
Nagel Transport & Logistik ApS

Thorsvej 19, Frøslev, DK-6330 Padborg

Annual Report for 1 January - 31 December 2018

CVR No 79 03 50 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
21/5 2019

Tobias Nagel
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of Nagel Transport & Logistik ApS for the financial year 1 January - 31 December 2018.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

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

Padborg, 21 May 2019

Executive Board

Kim Hedegaard Sørensen

Independent Auditor's Report

To the Shareholder of Nagel Transport & Logistik ApS

Opinion

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

We have audited the Financial Statements of Nagel Transport & Logistik ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of 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 misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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

Independent Auditor's Report

in a manner that gives a true and fair view.

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

Trekantområdet, 21 May 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Bunk Harbo Larsen
State Authorised Public Accountant
mne30224

Henrik Forthoft Lind
State Authorised Public Accountant
mne34169

Company Information

The Company

Nagel Transport & Logistik ApS
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Frøslev
DK-6330 Padborg

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Website: www.nagel-group.dk

CVR No: 79 03 50 17
Financial period: 1 January - 31 December
Incorporated: 20 September 1985
Financial year: 33rd financial year
Municipality of reg. office: Aabenraa

Executive Board

Kim Hedegaard Sørensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Herredsvej 32
DK-7100 Vejle

Financial Highlights

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

	2018 TDKK	2017 TDKK	2016 TDKK	2015 TDKK	2014 TDKK
Key figures					
Profit/loss					
Gross profit/loss	22.281	46.504	104.802	110.142	116.765
Profit/loss before financial income and expenses	-369	-38	255	1.246	2.020
Net financials	1.048	1.616	1.287	1.154	1.558
Net profit/loss for the year	530	1.238	1.192	1.815	2.691
Balance sheet					
Balance sheet total	49.724	47.369	60.056	63.498	63.277
Equity	28.246	27.716	26.478	25.286	23.471
Investment in property, plant and equipment	0	0	173	95	1.366
Number of employees	41	97	209	227	248
Ratios					
Return on assets	-0,7%	-0,1%	0,4%	2,0%	3,2%
Solvency ratio	56,8%	58,5%	44,1%	39,8%	37,1%
Return on equity	1,9%	4,6%	4,6%	7,4%	12,2%

See the description under accounting policies.

Management's Review

Main activity

The Company's main activity comprise primarily national haulage contracting business with focus on temperature-controlled transportation of foodstuff.

Market overview

Also 2019 is expected to be challenging for both the transport industry and for Nagel Transport & Logistik ApS primarily due to fierce competition in the haulage contracting business.

Development in the year

The income statement of the Company for 2018 shows a profit of TDKK 530, and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 28,246.

The results are considered satisfactory.

Development expectations

We expect a profit for 2019.

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

The result for 2018 meets the expectations.

Subsequent events

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

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Gross profit/loss		22.281	46.504
Staff expenses	1	-22.372	-46.264
Depreciation and impairment of property, plant and equipment		<u>-278</u>	<u>-278</u>
Profit/loss before financial income and expenses		-369	-38
Financial income	2	1.342	1.820
Financial expenses	3	<u>-294</u>	<u>-204</u>
Profit/loss before tax		679	1.578
Tax on profit/loss for the year	4	<u>-149</u>	<u>-340</u>
Net profit/loss for the year		<u>530</u>	<u>1.238</u>

Balance Sheet 31 December

Assets

	Note	2018 TDKK	2017 TDKK
Land		792	792
Other fixtures and fittings, tools and equipment		312	591
Property, plant and equipment	5	1.104	1.383
Fixed assets		1.104	1.383
Trade receivables		0	5
Receivables from group enterprises		47.486	45.383
Deferred tax asset	6	213	78
Prepayments		2	12
Receivables		47.701	45.478
Cash at bank and in hand		919	508
Currents assets		48.620	45.986
Assets		49.724	47.369

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Share capital		2.200	2.200
Retained earnings		26.046	25.516
Equity		<u>28.246</u>	<u>27.716</u>
Trade payables		1.763	1.513
Payables to group enterprises		15.701	11.891
Corporation tax		285	535
Other payables		3.729	5.714
Short-term debt		<u>21.478</u>	<u>19.653</u>
Debt		<u>21.478</u>	<u>19.653</u>
Liabilities and equity		<u>49.724</u>	<u>47.369</u>
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Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January	2.200	25.516	27.716
Net profit/loss for the year	0	530	530
Equity at 31 December	2.200	26.046	28.246

Notes to the Financial Statements

	2018	2017
	TDKK	TDKK
1 Staff expenses		
Wages and salaries	20.050	41.547
Pensions	1.940	3.846
Other social security expenses	236	460
Other staff expenses	146	411
	<u>22.372</u>	<u>46.264</u>
Average number of employees	<u>41</u>	<u>97</u>
2 Financial income		
Interest received from group enterprises	1.342	1.820
	<u>1.342</u>	<u>1.820</u>
3 Financial expenses		
Interest paid to group enterprises	234	181
Other financial expenses	18	9
Exchange loss	42	14
	<u>294</u>	<u>204</u>
4 Tax on profit/loss for the year		
Current tax for the year	285	535
Deferred tax for the year	-136	-195
	<u>149</u>	<u>340</u>

Notes to the Financial Statements

5 Property, plant and equipment

	Land TDKK	Other fixtures and fittings, tools and equipment TDKK
Cost at 1 January	792	2.780
Cost at 31 December	792	2.780
Impairment losses and depreciation at 1 January	0	2.190
Depreciation for the year	0	278
Impairment losses and depreciation at 31 December	0	2.468
Carrying amount at 31 December	792	312
Depreciated over		3-10 years

6 Deferred tax asset

	2018 TDKK	2017 TDKK
Deferred tax asset at 1 January	78	-117
Amounts recognised in the income statement for the year	135	195
Deferred tax asset at 31 December	213	78

The recognised tax asset comprises temporary differences expected to be utilised within the next three to four years.

7 Distribution of profit

Retained earnings	530	1.238
	530	1.238

Notes to the Financial Statements

	2018 TDKK	2017 TDKK
8 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with :		
Mortgages registered to the mortgagors and all monies mortgages totalling TDKK 360 on lands with a total carrying amount of	792	792
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	4.851	6.079
Between 1 and 5 years	2.362	7.691
	7.213	13.770

Other contingent liabilities

The Danish group enterprises are jointly and severally liable for tax on the consolidated jointly taxed income etc. The total corporation tax payable is shown in the Annual Report of Andreas Andresen Holding ApS, which is the management company of the joint taxation. The Danish group enterprises are moreover jointly and severally liable for Danish withholding taxes. Any subsequent adjustments of corporation tax and withholding taxes may imply that the Company is liable for a higher amount.

Notes to the Financial Statements

9 Related parties

	<u>Basis</u>
Controlling interest	
Nagel Danmark A/S, Thorsvej 19, 6330 Padborg	Immediate Parent Company
Other related parties	
Nagel-Group SE & Co. KG, D33775 Versmold	Ultimate Parent Company

Consolidated Financial Statements

The company is included in the Consolidated Financial Statements of its parent company Andreas Andresen Holding ApS, CVR No 29 24 17 67.

Moreover, the company is included in the Consolidated Financial Statements of its ultimate parent company, Nagel-Group SE & Co. KG.

<u>Name</u>	<u>Place of registered office</u>
Nagel-Group SE & Co. KG	D-33775 Versmold, Germany
Andreas Andresen Holding ApS	6330 Padborg, Denmark

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

Friedrich-Menzefricke-Straße 6
D-33775 Versmold
Germany

The Consolidated Annual Report of Andreas Andresen Holding ApS, CVR No 29 24 17 67, may be obtained at the following address:

Thorsvej 19
Frøslev
6330 Padborg
Denmark

Notes to the Financial Statements

10 Subsequent events

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

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Nagel Transport & Logistik ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in TDKK.

Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Andreas Andresen Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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

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

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

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

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

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

Notes to the Financial Statements

11 Accounting Policies (continued)

Leases

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

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

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

Translation policies

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

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

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

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

Income Statement

Revenue

Revenue is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

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

Notes to the Financial Statements

11 Accounting Policies (continued)

Direct freight expenses

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

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, direct freight expenses and other external expenses.

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Other operating income and expenses

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

Financial income and expenses

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

Tax on profit/loss for the year

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

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

The Company is jointly taxed with Nagel Danmark A/S, Nagel Liller A/S and Andreas Andresen Holding ApS. Andreas Andresen Holding ApS is the management company under the joint taxation. The tax effect

Notes to the Financial Statements

11 Accounting Policies (continued)

of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Property, plant and equipment

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

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

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

Other fixtures and fittings, tools and equipment 3-10 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

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

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

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums etc.

Deferred tax assets and liabilities

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

Notes to the Financial Statements

11 Accounting Policies (continued)

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

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

Current tax receivables and liabilities

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

Financial debts

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

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

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

Notes to the Financial Statements

11 Accounting Policies (continued)

Financial Highlights

Explanation of financial ratios

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