

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

Non-controlling interests 2019

(TDKK)	Other minority interests	FREJA Transport & Logistics Holding A/S Skive, Denmark	JJH Invest ApS Skive, Denmark	Total
Non-controlling interests				
Proportion of voting rights held		42,1%	23,1%	
Proportion of ownership interests held		42,1%	75,0%	
Comprehensive income				
Revenue		3.341.935	3.341.935	
Profit for the year		36.896	36.916	
Comprehensive income		36.287	36.307	
Distribution of comprehensive income:				
Minority interests on lower level		146	15.373	
Comprehensive income excl. minority interests on lower level		36.141	20.934	
Parent companys share of comprehensive income		**20.914**	**5.232**	
Non-controlling interests	**146**	**15.227**	**15.702**	**31.075**
Financial position				
Non-current assets		1.002.912	1.002.912	
Current assets		593.632	594.705	
Non-current liabilities		547.796	547.796	
Current liabilities		754.581	754.874	
Minority interests on lower level		101	123.998	
Equity excl. minority interests on lower level		294.066	170.949	
Parent companys share of equity		**170.169**	**42.762**	
Non-controlling interests	**101**	**123.897**	**128.187**	**252.185**
Changes in cash and cash equivalents		**25.749**	**-12**	
Transactions with non-controlling interests				
Lease of property	0	1.853	0	1.853

In 2019 there has only been lease of property transactions with Ejendomsselskabet Viborgvej 52,7800 Skive ApS.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

Non-controlling interests 2018

(TDKK)	Other minority interests	FREJA Transport & Logistics Holding A/S Skive, Denmark	JJH Invest ApS Skive, Denmark	Total
Non-controlling interests				
Proportion of voting rights held		42,1%	23,1%	
Proportion of ownership interests held		42,1%	75,0%	
Comprehensive income				
Revenue		3.120.563	3.120.563	
Profit for the year		23.270	23.291	
Comprehensive income		19.349	19.369	
Distribution of comprehensive income:				
Minority interests on lower level		230	11.335	
Comprehensive income excl. minority interests on lower level		19.119	8.034	
Parent companys share of comprehensive income		**8.014**	**3.526**	
Non-controlling interests	**230**	**11.105**	**4.508**	**15.843**
Financial position				
Non-current assets		393.220	393.219	
Current assets		571.392	572.432	
Non-current liabilities		67.528	67.528	
Current liabilities		611.552	611.832	
Minority interests on lower level		-45	120.275	
Equity excl. minority interests on lower level		285.532	166.016	
Parent companys share of equity		**165.212**	**41.530**	
Non-controlling interests	**-45**	**120.320**	**124.486**	**244.761**
Changes in cash and cash equivalents		**-60.597**	**-5**	
Transactions with non-controlling interests				
Lease of property	0	1.789	0	1.789

In 2018 there has only been lease of property transactions with Ejendomsselskabet Viborgvej 52,7800 Skive ApS.

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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 18,5% realised at 31 December 2019 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. The solvency ratio at 31 December 2019 would have been 31,8% if IFRS 16 had not been implemented (2018: 29,6%).

4.3 Finance income and costs

Accounting policies
Other finance income primarily relates 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)	2019	2018
Interest, corporation tax	1	3
Dividens from other equity investments at fair value through income statement	80	21
Changes in exchange rates	26	0
Fair value adjustments, financial assets	27	0
Other finance income	3.858	4.253
Total finance income	**3.992**	**4.277**

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

Fair value adjustments of equity investments at fair value through income statement has resulted in income of 26 tDKK in 2019 (2018: cost of 429 tDKK).

Finance costs

(DKK'000)	2019	2018
Interest, corporation tax	18	1
Interest, leasing	15.452	367
Changes in exchange rates	0	765
Fait value adjustments, financial assets	0	429
Other finance costs	3.960	5.074
Total finance costs	**19.430**	**6.636**

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

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 2018.

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.

The Groups has a committed overdraft facility of DKK 50 million which expires in November 2021 with the option of renewal for another two years. The committed overdraft facility was refinanced in 2019 and includes covenants requiring certain financial performance indicators to be met.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

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

(DKK'000)	2019	2018
Cash at bank and in hand	117.979	114.273
Undrawn credit lines	103.530	91.295
Total cash resources	**221.509**	**205.568**

No cash or cash equivalents are subject to restrictions implying that the cash may not be readily available for general use or distribution by the Group.

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.

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

As the Group only enters into short-term forward currency 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(+/-) 2019	2018	Hypothetical effect in Other comprehensive income before tax (+/-) 2019	2018
SEK/DKK	5%	1.100	1.000	1.300	4.000
NOK/DKK	5%	3.100	3.400	5.700	6.500
EUR/DKK	1%	6.800	2.300	6.000	1.600
USD/DKK	5%	2.100	400	2.100	400
PLN/DKK	5%	100	100	3.400	3.300
Total		**13.200**	**7.200**	**18.500**	**15.800**

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 2019.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

At 31 December 2019, the Group's monetary currency positions included the following:

(DKK'000)	DKK	SEK	NOK	EUR	USD	PLN	Other	Total
Cash and cash equivalents	12.460	3.123	17.709	65.067	2.645	13.545	3.430	117.979
Trade receivables, nominal value	154.871	27.427	33.463	187.482	9.109	10.641	8.386	431.379
Trade receivables, impairment loss	-1.837	-157	-417	-1.029	-8	-172	0	-3.620
Trade payables	-132.203	-34.324	-26.598	-219.027	-5.752	-35.649	-3.939	-457.492
Banks and credit institutions	-106.804	-2.619	0	-4.280	0	-4	0	-113.707
Lease liabilities	-254.183	-23.580	-133.445	-207.571	0	-8.421	-1.118	-628.318
Currency derivatives	0	-15.149	-42.087	55.617	0	0	0	-1.619
Net position	**-327.696**	**-45.279**	**-151.375**	**-123.741**	**5.994**	**-20.060**	**6.759**	

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	21.260	9.355	25.142	51.859	1.163	4.229	1.265	114.273
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	**-120.232**	**4.356**	**30.654**	**17.251**	**3.958**	**-15.680**	**17.981**	

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.

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

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

	Value of statement of financial position	
(DKK'000)	31/12 2019	31/12 2018
Trade receivables	427.759	406.590
Other receivables	39.163	39.208
	466.922	**445.798**

	Maximum credit risk	
(DKK'000)	31/12 2019	31/12 2018
Trade receivables	427.759	406.590
Other receivables	39.163	39.208
	466.922	**445.798**

Trade receivables can be specified as follows:

(DKK'000)	31/12 2019	31/12 2018
Receivables not due	294.817	290.422
Less than 1 month overdue	115.068	95.753
1-3 months overdue	9.514	15.192
3-6 months overdue	3.599	2.445
More than 6 months overdue	8.381	5.849
Trade receivables, gross	431.379	409.661
Impairment	-3.620	-3.071
Carrying amount	**427.759**	**406.590**

Trade receivables and impairment of receivables

Accounting policies

Receivables are recognised initially at fair value and subsequently measured at amortized cost less loss allowance or impairment losses.

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	294.817	0,1%	295
Less than 1 month overdue	115.068	0,3%	391
1-3 months overdue	9.514	3,0%	285
3-6 months overdue	3.599	10,0%	360
More than 6 months overdue	8.381	27,3%	2.289
	431.379		**3.620**

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

(DKK'000)	2019	2018
Provisions at 1 January	3.071	1.623
Additions from business combinations	0	1.158
Impairment for the year	3.056	1.651
Losses recognised	-2.113	-862
Reversal of impairments	-397	-482
Exchange rate adjustments	3	-17
Provisions at 31 December	**3.620**	**3.071**

Impairment losses on trade receivables for 2019 amounted to DKK 2.113 corresponding to 0.06% of the consolidated revenue (2018: DKK 862 or 0.03%).

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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)	2019	2018
Bank and credit institutions:		
Non-current liabilities	41.560	55.696
Current liabilities	72.147	95.133
Total debt at 31 December	**113.707**	**150.829**
Lease obligations:		
Non-current liabilities	501.752	4.169
Current liabilities	126.566	1.528
Total debt at 31 December	**628.318**	**5.697**
Total debt at 31 December	**742.025**	**156.526**

Financial liabilities, Financing activities 2019:

		Cash flow		Non-cash changes		
(DKK'000)	Beginning of year	Proceeds from loans	Repayment on loans	Other	Exchange rate adjust.	End of year
Banks and credit institutions	71.388	31.560	-45.693	0	2	57.257
Lease liabilities *	678.756	0	-116.016	63.699	1.879	628.318
Total liabilities from financing activities	750.144	31.560	-161.709	63.699	1.881	685.575
Overdraft facilities	79.441					56.450
Total financial liabilities	**829.585**	**31.560**	**-161.709**	**63.699**	**1.881**	**742.025**

* Includes opening balance effect of DKK'000 related to implementation of IFRS 16 Leases – see Notes Chapter 1 to the Annual Report 2019

Financial liabilities, Financing activities 2018:

		Cash flow		Non-cash changes		
(DKK'000)	Beginning of year	Proceeds from loans	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 liabilities	0	4.420	-3.247	4.645	-121	5.697
Total liabilities from financing activities	**0**	**76.532**	**-3.934**	**4.645**	**-158**	**77.085**
Overdraft facilities	2.684					79.441
Total financial liabilities	**2.684**	**76.532**	**-3.934**	**4.645**	**-158**	**156.526**

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

The Groups financial liabilities fall due as follows:

Financial liabilities – Maturity 2019:

(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	113.707	115.602	56.450	16.331	42.821	0
Lease obligations	628.318	705.267	0	129.573	344.888	230.806
Trade payables	457.492	457.492	0	457.492	0	0
Other payables	90.885	90.885	0	90.885	0	0
Total financial liabilities	**1.290.402**	**1.369.246**	**56.450**	**694.281**	**387.709**	**230.806**

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	82.263	82.263	0	82.263	0	0
Total financial liabilities	**664.838**	**669.223**	**79.441**	**527.209**	**62.573**	**0**

* IFRS 16 Leases is not applicable until 2019

Loan and credit facilities:

	2019			2018		
(DKK'000)	Carrying amount	Fixed/ floating interest rate	Expiry	Carrying amount	Fixed/ floating interest rate	Expiry
Bank loan DKK	26.560	Floating	2021	70.000	Floating	2023
Bank loan DKK	30.000	Floating	2021			
Bank loan EUR	697	Floating	2020	1.388	Floating	2020
Overdraft facilites	56.450	Floating	2020	79.441	Floating	2019
	113.707			**150.829**		

4.6 Derivative financial instruments and Fair Value hierarchy

Accounting policies

Derivative financial instruments are recognised on the trade date and are measured at fair value.

Positive and negative fair values of derivative financial instruments are included in other receivables or other payables in the balance sheet

Fair value is determined based on generally accepted valuation methods using available observable market data.

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 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.

Foreign currency risk hedging

To some extent the Group uses foreign currency forward contracts to hedge foreign currency risks (see note 4.4).

The foreign currency forward contracts are used as cash flow hedges of currency exposures relating to expected operational cash flows.

Foreign currency forward contracts:

	2019			2018		
	Contractual value	Fair value	Maturity (year)	Contractual value	value	Maturity (year)
SEK/EUR	15.149	-568	2020	0	0	-
NOK/EUR	42.087	-1.051	2020	0	0	-
Total	**57.236**	**-1.619**		**0**	**0**	

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 measured at fair value are 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).

Other equity investments

Tair 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

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 measured at amortised cost

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

CHAPTER 4 – CAPITAL STRUCTURE AND FINANCIAL POSITION

Financial instrument categories:

(DKK'000)	Carrying amount 2019	2018
Equity investments measured at fair value	5.239	5.224
Financial assets measured at amortised costs	466.922	445.798
Financial liabilities: Currency derivatives measured at fair value	-1.619	0
Financial liabilities measured at amortised cost	-548.377	-508.312

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 value 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 value 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 2019

No enterprises were acquired in 2019.

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”.

CHAPTER 5 – OTHER NOTES

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

(DKK'000)	2018
Intangible assets	5.465
Property, plant and equipment	26.432
Other equity investments	1.394
Receivable deposits	1.920
Trade receivables	75.082
Other receivables and prepayments	5.402
Cash and cash equivalents	40.798
Total assets	**156.493**
Lease obligations	4.646
Trade payables	52.411
Deferred tax liabilities	4.241
Other payables	9.257
Total liabilities	**70.555**
Acquired net assets	85.938
Fair value of total consideration	225.555
Goodwill arising from the acquisition	**139.617**

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

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)	2019	2018
Current tax	17.649	14.616
Adjustment of deferred tax	-1.144	144
Adjustment of tax regarding prior years	-2	25
Total tax	**16.503**	**14.785**
Tax for the year relates to:		
Tax on profit for the year	16.859	14.785
Tax on other comprehensive income	-356	0
Total tax	**16.503**	**14.785**

Reconciliation of tax for the year:

(DKK'000)	2019	2018
The effective tax rate can be explained as follows:		
Profit before tax	53.775	38.076
Applicable Danish tax rate	22,0%	22,0%
Tax computed	**11.830**	**8.378**
Effect of differences in tax rates in foreign entities, net	-765	-473
Non-taxable income	-44	-319
Non-tax deductible expenses	695	3.036
Change in tax rate	112	60
Tax asset valuation adjustments, net	5.033	4.078
Changes regarding previous years	-2	25
Tax on profit for the year	**16.859**	**14.785**

Tax on other comprehensive income

(DKK'000)	2019	2018
Tax on fair value adjustment of cash flow hedges	-356	0
Tax on other comprehensive income	**-356**	**0**

Corporation tax payable

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

(DKK'000)	2019	2018
Corporation tax payable at 1 January	5.339	6.398
Corporation tax paid for the year	-16.988	-15.659
Tax computed on taxable income for the year	17.649	14.616
Adjustment of tax regarding prior years	-2	25
Foreign currency translation adjustments	63	-41
Corporation tax payable at 31 December	**6.061**	**5.339**

Corporation tax has been recognised as follows:

Corporation tax receivable	973	1.400
Corporation tax payable	7.034	6.739
Net liability	**6.061**	**5.339**

CHAPTER 5 – OTHER NOTES

Deferred tax

(DKK'000)	2019	2018
Deferred tax at 1 January	2.495	-1.968
Application effect IFRS 16	-7.799	0
Addition on purchase of subsidiary	0	4.236
Deferred tax adjustment for the year	-1.144	144
Currency translation adjustments	62	83
Deferred tax recognised in the income statement at 31 December	**-6.386**	**2.495**
Deferred tax relates to:		
Right-of-use assets	-9.067	0
Intangible assets and property, plant and equipment	7.259	6.939
Financial assets	212	206
Trade receivables	-212	-653
Prepayments, deferred income, provisions and borrowing costs	-643	2
Tax loss carried forward	-3.935	-3.999
Total deferred tax	**-6.386**	**2.495**
Deferred tax has been recognised as follows:		
Deferred tax assets	8.903	4.069
Deferred tax (liabilities)	2.517	6.564
Net liability	**-6.386**	**2.495**

Tax losses carried forward that are recognised in the consolidated statement of financial position at 31 December 2019 amount to DKK 3.9 million (2018: DKK 4.0 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 2020-2024. 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 2019 amount to DKK 15.8 million (2018: DKK 11.9 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)	2019	2018
Statutory audit	932	753
Tax and VAT advisory services	14	30
Other services	4	48
Total fees to auditor appointed at the general meeting	**950**	**831**
Statutory audit	246	240
Tax and VAT advisory services	0	0
Other services	22	18
Other auditors, total fees	**268**	**258**
Total fees to auditor	**1.218**	**1.089**

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 2019.

The Group has as part of its ordinary operations provided bank guarantees to authorities, suppliers etc.

The counterparties may claim appropriation of collateral if the Group fails to pay any amount due.

CHAPTER 5 – OTHER NOTES

5.5 Related parties

Related parties comprise the following:

Control
Jørgen J. Hansen, Durupvej 23, Glyngøre, 7870 Roslev, Denmark, who is the sole proproetor.

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 controlled and indirectly owned by Jørgen J. Hansen.

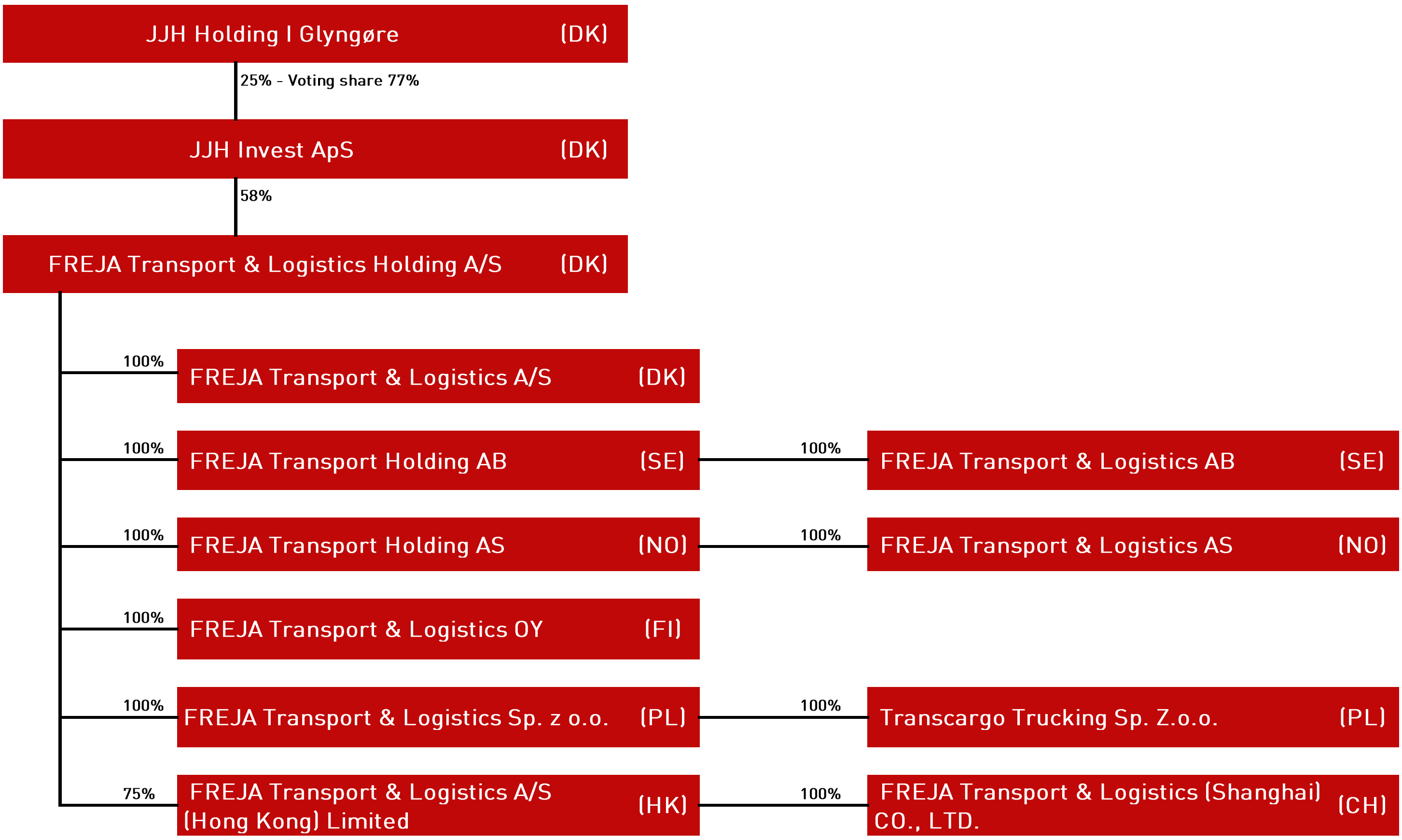
In the financial year, there have been no transactions with Management apart from ordinary remuneration as described in note 2.4.

5.6 Events after the reporting date

The outbreak of the COVID-19 virus has had a negative impact on the markets and adds considerable uncertainty to earnings in 2020.

No other significant events have occurred between the reporting date and the publication of this Annual Report that have not already been included and adequately disclosed in the annual report and that materially affect the assessment of the Company's and Group's results of operations or financial position.

GROUP STRUCTURE



	Registered office	Equity interest	Share capital in local currency	Share capital in DKK'000 at closing rate
Consolidated companies				
JJH Invest ApS	Danmark	25%	1.000 tDKK	1.000
FREJA Transport & Logistics Holding A/S	Danmark	58%	10.000 tDKK	10.000
FREJA Transport & Logistics A/S	Danmark	100%	7.341 tDKK	7.341
FREJA Transport Holding AB	Sverige	100%	500 tSEK	358
FREJA Transport Holding AS	Norge	100%	200 tNOK	152
FREJA Transport & Logistics OY	Finland	100%	39 tEUR	291
FREJA Transport & Logistics Sp. z o.o.	Poland	100%	50 tPLN	88
FREJA Transport & Logistics A/S (Hong Kong) Limited	Hong Kong	75%	50 tHKD	43
FREJA Transport & Logistics AB	Sverige	100%	400 tSEK	286
FREJA Transport & Logistics AS	Norge	100%	201 tNOK	152
Transcargo Trucking Sp. Z.o.o	Poland	100%	50 tPLN	88
FREJA Transport & Logistics (Shanghai) CO., LTD.	Kina	100%	5.000 tCNY	4.778

PARENT COMPANY FINANCIAL STATEMENT 2019

PARENT COMPANY FINANCIAL STATEMENT 2019

INCOME STATEMENT, PARENT COMPANY

(DKK'000)	Note	2019	2018
Other external costs		-4	-4
Operating profit before depreciation, amortisation and impairment losses (EBITDA)		**-4**	**-4**
Finance income	2	2	2
Profit before tax		**-2**	**-2**
Tax on profit for the year	3	0	0
Profit for the year		**-2**	**-2**

PARENT COMPANY FINANCIAL STATEMENT 2019

STATEMENT OF FINANCIAL POSITION 31. DECEMBER, PARENT COMPANY

ASSETS

(DKK'000)	Note	2019	2018
Investments in Group entities	4	25.000	25.000
Financial assets		**25.000**	**25.000**
TOTAL NON-CURRENT ASSETS		**25.000**	**25.000**
Receivables from Group entities		56	54
TOTAL CURRENT ASSETS		**56**	**54**
TOTAL ASSETS		**25.056**	**25.054**

EQUITY AND LIABILITIES

(DKK'000)	Note	2019	2018
Share capital	5	250	250
Reservers		24.783	24.785
TOTAL EQUITY		**25.033**	**25.035**
Other payables		23	19
Total current liabilities		**23**	**19**
TOTAL LIABILITIES		**23**	**19**
TOTAL EQUITY AND LIABILITIES		**25.056**	**25.054**

PARENT COMPANY FINANCIAL STATEMENT 2019

STATEMENT OF CHANGES IN EQUITY

(DKK'000)	Anparts-Kapital	Overført resultat	I alt
Equity at 1 January 2018	250	24.787	25.037
Profit for the year	0	-2	-2
Equity at 31 December 2018 and at 1 Januar	250	24.785	25.035
Profit for the year	0	-2	-2
Equity 31 December 2019	**250**	**24.783**	**25.033**

NOTES

Note 1 Accounting policies

As parent company for the FREJA Group, the financial statements of JJH Holding I Glyngøre ApS 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

Other external costs
Other external costs comprise primarily administrative expenses.

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

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.

PARENT COMPANY FINANCIAL STATEMENT 2019

Deferred tax assets, including the tax value of tax loss carry-forwards, 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.

Note 2 Financial income

(DKK'000)	2019	2018
Interest from Group entities	2	2
Total financial income	**2**	**2**

Note 3 Tax

Tax on profit for the year

(DKK'000)	2019	2018
Current tax (loss allowance via joing tax contribution)	0	0
Total tax on profit for the year	**0**	**0**

Note 4 Investments in Group entities

Investments in Group entities

(DKK'000)	2019
Cost at 1 January	25.000
Cost at 31 December	**25.000**
Carrying amounts	**25.000**

Investments in Group entities are specified as follows:

(DKK'000)	Ownership	Equity	Profit for the year
JJH Invest ApS, Skive, voting shares constitute 77%	25%	8.529	22

Note 5 Share capital

(DKK'000)	2019	2018
Share capital is distributed as follows:		
250.000 pcs. at1 DKK	250	250

Material transactions with related parties

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.

Contingent liabilities

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.