

# DSV Solutions Holding A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 26 36 63 48

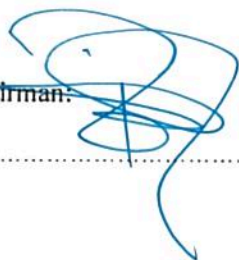
## Annual Report

for the year ended 31 December 2016

16<sup>th</sup> financial year

Approved at the Company's annual general meeting on <sup>31/5</sup> 2017.

Chairman:

A handwritten signature in blue ink, consisting of several overlapping loops and a long tail, positioned over a dotted line.

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## Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the Annual Report of DSV Solutions Holding A/S for the financial year 1 January - 31 December 2016.

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


In our opinion, the financial statements give a true and fair view of the financial position of the company at 31 December 2016 and of the results of the company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the company's operations and financial matters and the result of the company's operations and financial position.

We recommend that the Annual Report be approved at the Annual General Meeting.


Hedehusene, 31 May 2017

Executive Board:

  
Brian Skovgård Ejsing

Board of Directors:

  
Jens Ejern Andersen  
Chairman

  
Jens H. Lund

  
Kurt K. Larsen

  
Rene Falch Olesen

## **INDEPENDENT AUDITOR'S REPORT**

**To the shareholder of DSV Solutions Holding A/S**

### **Opinion**

We have audited the financial statements of DSV Solutions Holding A/S for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 misstatement, 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.

### **Auditors' 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism 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.

### Independent auditor's report (continued)

- ▶ 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 conclusion is 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 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.

### Statement on the Management's Review

Management is responsible for the Management's review.

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

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017  
Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Jesper Koefoed  
State Authorised Public Accountant



Michael Groth Hansen  
State Authorised Public Accountant

## INFORMATION ABOUT THE COMPANY

**Name** DSV Solutions Holding A/S  
**Adress** Hovedgaden 630  
**Post Code** 2640 Hedehusene  
Tel: +45 43 20 30 40  
Fax: +45 43 20 30 41

**CVR-No.** 26 36 63 48

**Municipality of domicile** Høje-Taastrup

### **Board of Directors:**

Jens Bjørn Andersen, (Chairman)  
Jens H. Lund  
Kurt K. Larsen  
Rene Falch Olesen

### **Executive Board:**

Brian Skovgård Ejsing

### **Auditors:**

Ernst & Young  
Godkendt Revisionspartnerselskab

## MANAGEMENT'S REVIEW

### Financial highlights

| Key figures (in thousands):      | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Operating loss/profit            | -22.748     | 47.273      | -1.583      | -1.449      | -11.233     |
| Net financials                   | -20.258     | -6.862      | -16.501     | -23.654     | -30.747     |
| Loss/profit for the year         | -29.644     | 223.003     | 80.673      | 126.982     | -6.066      |
| Shareholders' equity at year-end | 452.704     | 652.497     | 489.173     | 508.661     | 382.049     |
| Total assets                     | 2.149.965   | 1.351.137   | 1.357.148   | 1.286.217   | 1.375.192   |
| Investments for the year         | 903.922     | 25.529      | 61.545      | 40.531      | 0           |
| <b>Ratios:</b>                   |             |             |             |             |             |
| Return on equity                 | -5,36%      | 39,07%      | 16,17%      | 28,51%      | -1,57%      |
| Solvency ratio                   | 21,06%      | 48,29%      | 36,04%      | 39,54%      | 27,78%      |

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015".

|                  |   |
|------------------|---|
| Return on equity | $\frac{\text{Profit/loss} \times 100}{\text{Average equity}}$ |
| Solvency ratio   | $\frac{\text{Equity} \times 100}{\text{Total Assets}}$        |

## **MANAGEMENT REVIEW**

### **Business activities and mission**

The company is a 100% owned subsidiary of DSV A/S. The company's financial statements are a part of the consolidated financial statements for DSV A/S.

DSV Solutions Holding A/S invests in companies which offers logistics and supply chain management services to multinational and local customers.

### **Business review**

In 2015, DSV Solutions Holding A/S had very few activities outside Europe. In the course of 2016, with the integration of UTi's Contract Logistics activities, DSV Solutions Holding A/S became global - with sizeable operations in APAC, South Africa and Americas.

The addition has positioned us to offer extended services to new and existing customers. We can now attract global customers to a larger extent than before.

### **Net profit/loss for the year compared with previously expressed expectations**

The company's operating result for the year shows a loss of tDKK 22.748. The net result for the year, shows a loss of tDKK 29.644 which is below the expectation. The reason for the lower result are less return on investments from subsidiaries and integration costs.

The result is considered unsatisfactory by the management.

### **Investments**

In 2016 the company had material investments in Group Enterprises due to the UTi acquisition.

### **Capital resources**

The company has a solid capital resource due to the fact that the company is a part of the cashpool in the DSV Group. The capital resource is supported by the Groups strategic goal to secure sufficient financial flexibility.

### **Outlook**

For 2017 it is expected that the operating result will be close to 0 and that the net result, after share of profit from investments in Group enterprises and financial items, will be positive.

### **Unusual risks**

There are no unusual matters which influence the recognition and measurement in the Annual Report.

### **Corporate Social Responsibility (CSR) and Human Rights**

DSV Solution Holding A/S is part of the DSV Group and thereby covered by the policies and achievements described in the DSV Group CSR report. In accordance with section 99a (6) of the Danish Financial Statements Act, reference is made to the DSV Group CSR report available at : [www.documents.dsv.com/dsv/995/](http://www.documents.dsv.com/dsv/995/).

Diversity at management levels is described at Group level in the DSV Governance Report found at [investor.dsv.com/governance.cfm](http://investor.dsv.com/governance.cfm). As diversity in DSV Solutions Holding A/S is included DSV Group initiatives, reference is - in accordance with section 139 a (5) of the Danish Companies Act - made to the DSV Governance Report for further information.

### **Events after the reporting date**

No material events have occurred after 31 December 2016.



Financial statements 1 January - 31 December

INCOME STATEMENT

|   | Note | 2016<br>DKK '000      | 2015<br>DKK '000      |
|---|------|-----------------------|-----------------------|
| Other external expenses                                       |      | <u>-67.802</u>        | <u>-56.332</u>        |
| <b>Gross margin</b>   |      | <b>-67.802</b>        | <b>-56.332</b>        |
| Staff costs   | 2    | -3.049                | -2.565                |
| Other operating income  |      | <u>48.103</u>         | <u>106.170</u>        |
| <b>Operating loss/profit</b>                                  |      | <b>-22.748</b>        | <b>47.273</b>         |
| Income from investments in Group enterprises incl. impairment | 3    | 9.412                 | 181.592               |
| Financial income  | 4    | 13.168                | 10.038                |
| Financial expenses  | 5    | <u>-33.426</u>        | <u>-16.900</u>        |
| <b>Loss/profit before tax</b>                                 |      | <b>-33.594</b>        | <b>222.003</b>        |
| Tax on profit for the year                                    | 6    | <u>3.950</u>          | <u>1.000</u>          |
| <b>NET LOSS/PROFIT FOR THE YEAR</b>                           |      | <b><u>-29.644</u></b> | <b><u>223.003</u></b> |

Financial statements 1 January - 31 December

BALANCE SHEET

| ASSETS                                       | Note | 2016<br>DKK '000 | 2015<br>DKK '000 |
|--|------|------------------|------------------|
| <b>NON-CURRENT ASSETS</b>                    |      |                  |                  |
| <b>Financial assets</b>                      |      |                  |                  |
| Investments in Group enterprises             | 7    | 2.111.264        | 1.333.276        |
| Investments in associated companies          | 7    | 3.514            | 1.767            |
| Non-current receivables from Group companies |      | 16.707           | 0                |
| <b>Total fixed assets investments</b>        |      | <u>2.131.485</u> | <u>1.335.043</u> |
| <b>TOTAL NON-CURRENT ASSETS</b>              |      | <u>2.131.485</u> | <u>1.335.043</u> |
| <b>CURRENT ASSETS</b>                        |      |                  |                  |
| Receivables from Group companies             |      | 14.444           | 15.555           |
| Tax receivable                               |      | 4.027            | 0                |
| Deferred tax asset                           | 8    | 1                | 1                |
| Other receivables                            |      | 8                | 26               |
| Prepayments                                  |      | 0                | 512              |
| <b>Total receivables</b>                     |      | <u>18.480</u>    | <u>16.094</u>    |
| <b>TOTAL CURRENT ASSETS</b>                  |      | <u>18.480</u>    | <u>16.094</u>    |
| <b>TOTAL ASSETS</b>                          |      | <u>2.149.965</u> | <u>1.351.137</u> |

Financial statements 1 January - 31 December

BALANCE SHEET

| EQUITY AND LIABILITIES                     | Note | 2016<br>DKK '000               | 2015<br>DKK '000               |
|--|------|--------------------------------|--------------------------------|
| <b>EQUITY</b>                              |      |                                |                                |
| Share capital                              | 9    | 100.000                        | 100.000                        |
| Proposed dividend                          |      | 0                              | 170.000                        |
| Retained earnings                          |      | <u>352.704</u>                 | <u>382.497</u>                 |
| <b>TOTAL EQUITY</b>                        |      | <u><b>452.704</b></u>          | <u><b>652.497</b></u>          |
| <b>LIABILITIES</b>                         |      |                                |                                |
| <b>Non-current liabilities</b>             |      |                                |                                |
| Non-current liabilities to Group companies | 10   | <u>1.390.316</u>               | <u>600.000</u>                 |
| <b>Total non-current liabilities</b>       |      | <u><b>1.390.316</b></u>        | <u><b>600.000</b></u>          |
| <b>Current liabilities</b>                 |      |                                |                                |
| Suppliers of goods and services            |      | 189                            | 459                            |
| Company tax                                |      | 0                              | 3.195                          |
| Payables to Group companies                |      | 306.181                        | 94.743                         |
| Other debt                                 |      | <u>575</u>                     | <u>243</u>                     |
| <b>Total current liabilities</b>           |      | <u><b>306.945</b></u>          | <u><b>98.640</b></u>           |
| <b>TOTAL LIABILITIES</b>                   |      | <u><b>1.697.261</b></u>        | <u><b>698.640</b></u>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <u><u><b>2.149.965</b></u></u> | <u><u><b>1.351.137</b></u></u> |
| Contingent liabilities                     | 11   |                                |                                |
| Related parties                            | 12   |                                |                                |
| Consolidated financial statement           | 13   |                                |                                |
| Proposed distribution of profit            | 14   |                                |                                |

**Financial statements 1 January - 31 December**

**STATEMENT OF CHANGES IN EQUITY**

|   | <b>Share capital</b> | <b>Retained earnings</b> | <b>Dividend</b> | <b>Total</b>   |
|---|----------------------|--------------------------|-----------------|----------------|
| <b>Shareholders' Equity at 1/1 2015</b>   | <b>100.000</b>       | <b>329.173</b>           | <b>60.000</b>   | <b>489.173</b> |
| Other adjustments                         | -                    | 321                      | -               | 321            |
| Dividend distributed                      | -                    | -                        | -60.000         | -60.000        |
| Transfer regarding proposed distribution  | -                    | 53.003                   | 170.000         | 223.003        |
| <b>Shareholders' Equity at 31/12 2015</b> | <b>100.000</b>       | <b>382.497</b>           | <b>170.000</b>  | <b>652.497</b> |
| <br>                                      |                      |                          |                 |                |
| <b>Shareholders' Equity at 1/1 2016</b>   | <b>100.000</b>       | <b>382.497</b>           | <b>170.000</b>  | <b>652.497</b> |
| Other adjustments                         | -                    | -149                     | -               | -149           |
| Dividend distributed                      | -                    | -                        | -170.000        | -170.000       |
| Transfer regarding proposed distribution  | -                    | -29.644                  | -               | -29.644        |
| <b>Shareholders' Equity at 31/12 2016</b> | <b>100.000</b>       | <b>352.704</b>           | <b>0</b>        | <b>452.704</b> |

## **Financial statements 1 January - 31 December**

### **Note 1 Accounting policies**

The 2016 Annual Report of DSV Solutions Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C entities. This has been changed in 2016 to class C from class B due to changes in the Danish Financial Statements act. The change of class had no effect on the figures in the Income statement, Balance sheet and Equity, but had only effect of further information disclosed.

The accounting policies are consistent with those of last year.

The amounts in the Annual Report are stated in Danish kroner (DKK) and rounded to the nearest thousands.

#### **Consolidated financial statements**

In accordance with section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of DSV Solutions Holding A/S and its subsidiaries are included in the consolidated financial statements of DSV A/S.

#### **Cash flow statement**

In accordance with section 86.4 of the Danish Financial Statements Act, no cash flow statement has been prepared. The cash flow statement of DSV Solutions Holding A/S and its subsidiaries are included in the consolidated financial statement of DSV A/S.

#### **Fees to auditors appointed at the Annual General**

In accordance with section 96.3 of the Danish Financial Statements Act, no information about fees to appointed auditors at the Annual General Meeting are disclosed, due to the information is disclosed on group level in the consolidated financial statements of DSV A/S.

#### **Foreign currency translation**

On initial recognition, foreign currency transactions are translated at the exchange rate ruling at the transaction date. Exchange differences between the exchange rates at the transaction date and the date of payment are recognised in the income statement under financial income and expenses.

Receivables, payables and other monetary items denominated in a foreign currency are translated at the exchange rate ruling at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date on which the receivable or payable was recorded or the exchange rate used in the latest annual report is recognised in the income statement as financial income and expenses.

#### **Income statement**

##### **Staff costs**

Staff costs include wages and salaries, pensions, social security costs and other staff costs.

##### **Other external expenses**

Other external expenses comprise expenses incurred during the year related to management and administration of the company, including expenses for administrative personnel, management, office premises and expenses and office supplies.

##### **Other operating income and losses**

Other operating income is primarily related to invoicing of service fee to subsidiaries.

##### **Income from investments in Group enterprises and associated companies**

Dividends from investments in Group enterprises and associated companies are recognised in the Company's income statement in the financial year in which the dividends are declared. If the dividends distributed exceed accumulated earnings after the date of acquisition, dividends are, however, not recognised as income in the income statement, but as an adjustment of the cost of the investment.

## **Financial statements 1 January - 31 December**

### **Financial income and expenses**

Financial income and expenses include interest income and expense, capital gains and losses in respect of securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities as well as surcharges and refunds under the tax prepayment scheme etc.

### **Tax**

DSV Solutions Holding A/S is subject to the Danish regulations relating to compulsory joint taxation of the Group's subsidiaries. The subsidiaries are included in the joint taxation from the time of entering the consolidation in the consolidation annual accounts and up to the time when they are deconsolidated.

The current Danish corporation tax is allocated by settlement of the jointly taxed companies compared with the taxable income of these companies. In this connection, the companies with tax losses receive joint taxation contribution from the companies which are able to apply these losses to reduce own taxable gains (full allocation).

Tax for the year, which comprises of the current corporation tax for the year, joint taxation contribution and changes in deferred tax are taken to the profit and loss account with the part which is attributable to the profit/loss for the year and directly taken to equity with the part which is attributable to entries directly in equity.

### **Balance sheet**

#### **Investments in Group enterprises and associated companies**

Investments in Group enterprises and associated companies are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

The cost is adjusted if dividends distributed exceed accumulated earnings after the date of acquisition.

#### **Impairment of non-current assets**

The carrying amounts of other non-current assets are calculated once a year to determine whether there is an indication of impairment. If so, their recoverable amounts are calculated. The recoverable amount is the higher of the fair value of the asset less the expected disposal costs and the value in use. The value in use is calculated as the present value of expected future cash flow from the asset or the cash-generating unit of which the asset forms part.

Impairment losses are recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Impairment losses are recognised in the income statement under amortisation, depreciation and impairment losses. Impairments of investments are included in share of income from investments.

Impairment of other investments is reversed if the assumptions and estimates on which the impairment is based have changed. Impairments are reversed if the new carrying amount of the asset exceeds the book value.

#### **Other receivables**

Other receivables are measured at amortised cost, which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

#### **Equity**

Proposed dividends are recognised as a liability when adopted at the Annual General Meeting (date of declaration). Expected dividends for the year are shown as a separate item under equity.

## **Financial statements 1 January - 31 December**

### **Incentive programmes**

The company's incentive schemes include equity-settled share-based share option and warrants programmes which are settled in DSV A/S shares.

The value of the services, which the staff delivers in return for granting of options and warrants are measured at the fair value of the options and warrants.

The equity-settled share-based payment arrangements are measured at fair value at the time of granting and are recognised in the profit and loss account under staff costs during the period where the final right to the options or warrants is achieved. The counter item is directly recognised in equity.

In connection with the first recognition of share-based arrangements, the number of options and warrants which the staff are expected to gain right to is estimated. Subsequently, changes are adjusted for related to the number of the right of acquisition of options and warrants so that the total recognition is based on the actual number of rights of acquisition of options and warrants.

The fair value of the granted options and warrants is estimated by the use of the Black-Scholes valuation method. By the estimation terms and conditions related to the granted options and warrants are taken into account.

### **Corporation tax and deferred tax**

Current tax liabilities and outstanding current tax are included in the balance sheet as tax calculated on the taxable income for the year adjusted for tax from previous years' taxable income and pre-paid taxes.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to items disallowed for tax purposes if, except at the acquisition of enterprises, such temporary differences arose on the date of acquisition without affecting the results or the taxable income. In cases where it is possible to calculate the tax value according to different tax rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation, either by elimination in tax on future earnings or by offsetting deferred tax liabilities within the same legal tax entity or jurisdiction.

Deferred tax assets and tax liabilities are set off if the enterprise has a legally enforceable right to set off current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

Deferred tax assets are tested for impairment annually and are only recognised if they are likely to be utilised.

### **Current liabilities**

Other liabilities including amounts owed to suppliers, affiliates and associates and other debts are valued at net realisable value.

Financial statements I January - 31 December

NOTES

|   | 2016<br>DKK'000 | 2015<br>DKK'000 |
|---|-----------------|-----------------|
| <b>Note 2. Staff costs</b>                  |                 |                 |
| Specification of staff costs:               |                 |                 |
| Salaries, wages, share options and warrants | 2.835           | 2.398           |
| Pension costs                               | 193             | 153             |
| Other expenses for social security          | 3               | 3               |
| Other staff costs                           | 18              | 11              |
|   | <u>3.049</u>    | <u>2.565</u>    |
| Average number of employees                 | <u>3</u>        | <u>3</u>        |

Information regarding remuneration to the Executive Board is excluded with reference to the Danish Financial Statements Act. Section 98 b, subsection 3.

The Board of Directors does not receive remuneration for their roles as members of the board.

DSV A/S has established a share option and warrant programme for the Group's employees. The Executive Board in DSV Solutions Holding A/S has been granted share options from the programme. The Board of Directors have received options from the programme for their roles in DSV A/S. DSV Solutions Holding A/S's part of costs regarding the share options and warrants program are included as staff costs on a continuing basis.

|  | 2016<br>DKK'000 | 2015<br>DKK'000 |
|--|-----------------|-----------------|
| <b>Note 3. Income from investments in Group enterprises incl. impairment</b> |                 |                 |
| Dividend received from subsidiaries  | 18.522          | 218.694         |
| Impairment of investments in subsidiaries                                    | -20.651         | -37.102         |
| Gain from sale of investments in subsidiaries                                | 11.541          | 0               |
|  | <u>9.412</u>    | <u>181.592</u>  |

**Note 4. Financial income**

|  |               |               |
|--|---------------|---------------|
| Financial income from Group enterprises  | 5.745         | 9.828         |
| Foreign currency translation adjustments | 7.423         | 210           |
|  | <u>13.168</u> | <u>10.038</u> |

**Note 5. Financial expenses**

|  |               |               |
|--|---------------|---------------|
| Financial expenses for Group enterprises | 31.017        | 16.780        |
| Foreign currency translation adjustments | 2.409         | 120           |
|  | <u>33.426</u> | <u>16.900</u> |



Financial statements 1 January - 31 December

NOTES

|  | 2016<br>DKK'000                     | 2015<br>DKK'000      |
|--|-------------------------------------|----------------------|
| <b>Note 6. Tax for the year</b>                                  |                                     |                      |
| Current tax for the year   | 3.950                               | 1.739                |
| Adjustment of the deferred tax charge for the year               | 0                                   | -4                   |
| Prior year adjustments   | 0                                   | -735                 |
|  | <u>3.950</u>                        | <u>1.000</u>         |
| <br><b>Note 7. Financial assets</b>                              |                                     |                      |
| Investments in Group enterprises and associated companies:       |                                     |                      |
|  | Other securities<br>and investments | Group<br>Enterprises |
| <b>Cost</b>  |                                     |                      |
| <b>Balance at 1/1 2016</b>                                       | 1.767                               | 1.800.636            |
| Capital increase   | -                                   | 10.161               |
| Additions  | 1.739                               | 893.761              |
| Reclassification   | 8                                   | -8                   |
| Disposals  | -                                   | -95                  |
| <b>Cost at 31/12 2016</b>  | <u>3.514</u>                        | <u>2.704.455</u>     |
| <b>Write-offs and fair value adjustments</b>                     |                                     |                      |
| Write-offs and fair value adjustments at 1/1 2016                | -                                   | -467.360             |
| Write-off and fair value adjustments for the year                | -                                   | -20.651              |
| Reduction of dividend received re. earnings prior to acquisition | -                                   | -105.180             |
| <b>Write-offs and fair value adjustments at 31/12 2016</b>       | <u>-</u>                            | <u>-593.191</u>      |
| <b>Carrying amount at 31/12 2016</b>                             | <u>3.514</u>                        | <u>2.111.264</u>     |

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NOTES

Note 7. Financial assets - continued

Group Enterprises

| Company name                  | Registered office | Ownership | Currency | CUR'000<br>Share Capital |
|-------------------------------|-------------------|-----------|----------|--------------------------|
| DSV Solutions NV              | Belgium           | 100%      | EUR      | 12.340                   |
| DSV Solutions S.R.L.          | Romania           | 100%      | RON      | 6                        |
| DSV Solutions B.V.            | The Netherlands   | 100%      | EUR      | 135                      |
| DSV Solutions Group GmbH      | Germany           | 100%      | EUR      | 27                       |
| DSV Solutions S.A.            | France            | 100%      | EUR      | 38                       |
| DSV Solutions Ltd.            | Great Britain     | 100%      | GBP      | 1.000                    |
| DSV Solutions Ltd.            | Ireland           | 100%      | EUR      | 3.500                    |
| DSV Solutions OOO             | Russia            | 99%       | RUR      | 25.548                   |
| DSV Solutions A/S             | Denmark           | 100%      | DKK      | 30.000                   |
| DSV Solutions AS              | Norway            | 100%      | NOK      | 297                      |
| DSV Solutions Inc.            | USA               | 100%      | USD      | 0                        |
| DSV Solutions AB              | Sweden            | 100%      | SEK      | 16.000                   |
| DSV Solutions OY              | Finland           | 100%      | EUR      | 214                      |
| DSV Solutions Sp. Z.o.o.      | Poland            | 100%      | PLN      | 10.200                   |
| UTi (Hungary) Kft             | Ungarn            | 100%      | HUF      | 6.000                    |
| UTi Logistics Romania S.R.L.  | Romania           | 99%       | RON      | 9                        |
| UTi Logistics Slovakia s.r.o. | Slovakia          | 100%      | EUR      | 3.200                    |
| DSV Solutions Pte Ltd.        | Singapore         | 100%      | SGD      | 1.000                    |
| DSV Solutions Co., Ltd.       | Taiwan            | 100%      | TWD      | 100.000                  |
| DSV Solutions Inc.            | Canada            | 100%      | CAD      | 77.642                   |
| DSV Solutions S.A. de C.V.    | Mexico            | 100%      | MXN      | 46.561                   |

Associated companies

| Company name                        | Registered office | Ownership | Currency | CUR'000<br>Share Capital |
|-------------------------------------|-------------------|-----------|----------|--------------------------|
| GP0615 ApS & Co. Am Zunderbaum KG   | Germany           | 5%        | EUR      | 10                       |
| DSV Real Estate Bochum ApS & Co. KG | Germany           | 5%        | EUR      | 10                       |
| DSV Real Estate Peine ApS & Co. KG  | Germany           | 5%        | EUR      | 10                       |
| UTi Global Logistics Inc            | Phillippines      | 40%       | PHP      | 62.278                   |

Note 8. Deferred tax asset

|                             | 2016<br>DKK'000 | 2015<br>DKK'000 |
|-----------------------------|-----------------|-----------------|
| Deferred tax asset at 1/1   | 1               | 5               |
| Deferred tax for the year   | 0               | -4              |
| Deferred tax asset at 31/12 | <u>1</u>        | <u>1</u>        |
| Deferred tax asset:         |                 |                 |
| Tangible assets             | <u>1</u>        | <u>1</u>        |
| Deferred tax asset          | <u>1</u>        | <u>1</u>        |

Note 9. Share capital

Contributed capital consist of 1 share to nominal value tkr. 100.000 and no changes for the last 5 years.

## Financial statements 1 January - 31 December

### NOTES

#### Note 10. Non-current liabilities

The non-current liabilities to group companies are all due within 5 years.

#### Note 11. Contingent Liabilities

The Company is jointly registered as regards VAT with DSV A/S, DSV Road A/S, DSV Air & Sea A/S, DSV Solutions A/S, DSV Road Holding A/S and DSV Air & Sea Holding A/S. The Company is thus jointly and severally liable for VAT as regards the jointly registration.

The Company is assessed jointly for tax purposes together with the other domestic DSV Group entities. The Company is a wholly-owned subsidiary of DSV A/S and is under an unlimited and joint liability regime for Danish tax payments and withholding taxes on dividends, interest and royalties from the jointly taxed entities. The total amount is disclosed in the annual financial statements of DSV A/S, which is the administration company of the joint taxation arrangement. Any subsequent adjustments of the taxable consolidated profit or withholding taxes may result in an increase in the Company's tax liability.

The Company has issued letter of support for individual Group enterprises to provide financial support to the extent necessary, allowing the Group enterprises to continue their activities and meet their obligations towards third parties

|   | 2016<br>DKK'000  | 2015<br>DKK'000  |
|---|------------------|------------------|
| Guarantees for rent commitments, indemnification and subordination agreements re. subsidiaries. | <u>1.676.150</u> | <u>2.568.229</u> |

#### Note 12. Related parties and ownership

DSV Solutions Holding A/S related parties comprise the following:

##### Parties exercising control

DSV A/S, Hovedgaden 630, DK-2640 Hedehusene

##### Other

The Company's related parties are the companies in the DSV Group and the companies' daily management.

There are not entered agreements or other transactions with companies where the Board of Directors or the Executive Board have had any financial interest except from transactions related to the conditions of employment.

|                                    | 2016<br>DKK'000 | 2015<br>DKK'000 |
|------------------------------------|-----------------|-----------------|
| Transactions with related parties: |                 |                 |
| Sale of servicefee                 | 69.755          | 58.042          |
| Sale of administration fee         | 1.646           | 0               |
| Purchase of service fee            | 3.099           | 1.573           |
| Purchase of administration fee     | 63.286          | 53.632          |
| Financial income                   | 5.745           | 9.828           |
| Financial expenses                 | 31.017          | 16.780          |

The company has bought shares from group companies with a value of t.DKK 893.761 and made capital increases of t.DKK10.161

## Financial statements 1 January - 31 December

### NOTES

#### Note 12. Related parties and ownership (continued)

The company has following receivables and payables as of 31, December:

|  | 2016<br>DKK'000 | 2015<br>DKK'000 |
|--|-----------------|-----------------|
| Non-current receivables from Group companies | 16.707          | 0               |
| Current receivables from Group companies     | 14.444          | 15.555          |
| Non-current liabilities to Group companies   | 1.390.316       | 600.000         |
| Current liabilities to Group companies       | 306.181         | 97.743          |

#### Ownership

Shareholders holding 5% or more of the share capital or the voting rights:

DSV A/S, Hovedgaden 630, DK-2640 Hedehusene owns 100% of the shares in DSV Solutions Holding A/S.

#### Note 13. Consolidated financial statement

The financial statements of DSV Solutions Holding A/S and its subsidiaries are included in the consolidated financial statements of DSV A/S, Hedehusene, Denmark. The consolidated financial statement of DSV A/S can be requested at the following adress:

DSV A/S  
Hovedgaden 630  
DK-2640 Hedehusene  
Denmark  
or: [www.investor.dsv.com](http://www.investor.dsv.com)

#### Note 14. Proposed distribution of profit

|                    | 2016<br>DKK '000      | 2015<br>DKK '000      |
|--------------------|-----------------------|-----------------------|
| Dividend           | 0                     | 170.000               |
| Retained earnings  | <u>-29.644</u>        | <u>53.003</u>         |
| Total distribution | <u><u>-29.644</u></u> | <u><u>223.003</u></u> |