

# DSV Group Services A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 34 57 78 03

## Annual Report

for the year ended 31 December 2019

8th financial year

Approved at the Company's annual general meeting on May 2020

Chairman:

*Patrick Figiel-Kibsgaard*

Patrick Figiel-Kibsgaard (May 28, 2020 15:27 GMT+2)

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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 Group Services A/S for the financial year 1 January - 31 December 2019.

The annual report has been prepared in accordance with the provisions of 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hedehusene, May 2020

Executive Board:

Jens Lund

Jens Lund (May 28, 2020 18:38 GMT+2)

Jens H. Lund

Board of Directors:

Jens Bjørn Andersen

Jens Bjørn Andersen (May 28, 2020 15:55 GMT+2)

Jens Bjørn Andersen  
Chairman

Jens Lund

Jens Lund (May 28, 2020 18:38 GMT+2)

Jens H. Lund

Søren Schmidt

Søren Schmidt (May 28, 2020 16:48 GMT+2)

Søren Schmidt

## **INDEPENDENT AUDITORS' REPORT**

**To the shareholder of DSV Group Services A/S**

### **Opinion**

We have audited the financial statements of DSV Group Services A/S for the financial year 1 January – 31 December 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 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 auditors' 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.

28  
Copenhagen, May 2020

Redmark  
Statsautoriseret Revisionspartnerselskab  
CVR no. 29 44 27 89

  
Henrik Juul Thomsen

State Authorised Public Accountant  
MNE-nr. 33734

**Information about the Company**

DSV Group Services A/S  
Hovedgaden 630  
2640 Hedehusene  
Tel: +45 43 20 30 40  
Fax: +45 43 20 30 41

**Board of Directors:**

Jens Bjørn Andersen, Chairman  
Jens H. Lund  
Søren Schmidt

**Executive Board:**

Jens H. Lund

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

DSV Panalpina A/S, Hedehusene (100%)

**Parent company:**

DSV Panalpina A/S, Hedehusene (100%)

## **Management's review**

### **Main activity**

The Company's purpose is to provide administrative services and to act as advisory and investment company in relation to the DSV Group's other companies.

### **Financial review**

The income statement of the Company for 2019 shows a profit of TDKK 46 and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 8,032. The management considers the Company's operating profit satisfactory.

### **Targets and expectations for the year ahead**

For the year 2020, the management expects a positive result.

### **Subsequent events**

The Covid 19 virus has spread around the world in the beginning of 2020. This has affected the world economy negatively. The Management has initiated actions to secure the Company's assets and business by a number of initiatives such as, savings on costs, secure access to cash, use of government subsidies and help programs. For further description, please refer to note 8.

A part from above no material events have occurred after 31 December 2019.

**Financial statements 1 January - 31 December**

**Income statement**

Note	2019 DKK '000	2018 DKK '000
Other external expenses	-26	-26
<b>Gross margin</b>	<u>-26</u>	<u>-26</u>
Dividend from Group Enterprises	0	9,616
2 Financial income	<u>84</u>	<u>111</u>
<b>Profit before tax</b>	<b>58</b>	<b>9,701</b>
3 Tax for the year	<u>-12</u>	<u>-18</u>
<b>Profit for the year</b>	<u><b>46</b></u>	<u><b>9,683</b></u>
 <b>Recommended appropriation of profit</b>		
Dividend proposed for the year	3,000	8,715
Transferred to reserves under equity	<u>-2,954</u>	<u>968</u>
	<u><b>46</b></u>	<u><b>9,683</b></u>



Financial statements 1 January - 31 December

Balance sheet

Note	2019 DKK '000	2018 DKK '000
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Financial assets</b>		
Investments in Group Enterprises	<u>3,497</u>	<u>3,497</u>
<b>Total non-current assets</b>	<u>3,497</u>	<u>3,497</u>
<b>Current assets</b>		
<b>Receivables</b>		
Receivables from Group Companies	<u>4,573</u>	<u>13,248</u>
<b>Total current assets</b>	<u>4,573</u>	<u>13,248</u>
<b>TOTAL ASSETS</b>	<u><u>8,070</u></u>	<u><u>16,745</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	2019 DKK '000	2018 DKK '000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
4	5,000	5,000
	32	2,986
	<u>3,000</u>	<u>8,715</u>
<b>Total equity</b>	<b><u>8,032</u></b>	<b><u>16,701</u></b>
<b>Current liabilities</b>		
	13	19
	<u>25</u>	<u>25</u>
<b>Total current liabilities</b>	<b><u>38</u></b>	<b><u>44</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>8,070</u></b>	<b><u>16,745</u></b>
1	Accounting policies	
5	Contingent liabilities and other commitments	
6	Related parties	
7	Consolidated financial statements	
8	Events after the reporting date	

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2019	<u>5,000</u>	<u>2,986</u>	<u>8,715</u>	<u>16,701</u>
Dividend distributed	0	0	-8,715	-8,715
Transfer, see "Appropriation of profit"	<u>0</u>	<u>-2,954</u>	<u>3,000</u>	<u>46</u>
Equity at 31 December 2019	<u>5,000</u>	<u>32</u>	<u>3,000</u>	<u>8,032</u>

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of DSV Group Services A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the amounts in the Annual Report are stated in Danish kroner (DKK) and rounded to the nearest thousands.

In accordance with section 112 of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

#### Other external expenses

Other external expenses comprise expenses incurred during the year related to management and administration of the Company.

#### Income from investments in Group Enterprises

Dividend from investments in Group Enterprises are recognised in the income statement in the financial year in which the dividends are declared.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

**Financial statements 1 January - 31 December**

**Notes**

**1 Accounting policies (continued)**

**Balance sheet**

**Investments in Group Enterprises**

Investments in group 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.

**Receivables**

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

**Equity**

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

**Corporation 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.

**Current liabilities**

Liabilities are valued at net realisable value.

Financial statements 1 January - 31 December

Notes

	2019 DKK'000	2018 DKK'000			
<b>2 Financial income</b>					
Interest receivable from Group Companies	<u>84</u>	<u>111</u>			
<b>3 Tax for the year</b>					
Estimated tax on the taxable income for the year	<u>12</u>	<u>18</u>			
<b>4 Share capital</b>					
The share capital comprises:					
Shares, 500 of DKK 10,000 nominal value each	<u>5,000</u>	<u>5,000</u>			
Analysis of changes in the share capital over the past five years:					
<b>DKK'000</b>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Balance at 1 January	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
<b>Balance at 31 December</b>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

**5 Contingent liabilities and other commitments**

The Company has no further commitments or liabilities except from those included in the financial statements.

The Company and its ultimate parent company, DSV Panalpina A/S, are taxed on a joint basis. The Company is thus jointly and severally liable for any taxes relating to the joint taxation arrangement.

**6 Related parties**

DSV Group Services A/S' related parties comprise the following:

**Parties exercising control**

DSV Panalpina A/S, Hovedgaden 630, 2640 Hedehusene, which exercises control.

**Other**

Transactions with other related parties comprise interest bearing accounts and service fee.

Transactions with related parties have been conducted on arms length principles.

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.

**7 Consolidated financial statements**

The financial statements of DSV Group Services A/S and its subsidiaries are included in the consolidated financial statements of DSV Panalpina A/S, Hedehusene, Denmark. The consolidated financial statements of DSV Panalpina A/S can be requested at the following address:

DSV Panalpina A/S  
Hovedgaden 630  
DK-2640 Hedehusene  
Denmark

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

## Financial statements 1 January - 31 December

### Notes

#### 8 Events after the reporting date

The Covid 19 virus has spread around the world in the beginning of 2020. This has affected the world economy negatively. The Management has initiated actions to secure the Company's assets and business by a number of initiatives such as, savings on costs, secure access to cash, use of government subsidies and help programs.

Due to the changed outlook for the global supply chains and transport and logistics markets, we expect a negative impact on our business and financial performance in the coming months.

Being part of critical infrastructure, we will do our utmost to support our customers and keep supply chains open. We also expect the ongoing integration of Panalpina to continue as planned.

DSV Group management expects Covid 19 will continue to affect the world economy during 2020, however from a financial perspective, the DSV Panalpina Group is in a strong position.

Further, Management considers the implications of COVID-19 as a subsequent event occurred after the balance sheet date 31 December 2019, which is therefore a non-adjusting event to the Group. In consequence, the assessments of impairment indications are and the impairment test made by Management at 31 December 2019 is based on the future cash flows expected by management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the Annual Report.

Given the rapid day-to-day developments in many markets, we are currently unable to accurately assess the magnitude of this short-term impact, but if necessary further actions will be initiated.

A part from above no material events have occurred after 31 December 2019.