

# DSV Road Holding A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 26 36 63 72

## Annual Report

for the year ended 31 December 2016

16<sup>th</sup> financial year

Approved at the Company's Annual General Meeting on 3/5 2017.

Chairman:



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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 Road 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:



Soren Schmidt

Board of Directors:



Jens Ejrn Andersen  
Chairman



Jens H. Lund



Kurt K. Larsen



Rene Falch Olesen

## **INDEPENDENT AUDITOR'S REPORT**

To the shareholder of DSV Road Holding A/S

### **Opinion**

We have audited the financial statements of DSV Road 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.

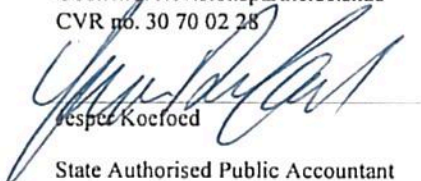
Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

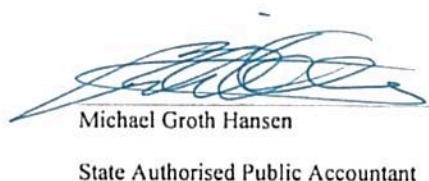
Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jesper Kocfoed  
State Authorised Public Accountant



Michael Groth Hansen  
State Authorised Public Accountant

## INFORMATION ABOUT THE COMPANY

**Name** DSV Road 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 72

**Municipality of domicile** Høje-Taastrup

### **Board of Directors:**

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

### **Executive Board:**

Soren Schmidt

### **Auditors:**

Ernst & Young  
Godkendt Revisionspartnerselskab



## MANAGEMENT'S REVIEW

### Financial highlights

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Key figures (in thousands):</b>					
Turnover	13.080	8.617	3.382	25.829	310.278
Operating profit	4.104	-3.555	-4.146	-3.473	-196
Net financials	2.311	71	-1.272	2.248	-26.032
Profits for the year	369.914	645.695	431.964	1.567.891	776.236
Shareholders' equity at year-end	1.535.130	1.719.243	1.402.696	2.520.983	1.536.316
Total assets	2.098.929	1.736.117	2.014.343	2.555.933	2.160.050
Investments for the year	389.674	26.512	34.062	94.664	272.827
<b>Ratios:</b>					
Net profit ratio	31,38%	-41,26%	-122,59%	-13,45%	-0,06%
Return on equity	22,73%	41,37%	22,02%	77,29%	60,81%
Solvency ratio	73,14%	99,03%	69,64%	98,63%	71,12%

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

Net profit ratio	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
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.

The business goal is to invest in agencies and transport companies, which offers transport and related services.

### **Business review**

With the acquisition of UTi, DSV A/S added South Africa and North America to the Road map.

By and large, the integration of UTi's Distribution activities has been a case of adding-on: The DSV Road operations in North America have been significantly strengthened, and in South Africa we now have a significant presence and platform to work from.

The European Road operations are still by far the largest, but there is great potential for cross selling between the divisions. Our Automotive and Retail activities are examples of verticals where we have experienced a boost from the merger between DSV and UTi.

The company's operating profit for the year shows a profit of t.DKK 4.104 which overall is in line with the previously stated expectations. The net result for the year, shows a profit of t.DKK 369.914 which is below the result for 2015 and expectations. The reason for the lower result are less return on investments in subsidiaries.

The result is considered minor satisfactory 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**

It is anticipated that the operating profit for 2017 will be at the same level as the result for 2016. The net result for the year is expected to be positive, at the same level as the net result for 2016.

### **Unusual risks**

There are no unusual matters during the year which influence the measurement in the Annual Report.

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

DSV Road 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 Road 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 DKK '000	2015 DKK '000
Turnover	2	13.080	8.617
Cost of operations		-4.858	-2.772
Other external expenses		<u>-29.964</u>	<u>-28.387</u>
<b>Gross margin</b>		<b>-21.742</b>	<b>-22.542</b>
Staff costs	3	-29.680	-32.160
Other operating income		<u>55.526</u>	<u>51.147</u>
<b>Operating profit/loss</b>		<b>4.104</b>	<b>-3.555</b>
Income from investments in Group enterprises incl. impairment	4	364.658	648.561
Financial income	5	5.465	3.437
Financial expenses	6	<u>-3.154</u>	<u>-3.366</u>
<b>Profit before tax</b>		<b>371.073</b>	<b>645.077</b>
Tax on profit for the year	7	<u>-1.159</u>	<u>618</u>
<b>NET PROFIT FOR THE YEAR</b>		<b><u>369.914</u></b>	<b><u>645.695</u></b>

Financial statements 1 January - 31 December

BALANCE SHEET

ASSETS	Note	2016 DKK '000	2015 DKK '000
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Tangible fixed assets	8	0	0
Investments in Group enterprises	9	2.083.863	1.709.058
Other securities and investments	9	0	58
<b>Total fixed assets investments</b>		<u>2.083.863</u>	<u>1.709.116</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2.083.863</u>	<u>1.709.116</u>
<b>CURRENT ASSETS</b>			
Trade debtors		244	536
Receivables from Group companies		12.765	24.753
Deferred tax asset	10	125	144
Other receivables		1.494	1.568
Prepayments		438	0
<b>Total receivables</b>		<u>15.066</u>	<u>27.001</u>
<b>TOTAL CURRENT ASSETS</b>		<u>15.066</u>	<u>27.001</u>
<b>TOTAL ASSETS</b>		<u>2.098.929</u>	<u>1.736.117</u>

Financial statements 1 January - 31 December

BALANCE SHEET

EQUITY AND LIABILITIES	Note	2016 DKK '000	2015 DKK '000
<b>EQUITY</b>			
Share capital	11	100.000	100.000
Proposed dividend		340.000	550.000
Retained earnings		<u>1.095.130</u>	<u>1.069.243</u>
<b>TOTAL EQUITY</b>		<u><b>1.535.130</b></u>	<u><b>1.719.243</b></u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Non-current liabilities to Group companies	12	<u>15.315</u>	<u>0</u>
<b>Total non-current liabilities</b>		<u><b>15.315</b></u>	<u><b>0</b></u>
<b>Current liabilities</b>			
Suppliers of goods and services		7.347	7.905
Company tax		708	483
Payables to Group companies		533.518	1.647
Other debt		<u>6.911</u>	<u>6.839</u>
<b>Total current liabilities</b>		<u><b>548.484</b></u>	<u><b>16.874</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>563.799</b></u>	<u><b>16.874</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u><b>2.098.929</b></u></u>	<u><u><b>1.736.117</b></u></u>
Contingent liabilities	13		
Related parties and ownership	14		
Consolidated financial statement	15		
Proposed distribution of profit	16		

**Financial statements I 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>977.696</b>	<b>325.000</b>	<b>1.402.696</b>
Other adjustments	-	-4.148	-	-4.148
Dividend distributed	-	-	-325.000	-325.000
Transfer regarding proposed distribution	-	95.695	550.000	645.695
<b>Shareholders' Equity at 31/12 2015</b>	<b>100.000</b>	<b>1.069.243</b>	<b>550.000</b>	<b>1.719.243</b>
<b>Shareholders' Equity at 1/1 2016</b>	<b>100.000</b>	<b>1.069.243</b>	<b>550.000</b>	<b>1.719.243</b>
Other adjustments	-	-4.027	-	-4.027
Dividend distributed	-	-	-550.000	-550.000
Transfer regarding proposed distribution	-	29.914	340.000	369.914
<b>Shareholders' Equity at 31/12 2016</b>	<b>100.000</b>	<b>1.095.130</b>	<b>340.000</b>	<b>1.535.130</b>

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

### **Note 1 Accounting policies**

The 2016 Annual Report of DSV Road 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.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of plant and equipment.

Ref. 1 : In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions (The executive order on transitional provisions based in connection with the application of certain provisions in the Danish Financial Statements Act, as amended by act no. 738 of 1 June 2015 regarding amendments to the Danish Financial Statements Act and a number of other acts.) with future effect only as a change in accounting estimates with no impact on equity.

The change does not affect the income statement or the balance sheet for 2016 or the comparative figures.

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

### **Consolidated financial statement**

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

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

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**

#### **Net turnover**

Revenue comprises services invoiced. All kinds of discounts, including cash discounts, are recognised under revenue. Revenue is measured exclusive of VAT and other taxes collected on behalf of third parties.

#### **Cost of operations**

Costs of operations comprise costs incurred in order to achieve the year's net turnover. These costs comprise direct costs, including staff costs to own staff used to delivery of the order and other primary costs.



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

### **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.

### **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 on profit/loss for the year**

DSV Road 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**

#### **Tangible fixed assets**

Other plant and operating equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub suppliers, and wages and salaries. Cost is attributable to the present value of the estimated liabilities for dismantling and removal of the assets as well as retabling to the extent that they are recognised as provisions. Cost for a total asset is divided into separate elements which are depreciated separately in case the useful life of the individual elements is different.

The cost of assets under finance leases is determined as the lower of the fair value of the assets and the present value of the future minimum lease payments. When the present value is calculated, the implicit interest rate of the lease, or an alternative borrowing rate, is applied as the discount rate.

Additional costs, e.g. by changing elements of a tangible asset, are recognised in the carrying amount of the asset in question, when it is likely that the payment will lead to future financial benefits for the company. The carrying amounts of the changes elements will not be recognised in the balance sheet but will be recognised in the profit and loss account. All other costs to ordinary repairing and maintenance are recognised in the profit and loss account at the time of incurrence.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

- Other plant and operating equipment, 3-8 years

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

### **Tangible fixed assets (continued)**

The basis of depreciation is determined in consideration of the asset's residual value and is reduced by possible write-downs. The residual value is determined at the time of acquisition. Yearly reassessment of residual values of plant and equipment are carried out.

By changing the depreciation period or by reduction of the residual value, the effect for the forward-looking depreciation will be recognised as a change in the accounting estimates.

Depreciation is recognised in the income statement as amortisation and depreciation on tangible fixed assets.

Gains and losses on the disposal of tangible fixed assets are determined as the difference between the selling price less selling costs and the book value on the date of disposal. The gains or losses are recognised in the profit and loss account as depreciation and write-down.

### **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.

### **Other securities and investments**

Listed securities and equity investments recognised as fixed asset investments are measured at fair value on the balance sheet date.

Non-listed securities recognised under current assets are measured at current price based on calculated value in use at the balance sheet date.

### **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.

### **Trade debtors**

Debtors are measured at amortised cost. Provision is made for expected losses on an individual basis.

### **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.

### **Prepayments**

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

### **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 other 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.

### **Short term liabilities**

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

### **Segmental disclosure**

The company has defined its activities as the primary segment. As the company only has activities within road transportation, the company only has one primary segment, which is why nothing further has been stated in the notes.



Financial statements 1 January - 31 December

NOTES

	2016 DKK'000	2015 DKK'000
<b>Note 2. Turnover</b>		
Segmentation of turnover on activity:		
Other	<u>13.080</u>	<u>8.617</u>
	<u><b>13.080</b></u>	<u><b>8.617</b></u>
<b>Note 3. Staff costs</b>		
Specification of staff costs:		
Salaries, wages, share options and warrants	27.395	29.625
Pension costs	2.048	2.338
Other expenses for social security	28	36
Other staff costs	<u>209</u>	<u>161</u>
	<u><b>29.680</b></u>	<u><b>32.160</b></u>
Average number of employees	<u>35</u>	<u>38</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 of DSV Road 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 Road Holding A/S's part of costs regarding the share options and warrants program are included as staff costs on a continuing basis.

	2016 DKK'000	2015 DKK'000
<b>Note 4. Income from investments in Group enterprises incl. impairment</b>		
Dividend received from subsidiaries	379.527	967.007
Impairment of investments in subsidiaries	-14.869	-315.212
Loss from sale of investments in Group enterprises	<u>0</u>	<u>-3.234</u>
	<u><b>364.658</b></u>	<u><b>648.561</b></u>
<b>Note 5. Financial income</b>		
Financial income from Group enterprises	3.947	3.205
Foreign currency translation adjustments	<u>1.518</u>	<u>232</u>
	<u><b>5.465</b></u>	<u><b>3.437</b></u>
<b>Note 6. Financial expenses</b>		
Financial expenses for Group enterprises	2.205	3.130
Foreign currency translation adjustments	940	234
Other interest expenses and similar charges	<u>9</u>	<u>2</u>
	<u><b>3.154</b></u>	<u><b>3.366</b></u>

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	2016 DKK'000	2015 DKK'000
<b>Note 7. Tax for the year</b>		
Current tax for the year	-714	1.332
Adjustment of the deferred tax charge for the year	-38	-67
With holding tax	-405	-598
Prior year adjustments	-2	-49
	<u>-1.159</u>	<u>618</u>
<b>Note 8. Tangible fixed assets</b>		
<b>Cost</b>		Other fixtures and fittings tools, equipment
Balance at 1/1 2016		477
Additions		-
Disposals		-
Cost at 31/12 2016		<u>477</u>
<b>Amortisations and depreciation</b>		
Balance at 1/1 2016		-477
Depreceation for the year		-
Depreciation and impairment of disposals		-
Cost at 31/12 2016		<u>-477</u>
Carrying amount at 31/12 2016		<u>0</u>
<b>Note 9. Financial assets</b>		
Investments in Group enterprises and associated companies:		
<b>Cost</b>	Other securities and investments	Group Enterprises
Balance at 1/1 2016	58	2.897.557
Capital increase	-	24.914
Additions	-	364.760
Disposals	-	-
Cost at 31/12 2016	<u>58</u>	<u>3.287.231</u>
<b>Write-offs and fair value adjustments</b>		
Write-offs and fair value adjustments at 1/1 2016	-	-1.188.499
Write-off and fair value adjustments for the year	-58	-14.869
Write-offs and fair value adjustments at 31/12 2016	<u>-58</u>	<u>-1.203.368</u>
Carrying amount at 31/12 2016	<u>0</u>	<u>2.083.863</u>



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Note 9. Financial assets - continued

Company name	Registered office	Ownership	Currency	CUR'000
				Share Capital
DSV Road A/S	Denmark	100%	DKK	42.000
DSV Property ApS	Denmark	100%	DKK	50
GP0615 ApS	Denmark	100%	DKK	50
DSV Road AS	Norway	100%	NOK	426
DSV Group AB	Sweden	100%	SEK	50.000
Sverige Ontime Logistics AB	Sweden	100%	SEK	5.000
DSV Road Oy	Finland	100%	EUR	543
DSV Road Holding Ltd.	UK	100%	GBP	21.260
DSV Road Limited	Ireland	100%	EUR	8.970
DSV Road S.p.A.	Italy	100%	EUR	1.000
DSV Road GmbH	Germany	100%	EUR	5.113
DSV Holding Spain S.L	Spain	100%	EUR	203
DSV SGPS Lda	Portugal	99%	EUR	1.637
DSV Road Holding S.A.	France	100%	EUR	1.500
DSV Logistics S.A.	Switzerland	100%	CHF	1.300
DSV Österreich Spedition GmbH	Austria	100%	EUR	100
DSV Transport SIA	Latvia	100%	EUR	285
DSV Transport UAB	Lithuania	100%	LTL	1.010
DSV Transport AS	Estonia	100%	EUR	64
DSV Hungaria Kft.	Hungary	100%	HUF	3.000
DSV Road & Solutions A.S.	Turkey	100%	TRY	8.289
DSV Road EOOD	Bulgaria	100%	BGN	2.020
DSV HELLAS S.A.	Greece	100%	EUR	2.400
DSV Road OOO	Russia	100%	RUR	35.009
OOO DSV Transport	Russia	100%	RUR	44.231
DSV Road Sp. z.o.o.	Poland	100%	PLZ	25.122
DSV Slovakia S.R.O.	Slovakia	100%	EUR	10
DSV Road a.s.	Czech Republic	100%	CZK	2.520
DSV Transport d.o.o.	Slovenia	100%	EUR	314
DSV Hrvatska d.o.o.	Croatia	100%	HRK	73
DSV Road d.o.o.	Serbia	100%	CSD	408
DSV Transport Int'l S.A	Morocco	100%	MAD	1.600

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**Note 10. Deferred tax asset**

	2016 DKK'000	2015 DKK'000
Deferred tax asset at 1/1	144	181
Deferred tax for the year	-38	-37
Deferred tax adjustment relating to previous years	19	0
Deferred tax asset at 31/12	<u>125</u>	<u>144</u>

Deferred tax asset relates to:

Tangible assets	<u>125</u>	<u>144</u>
Deferred tax asset	<u>125</u>	<u>144</u>

**Note 11. Share capital**

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

**Note 12. Non current liabilities**

The non-current liabilities to group companies are all due within 3 years.

**Note 13. 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 Solutions 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 DKK'000	2015 DKK'000
Guarantees for rent commitments, letters of comfort, indemnification and subordination agreements re. subsidiaries.	<u>1.047.202</u>	<u>797.844</u>

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#### Note 14. Related parties and ownership

DSV Road 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.

Transactions with related parties:	2016 DKK'000	2015 DKK'000
Sale of servicefee	82.183	68.096
Sale of administration fee	5.944	3.608
Purchase of service fee	7.350	6.726
Purchase of administration fee	18.783	18.706
Financial income	3.947	3.205
Financial expenses	2.205	3.130

The company has bought shares from group companies with a value of t.DKK 364.760 and made capital increases of t.DKK 24.914.

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

Current receivables from Group companies	12.765	24.753
Non-current liabilities to Group companies	15.315	-
Current liabilities to Group companies	533.518	1.647

#### 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 Road Holding A/S.

#### Note 15. Consolidated financial statement

The financial statements of DSV Road 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 address:

DSV A/S  
Hovedgaden 637  
DK-2640 Hedehusene  
Denmark

or:

[www.investor.dsv.com](http://www.investor.dsv.com)

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Note 16. Proposed distribution of profit:

	2016 DKK '000	2015 DKK '000
Dividend	340.000	550.000
Retained earnings	<u>29.914</u>	<u>95.695</u>
Total distribution	<u><u>369.914</u></u>	<u><u>645.695</u></u>