

DSV FS A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 34 89 57 32


Annual Report

for the year ended 31 December 2016

4th financial year

Approved at the Company's annual general meeting on 31 May 2017

Chairman:

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be a cursive or semi-cursive script. The line is a simple horizontal line that extends across the width of the signature.

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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 FS A/S for the financial year 1 January - 31 December 2016.

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 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 matters discussed in the Management's review.

At the board meeting it will be decided that the annual accounts for 2017 onwards are not subject to audit. The board of directors and the managing director considers the requirements of omission of audit as met.


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

Hedehusene, 31 May 2017

Executive Board:


Søren Schmidt

Board of Directors:


Jens Bjørn Andersen
Jens H. Lund
Søren Schmidt

INDEPENDENT AUDITORS' REPORT

To the shareholder of DSV FS A/S

Opinion

We have audited the financial statements of DSV FS 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's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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.

Copenhagen, 31 May 2017
Redmark
Statsautoriseret Revisionspartnerselskab
CVR no. 29 44 27 89


Henrik J. Thomsen

State Authorised Public Accountant

Information about the Company

DSV FS 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:

Søren Schmidt

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

DSV A/S, Hedehusene (100%)

Parent company:

DSV A/S, Hedehusene (100%)

Management's review

Main activity

The Company's purpose is to operate with investments, comprising of purchase and sale of debts as well as related business.

Financial review

The income statement of the Company for 2016 shows a result of TDKK 5.623 at 31 December 2016 the balance sheet of the Company shows equity of TDKK 321.645. The management considers the Company's result satisfactory.

Targets and expectations for the year ahead

For the year 2017, the management expects a positive result.

Subsequent events

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

Financial statements 1 January – 31 December

Income statement

Note	2016 DKK '000	2015 DKK '000
Other external expenses	-1	0
Gross margin	-1	0
2 Financial income	7.293	2.832
3 Financial expenses	-83	-11
Profit before tax	7.209	2.821
4 Tax for the year	-1.586	-651
Profit for the year	5.623	2.170
Recommended appropriation of profit		
Dividend proposed for the year	5.060	0
Transferred to reserves under equity	563	2.170
	5.623	2.170

Financial statements 1 January - 31 December

Balance sheet

Note	2016 DKK '000	2015 DKK '000
ASSETS		
Non current assets		
5 Receivables from Group Companies	<u>329.021</u>	<u>315.870</u>
Total non current assets	<u>329.021</u>	<u>315.870</u>
TOTAL ASSETS	<u>329.021</u>	<u>315.870</u>

Financial statements 1 January - 31 December

Balance sheet

Note	2016 DKK '000	2015 DKK '000
EQUITY AND LIABILITIES		
Equity		
6 Share capital	500	500
Retained earnings	316.085	315.522
Dividend proposed for the year	<u>5.060</u>	<u>0</u>
Total equity	<u>321.645</u>	<u>316.022</u>
Current liabilities		
Corporate tax	1.187	-175
Debt to Group Companies	<u>6.189</u>	<u>23</u>
Total current liabilities	<u>7.376</u>	<u>-152</u>
TOTAL EQUITY AND LIABILITIES	<u>329.021</u>	<u>315.870</u>

- 1 Accounting policies
- 7 Contingent liabilities and other commitments
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Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed for the year</u>	<u>Total</u>
Equity at 1 January 2016	500	315.522	0	315.522
Transfer, see "Appropriation of profit"	<u>0</u>	<u>563</u>	<u>5.060</u>	<u>5.623</u>
Equity at 31 December 2016	<u>500</u>	<u>316.085</u>	<u>5.060</u>	<u>321.145</u>

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of DSV FS A/S for 2016 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 company has implemented the changes to the regulations of the Danish Financial Statements Act. The changes apply from January 1, 2016, according to law number 738 of June 1, 2015.

The Changes have not had any effect on the company's assets, liabilities or financial position at December 31, 2016, but only resulted in further information in the annual report.

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.

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.

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 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.

Balance sheet

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

	2016 DKK'000	2015 DKK'000
2 Financial income		
Interest from Group Companies	7.122	2.832
Other interests	119	0
Currency gains	<u>52</u>	<u>0</u>
	<u>7.293</u>	<u>2.832</u>
3 Financial expenses		
Interest to Group Companies	83	0
Currency losses	<u>0</u>	<u>11</u>
	<u>83</u>	<u>11</u>
4 Tax for the year		
Estimated tax on the taxable income for the year	<u>1.586</u>	<u>651</u>

5 Receivables from Group Companies
Receivables from Group Companies are due within 4 years.

6 Share capital

The share capital comprises:

Shares, 500.000 of DKK 1 nominal value each	<u>500</u>	<u>500</u>
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Analysis of changes in the share capital over the past five years:

DKK'000	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance at 1 January	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Balance at 31 December	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>

7 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 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.

8 Related parties

DSV FS A/S' related parties comprise the following:

Parties exercising control

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

Other

Transactions with other related parties comprise interest bearing accounts.

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.

Financial statements 1 January - 31 December

Notes

9 Consolidated financial statements

The financial statements of DSV FS A/S are included in the consolidated financial statements of DSV A/S, Hedehusene, Denmark. The consolidated financial statements 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