DSV Finance B.V.

Annual Report
for the year ended 31 December 2021

PUBLIC
FINANCE
Meaning And Scope

DSV
Global Transport and Logistics

CHAPTER I: DIRECTORS' REPORT

1. DIRECTORS' REPORT

The Board of Directors of DSV Finance B.V. ("the Company") is pleased to present the financial statements of the Company for the year ended 31 December 2021. This first year annual report covers the period 10 February 2021 to 31 December 2021. The Company is part of DSV A/S Group ("the Group").

1.1 General information on the legal entity

The Company is a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid) and is incorporated in The Netherlands, Venlo on 10th February 2021 under the corporate name 'DSV Panalpina Finance B.V.' On 14th January 2022, the name has been changed to 'DSV Finance B.V. by notary deed. It is governed by the laws of The Netherlands.

The Company is now listed in the Commercial Register of the Dutch Chamber of Commerce under number 81853572. Its official seat is in Venlo, The Netherlands, its address is Tasmanweg 2, 5928 LH Venlo, The Netherlands. Besides, this head office, there are no branches.

The Company is a privately held company and is not subject to public corporate governance standards. The Company is not required to have an audit committee under the laws of The Netherlands due to an exemption under article 3 of the Decree implementing

- (i) Directive 2014/56/EU amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts and
- (ii) Regulation (EU) 537/2014 on specific requirements regarding statutory audits of public-interest entities and amending the Decree implementing Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts (Besluit instelling audit commissie). The company has an Audit committee on the level off is parent company DSV A/S.

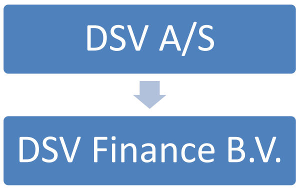
The Legal Entity Identifier (LEI) of the Company is 529900RTQQ0IIS4B3E03 and the RSIN is 862244936.

The Company has no employees and receives services through DSV group entities.

1.2 Organizational Structure

The Company is a wholly owned subsidiary of DSV A/S, which is also the ultimate parent company. DSV A/S is located at 2640 Hedehusene, Hovedgaden 630 in Denmark.

The group structure is as follows:



1.3 Share Capital

As of 31st December 2021, the authorized and issued share capital amounts to EUR 1 and consists of 1 ordinary share with a nominal value of EUR 1 each, which is fully paid.

1.4 Management Board

DSV A/S has a flat organisational structure with group top management providing direction and leadership for the DSV Group. DSV A/S is the shareholder of the company.

The Board members of the company consists of three members:

- Mr. Jens Bjorn Andersen
- Mr. Jens Lund Hesselberg
- Mr. Michael Ebbe

They are jointly authorized with other board member(s).

1.5 Distribution of director seats between women and men

According to Dutch law, at least 30% of the directors of a company must be women. This target was not achieved at year-end 2021. This has the future attention of the management. With reference to DSV A/S, the ultimate parent company, we see that this is also in the line with our goals to have more women appointed as director since DSV A/S has 3 women at the Board of Directors. In general, we can conclude that transport and logistics in The Netherlands is dominated by male. For future opportunities there is an equal approach towards male and female where best person on the job still goes above all other aspects.

1.6 Business overview, Purpose and Objects

The Company engages in several activities in the field of finance. The Company serves as a vehicle for the financing activities of DSV A/S Group including the issuance of bonds. The principal activity of the Company consists of raising capital in order to lend funds to DSV A/S Group, according to article 2 of the articles of associations the objects of the company are:

- to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned
- to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, businesses, companies and other legal entities
- to finance businesses, companies and other legal entities
- to supply advise and to render services to enterprises, companies and other legal entities with which the Company forms a group and third parties
- to grant guarantees, to bind the Company and to pledge its assets for obligations of the enterprises, companies and other legal entities with which it forms a group and on behalf of third parties
- to acquire, encumber, manage, lease, exploit and finance registered property and items of property in general and to exploit, administrate and exercise all rights attached to registered property and items of property in general
- to trade in currencies, securities and items of property in general
- to develop and trade in patent, trademarks, licenses, know-how and other industrial property rights; and
- To perform any and all activity of industrial, financial or commercial nature.
- As well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

1.7 Debt Issuance Program – Euro Medium Term Note Programme

On 17 February 2021, the Company and DSV A/S established their Debt Issuance Program, the so-called Euro Medium Term Note Programme (the "EMTN -Programme"). Under this Programme, the Company or DSV A/S may from time-to-time issue one or more notes to a broad investor base. Notes issued by the Company will be unconditionally and irrevocably guaranteed by DSV A/S, being the Guarantor.

As of 31 December 2021, the maximum aggregate principal number of notes which can be issued and outstanding under the Program is EUR 2,5 billion, issued by the Company under this Programme have the benefit of a guarantee provided by DSV A/S. Notes have been issued in such denominations as may be agreed between the issuer and the relevant Dealer and as indicated in the applicable final terms.

Notes issued under the Programme are listed for trading on the regulated market of the Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments.

This Base Prospectus is valid within 12 months from the date of this Base Prospectus and be updated annually. On February 15, 2022, un updated Programme was established amounting to EUR 4 billion with the same conditions as for the last year's Programme of EUR 2,5 billion.

In the reporting period, the Company issued three new corporate bonds totalling EUR 1.6 billion and with durations between 10 – 15 years on the capital markets.

The bonds overview is as follows:

Date	List of bonds	Maturity	EUR	issue %	Issued price	base & consultancy fees	Total net
3/03/2021	Bond 1 - Light	10 yrs	500.000.000	99,815%	499.075.000	(1.490.040)	497.584.960
5/07/2021	Bond 2 - Race	12 yrs	600.000.000	99,079%	594.474.000	(2.635.601)	591.838.399
17/09/2021	Bond 3 - Porto	15 yrs	500.000.000	98,887%	494.435.000	(1.497.746)	492.937.254
			1.600.000.000		**1.587.984.000**	**(5.623.387)**	**1.582.360.613**

1.8 Results for the period ended 31 December 2021

The Company's interest income for 2021 amounts to EUR 6.471.471 and the result after taxation for 2021 amounts to a loss of EUR 3.931.

2021 is the first financial year of the Company covering 10.5 months, therefore the financial ratios are still low.

The Company will have a high focus on Cashflow, and it has increased even further right now to ensure that sufficient funds remain available. In addition, the DSV Group is in a strong position with strong equity and cash position.

The Company, being a funding vehicle for the Group, raises finance and on-lends monies to DSV A/S by way of intra-group loan. Typically, the terms of such intra-group loan match the payment obligations of the Company under the bonds issued by it to fund such loan. Hence payment of principal of and interest on bonds issued by the Company ultimately depend on DSV A/S. This means that risks in respect of the Company substantially correspond with those in respect of the Group.Reference here is made to the Group's Annual Report 2021.

The cash and liquidity of the Group's globally operating subsidiaries is managed centrally on headquarters level. A major part of the Group's external revenue is consolidated in cash pools and used to balance internal liquidity needs. The Group's intra-group revenue is also pooled and managed in an In-House-Bank-System provided by DSV A/S. As the Company is linked to this Bank-System, liquidity is provided by DSV A/S, the direct and ultimate shareholder of the Group.

1.9 Information about research and development

During the financial year no activities took place in the field of research and development which require further explanation.

1.10 Management Board policy with respect to risks

Financial risks are handled within the risk management processes and framework of the Group. Our Group risk management framework is based on structured risk identification, analysis and reporting processes. This provides the basis for risk assessments and subsequent initiation of relevant mitigation actions. Our flat organisational structure ensures fast escalation and timely response to issues that may have a material impact on the Group's earnings, financial and strategic targets.

The activities of the Company result in financial risks such as interest rate risk, liquidity risk and credit risk.

The interest rates and the maturity dates of the Company's funding are slightly higher (and determine on quarterly basis) than the interest rates and maturity dates of the loans provided by the Company. Hence the Company does not face an interest rate risk.

As the Group ensures a sufficient supply of cash for Group companies participating in the inhouse banking, the Company, being part of this financial infrastructure, faces no liquidity risk. As per end of December 2021, the Company had an inhouse bank receivables of EUR 3.554.921,29 and in additional a cash receivable amounting to EUR 4.578.343,96 at the external bank 'Nordea', resulting into a total cash position of EUR 8.133.265,25.

As 2021 is the first financial year of the Company the solvability and liquidity are still low. The equity at year end 2021 is negative amounting to EUR -3.931 with a solvency ratio (equity/total assets) of -0,0002%. The liquidity ratio (current assets/ current liabilities) is 1,51.

The Management Board of the Company monitors the credit risk on a regular basis by analysing the default risk of every borrower. Currently, loans are granted to DSV A/S, as a result, the credit risk of the Company is generally considered insignificant, the Group ensure the cash readiness through short and long-term credit facilities from 3rd parties bank~~.~~

The bond issued by the Company is guaranteed by DSV A/S, hence from an investor's point of view the main risk is with DSV A/S.

1.10.1 Risk paragraph

1.10.1.1 *Methodology*

The risk management system is compliant with the requirement from the management of DSV Group. Risk management is primarily performed by direction and management; however, all employees are encouraged to contribute by recognizing risks and act accordingly.

1.10.1.2 *Significant risks and control activities selected*

Risk is evaluated on a monthly or quarterly basis depending on the nature of the risk. Subsequently, for each risk control activities are selected and developed.

1.10.1.3 *Risk appetite regarding significant risks*

The risk appetite of management is classified as above average, except compliance with laws and regulation, for which we are risk averse.

Risks	Control activities
Currency risk	Transactions are mainly euro dominated for which there is no currency risk involved.
Credit risk	• review of expired posts • review of accounts receivables and exhortation
Interest risk	Financing activities are performed by DSV A/S. For the company there is a low risk as the rates are fixed for longer period in relation to age of the bonds and Intercompany loans.
Liquidity risk	Adequate liquidity control activities mean that there are sufficient funds and credit facilities. These facilities are provided by DSV Group.
Fraud Risk	Fraud risk is limited as to the internal controls and 4-eye principles on all financial transactions
Compliance with laws and regulation	Follow procedures and use of experts for specific cases

1.11 Future expectations

As the Company is one of the most important financing vehicles of the Group, the financial position, especially the liquidity situation and the planned capital expenditures of the Group, very much affects the business development of the Company.

The Company anticipates on behalf of DSV A/S to increase of its cash position in the first half of 2022, as 2021 is the first year of start-up of the Company and more bonds will be issued by increase of acquisitions.

The management board of the Company has already issued a 4th bond in 2022 and more plans to raise funds from the capital markets are being considered in 2022. DSV A/S together with the Company has already updated its EMTN – Programme in February 2022 with an amount of EUR 4 billion. DSV Finance B.V. will persist as Group finance company and any possible future proceeds of debt issues will be lent within the Group.

The Group plans are to increase capital expenditure (excluding leases) in supporting of its strategic objectives and further growth.

Key control parameters for liquidity management of the Group are the centrally available liquidity reserves. As at the reporting date, the Group had cash and cash equivalents in the amount of EUR 1,1 billion[1] at its disposal. The Group also has committed credit facility in a total volume of EUR 0,8billion serving as a long-term liquidity reserve at favorable market conditions and currently runs until 2023-2025. Moreover, the Group via its EUR 2,5 billion. EMTN Programme enjoys open access to the capital markets on account of its good ratings within the transport and logistics sector and is well positioned to secure long-term capital requirements.

In summary, the Group's liquidity remains solid and a change in the Group's credit rating is not expected.

As the Group in financial year 2021 was again a successful year, despite the continuing repercussions of COVID-19, DSV A/S has again proven its ability to master the challenges of the pandemic. DSV A/S is in a good position to ride out the storm, looking ahead, our current expectation is, that the Company also in 2022, will most likely not be affected adversely by the pandemic. The liquidity of the DSV Finance B.V., being EUR 8.133.265 per 31 December 2021, is more than sufficient to cover the current yearly interest outflow. The ultimate shareholder,

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[1] DSV Group Annual Report 2021

being DSV A/S, also being the guarantor of the bonds issued by the Company, maintains the solid financial position and financial flexibility described above, thus providing sufficient headroom to fulfil any obligations from the guarantee provided to the bondholders of the Company.

For further detailed information on the Group's expected financial position in 2021 reference is made to the DSV A/S Annual Report 2021.

The difficult situation in Ukraine is on everyone's mind. DSV shipments to and from Russia and Belarus have stopped, except certain humanitarian shipments, and we are in the process of divesting and exiting our activities in Russia. The direct financial impact is not material as the combined revenue in Ukraine, Russia and Belarus represents less than 1% of the Group's revenue. Still, the situation has impacted the markets negatively in several ways, especially for air and road transports, and we continue to do our best to find capacity and alternative solutions for our customers". As the situation is still uncertain, we are at this stage not able to provide an estimation of the impact.

1.12 Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the directors report of the Company includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Venlo, 1 August 2022

The Board of Directors is represented by the three directors, who are jointly authorized (with other board member(s)).

Jens Björn Andersen Director	Jens Hesselberg Lund Director	Michael Ebbe Director

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CHAPTER II: FINANCIAL STATEMENTS

2. FINANCIAL STATEMENTS

2.1 Balance sheet as at 31 December 2021 (before appropriation of result)

DSV FINANCE B.V.			
BALANCE SHEET AS AT		**31/12/2021**	**10/02/2021**
	Notes	***EUR***	***EUR***
ASSETS			
A. Fixed Assets			
Financial fixed assets			
Loans to group companies	1	1.580.155.500	0
		1.580.155.500	**0**
B. Current Assets			
Other receivables	2	4.069.424	1
Cash and cash equivalents	3	4.578.344	0
		8.647.768	**1**
TOTAL ASSETS		**1.588.803.268**	**1**
SHAREHOLDERS' EQUITY & LIABILITIES			
A. Shareholders' equity	4		
Share capital		1	1
Result of the period		(3.931)	0
		(3.930)	**1**
B. Long-term liabilities			
Non-current loans	5	1.582.552.136	0
Deferred tax liabilities	6	516.171	0
		1.583.068.307	**0**
C. Current liabilities			
Payable to group companies	7	96.598	0
Other liabilities and accruals	8	5.642.293	0
		5.738.891	**0**
Total liabilities		**1.588.807.198**	**1**
TOTAL EQUITY & LIABILITIES		**1.588.803.268**	**1**

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2.2 Profit and loss account for the period 10 February 2021 until 31 December 2021

DSV FINANCE B.V.		
PROFIT AND LOSS ACCOUNT		
For the period ended as at 31 December 2021		2021
	Notes	*EUR*
Financial income	10	6.471.471
Interest expenses and similar charges	11	(6.250.751)
Net financial income and expenses		**220.720**
General and administrative expenses	12	222.984
Total operating expenses		**222.984**
Profit before tax		**(2.264)**
Tax expense	13	1.667
Net result for the year		**(3.931)**

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2.3 Cash flow statement for the period 10 February until 31 December 2021

The cash flow statement has been prepared using the indirect method.

		2021
	Notes	**EUR**
Net cash flow from operating activities		
Result before tax		-2.264
Interest income and interest expense	10,11	-220.720
		-222.984
Change in working capital:		
Receivables from group companies	2	-3.554.921
Payables to group companies	7	96.598
Other payables (excl interest)	8	83.626
Cash flow from operating activities:		
Interest paid and similar charges	12	-692.083
Interest received	10	6.471.471
		2.404.692
Net cash flow (used in)/from operating activities		**2.181.707**
Issued share capital	4	1
Issued Financial Assets (investments)	1	-1.580.155.500
Net cash flow (used in)/from investing activities		**-1.580.155.499**
Issued bonds	5	1.582.552.136
Net cash flow (used in)/from financing activities		**1.582.552.136**
Changes in cash & cash equivalents		**4.578.344**

The movement in the cash & cash equivalents can be broken down in the current account as follows:

Balance as at 10 February	-
Movement during the financial period	4.578.344
Balance as at 31 December (Note 3)	**4.578.344**

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General notes to the Financial Statements

2.3.1 General overview

DSV Finance B.V. (hereafter "the Company"), having its statutory seat in Venlo, was incorporated in the Netherlands, Venlo on 10 February 2021 and is listed in the Commercial Register of the Chamber of Commerce in Venlo under number 81853572. The Company is owned 100% by DSV A/S located in Hedehusene, Denmark, which is also the ultimate shareholder. The Company's registered office is Tasmanweg 2, 5928 LH Venlo, The Netherlands.

Activities
The principal activity of the Company consists of raising capital, in order to lend funds to Group companies.

Ownership
The Company has no subsidiaries, joint ventures or associates. The Company itself is a part of the Group and the financial results of the Company are incorporated into the IFRS Consolidated Financial Statements of the Group, which are available at www.dsv.com.

2.3.2 Going concern

2021 is the first financial year of the Company, for the period as of 10 February until 31 December 2021. The financial statements have been prepared on a going concern basis. Over the period ending on 31 December 2021 the Company had a result of EUR -3.931 and a positive net cash flow of EUR 4.578.343..

DSV Finance B.V. has a majority of assets in terms of Long-term financial assets from DSV A/S. The Company's financial position is based on interest inflow and repayments of loans by DSV A/S. The directly available cash and cash equivalents with EUR 8.133.265 as at 31 December 2021 are sufficient to cover the yearly interest outflow for the current year.

Based on the financial position of the Company, the current finance structure and the Company's ability to realize its assets and discharge its liabilities in the normal course of business, the financial statements have been prepared assuming a going concern. Bond repayments are not due until June 2022. The ultimate shareholder of the Company, DSV A/S, also being the guarantor of the bonds issued by the Company, maintains a solid financial position[2]. Cash equivalents and its EUR 2,5 billion EMTN-Programme has been updated in 2022 to EUR 4 billion.

[2] The Group has a credit facility in a total volume of EUR 0.8 billion serving as a long-term liquidity reserves at faborable market conditions and currently runs until 2023 - 2025.

2.3.3 Basis of accounting

The Financial Statements have been prepared in accordance with Dutch GAAP and comply with the financial reporting requirements included in section 9 of Book 2 of the Dutch Civil Code. The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of all derivative contracts.

Items included in the Financial Statements are measured using the currency of the primary environment in which DSV Finance B.V. operates ("the functional currency"). The Financial Statements are presented in euro, which is the Company's presentation currency and functional currency.

2.3.4 Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities, which can control the Company are considered to be a related party. In addition, statutory directors, other key management of DSV Finance B.V. or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the different notes and are based on arm’s length conditions and prices. The nature, extent and other information is disclosed, in order to provide the required insight.

2.3.5 Cash flow statement

The statement of cash flows analyses changes in cash and cash equivalents during a period. According to Dutch GAAP the Company presents its cash flows on the basis of the indirect method in the annual financial statements. The indirect method presents the specific cash flows associated with items that affect cash flow. Major classes of gross cash receipts and gross cash payments on behalf of DSV Finance B.V. are disclosed.

The cash flows that are presented in this cash flow statement represent the receipts and payments made on behalf of DSV Finance B.V. resulting from the inhouse banking agreement between the Company and DSV A/S. They are presented in the cash flow statement. The inhouse bank balances and Nordea Bank are disclosed under "Cash and cash equivalent" in the balance sheet (note 3).

The principal activity of the Company consists of raising capital in order to lend funds to DSV A/S. Therefore, all activities, relating to interest received and paid are classified as operating activities. All transactions and balances of the Company within the inhouse bank of the Group are classified as changes in cash and cash equivalent.

The Company has not paid any dividends during 2021.

2.4 General accounting principles for the preparation of the annual accounts

2.4.1 General

The financial statements have been prepared on a going concern basis.

Valuation of assets and liabilities and the determination of the result take place under the historical cost convention, unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

A liability is recognized in the balance sheet when it is expected to result in an outflow of resources embodying economic benefits and the amount of the obligation can be measured reliably.

An asset or liability that is recognized in the balance sheet, remains on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability.

An asset or liability is no longer recognized in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability being transferred to a third party.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

References are made to the notes.

2.4.2 Management estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

The major estimations management made were regarding the credibility of the counterparties of the loan receivable and the determination of the fair value of the financial instruments.

Management investigated the credibility of the group companies who received a loan and concluded there is no reason for impairment of these loans.

The fair values of the loans represent the clean fair value excluding interest accruals. For the calculation, discount factors based on secondary market yields (source: Bloomberg) were used to reflect DSV risk. The fair value of financial instruments, other than the ones stated above on page 9, is close to the carrying amount.

2.4.3 Financial instruments

Financial instruments are primarily instruments such as receivables and financial fixed assets, e.g. the intragroup loans and the long-term liabilities such as bonds. For the principles of primary financial instruments, reference is made per balance sheet item.

Initial recognition and measurement

Financial instruments are recognized initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instrument at fair value are recognized in the profit and loss accounts.

Financial instruments include loans and (other) receivables, cash items, bonds/notes and other financing commitments.

Subsequent measurement

Financial instruments at fair value are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Fair value determination

The estimated fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies.

Loans granted, other receivables and cash and cash equivalents
Loans granted and receivables are initially measured at fair value, including discount or premium and directly attributable transaction costs.

Loans granted and receivables are measured after their initial valuation at amortized cost using the effective interest rate method, less impairment losses. The loans and receivables with a remaining time to maturity exceeding 12 months are presented as financial fixed assets.

Notes issued, loans received and other payables
Notes, loans and other financial commitments are initially measured at fair value, including discount or premium and directly attributable transaction costs.

Notes, loans and other financial commitments are carried after their initial valuation at amortized cost using the effective interest rate method. The notes and loans with a remaining time to maturity exceeding 12 months are presented as non-current liabilities.

2.4.4 Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statement is presented in euros, which is the functional and presentation currency of the Company. All financial information in euros is presented in units.

At the balance sheet date and during this year, the Company does not have any foreign currency transactions.

2.5 Accounting principles for valuation of assets and liabilities

2.5.1 Financial fixed assets

Loans and other financial commitments are carried at amortized cost using the effective interest rate method. Interest income, based on the effective interest rate method, is accounted for under the interest and similar income from financing activities within the profit and loss account.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously.

If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Impairment of fixed assets

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, or the disappearance of an active market for a security.

The entity considers evidence of impairment for financial assets measured at amortised cost, loan and receivables both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. Those individually significant assets found not to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the company uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

A previously recognised impairment loss is revered if the decrease of the impairment can be related objectively to an event occurring after the impairment was recognised. The reversal is limited to at most the amount required to measure the asset at its original amortised cost at the date of reversal had the impairment not been recognised.

An impairment loss in respect of a financial asset stated at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in the profit and loss account and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

2.5.2 Other receivables

Other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Other receivables are classified as loans and receivables and have a short-term character which will be settled within one year after balance sheet date.

2.5.3 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Also the Inhouse Bank is part of the cash and cash equivalents. These are initially and subsequently recorded at nominal value.

2.5.4 Long-term liabilities

Long-term and other financial commitments are initially measured at fair value, including discount or premium and directly attributable transaction costs.

Long-term and current liabilities and other financial commitments are stated after their initial recognition at amortized cost on the basis of effective interest method. The amount is amortized over the life of the liabilities.

Redemption payments regarding long-term liabilities that are due next year, are presented under current liabilities.

Financial liabilities must be derecognized on the balance sheet, when the Company becomes a party to the contract at fair value on inception. They are included in the current liabilities except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities.

The remaining liabilities are classified as “Other liabilities". They are subsequently carried at amortized cost by applying the effective interest method.

The fair value of the bonds is derived from the published market price.

Financial liabilities are derecognized when the obligation to settle the liabilities has expired or has been settled.

2.5.5 Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries and are recognized initially at fair value including direct transaction costs.

Loans to group companies are classified as loans and receivables.
Loans from group companies are classified as financial liabilities measured at amortised cost.

2.5.6 Deferred tax

Deferred tax is recognized based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, properties and other items if disallowed for tax purposes, except at the acquisition of enterprises, if 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 taxation 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 carry forwards, are recognized as other non-current assets 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 and jurisdiction.

Deferred tax assets and tax liabilities are offset 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 is adjusted for elimination of unrealised intra-group gains and losses. Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries that will be effective under current legislation at the reporting date on which the deferred tax is expected to materialise as current tax.

2.5.7 Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method, which equals the fair value.

Trade payables and other payables have a short-term character.

2.6 Accounting principles for the determination of the result

2.6.1 General

The result is the difference between the realizable value of the interest income and interest expenses and other charges during the year. The results on transactions are recognized in the year in which they are realized. Losses originated before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Profit or loss is determined taking into account the recognition of unrealized changes in fair value of different assets and financial instruments.

2.6.2 Financial income and expense

General: interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which, they relate. In accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

The allocation of these interest expenses and the interest income on the loan is the effective interest rate that is recognized in the profit and loss account. On the balance sheet, the amortized value of the debt(s) is recognized (on balance). The amounts of the premium that are not yet recognized in the profit and loss account and the redemption premiums already recognized in the profit and loss account, are recognized as an increase in debt(s) to which they relate. Amounts of the discount that are not yet recognized in the profit and loss account are recognized as a reduction of the debt(s) to which they relate.

2.6.3 Other external expenses

General and administrative expenses comprise costs that related to services contracted out, which represent the direct and indirect expenses attributable to revenue,

These external expenses comprise costs chargeable to the year that are not directly attributable to the cost of the interest income and expense.

2.6.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax (if applicable).

2.6.4.1 *Current Tax*

The Company forms part of the Danish Tax Group of DSV A/S for Danish corporate income tax, see note 13 for more information. The tax payable or receivable is based on taxable profit for the year, taking into account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after deduction of non-deductible costs. Taxable profit differs from profit as reported in the annual statement of the profit and loss account, because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.6.4.2 *Deferred Tax*

Deferred tax is recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the carrying amounts for tax purposes. A deferred tax asset is recognized for future tax benefits, arising from temporary differences and for tax loss carry forwards to the extent that the tax benefits are likely to be realized.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.6.4.3 *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2.7 Principles for preparation of the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months.

The interest income and expense as well as the income tax are allocated to operating cash flows. Transactions that do not result in exchange of cash and cash equivalents are not presented in the cash flow statement.

Transactions not resulting in inflow or outflow of cash, such as entering into a financial leasing agreement, are not recognised in the cash flow statement. The value of the related asset and lease liability are disclosed in the notes to the balance sheet items.

2.8 Financial instruments and risk management

2.8.1 Risk Management

Our risk management framework is based on structured risk identification, analysis and reporting processes, all of which provide the basis for risk assessments and subsequent initiation of relevant mitigation actions.

The principal activity of the Company consists of raising debt capital through bond issuances in order to lend those funds to DSV A/S, being the direct and ultimate shareholder of the Company. The capital managed by the Company is defined as the nominal amount of outstanding bonds issued by the Company, see note 3. It is fixed until the existing bond needs to be redeemed or new bonds are being issued. In view of the Group's long-term capital requirements, the Group established an Euro Medium Term Note Program (see note 1.7) with a volume of up to EUR 2.5 billion and as from February 2022, the amount increases to EUR 4 billion. The Company is a possible issuer under the Program, which offers the Company the possibility to issue bonds in customized tranches up to a stipulated total amount and enables it to react flexibly to changing market conditions. DSV A/S together with the Company intends to update the Program annually.

The Company's activities expose it to a variety of financial risks:

Our financial risks are monitored by our Group Finance departments to ensure a high level of management attention on the effectiveness of our hedging strategies. Please refer to note 1.10 of the Directors' Report for additional information on our financial risks.

Currency risk
Currency risk is defined as the potential loss that could result from adverse changes in foreign currency exchange rates. The Company's transactions are mainly in EUR currency, hence there are no currency risks.

Credit risk
The Company is not dependent on particular customer segments or any specific customers, and all customers are subjected to individual credit assessments and credit limits in accordance with the Group's Credit Policy. Credit risks are decreased by only doing business with third parties with a high creditworthiness and for each entity designated limits apply.

These risks are managed by a specialized team at Group level in corporation with local Management. Periodically, consolidated reports on risks are sent to this team, including any risk mitigation actions undertaken by the risk owners. Input for the risk reporting is captured consistently from very deep levels in the organisation ensuring a high level of completeness of the risks identified and reported.

Our risk management framework is based on structured risk identification, analysis and reporting processes providing the basis for risk assessments and subsequent initiation of relevant mitigation actions. Therefore, the risk is well-monitored and considered as low or immaterial.

With reference to note 1.10, currently the borrower is DSV A/S and as a result, the credit risk of is generally considered limited.

Interest rate risk
Interest rate risk is generally defined as the risk that the profitability of the Company will fluctuate as a result of changes in market interest rate. The Company is for its loan borrowings to group companies not exposed to movements in long-term interest rates as these loans receivables carry a fixed interest rate.

Liquidity or cash flow risk
Liquidity risk is the risk that the fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group ensures a sufficient supply of cash for Group companies at all times via a largely centralized liquidity management system. The Company is one of the most important financing entities within the Group. Therefore, the Company issued bonds which are fully guaranteed by DSV A/S.

In addition, the Company has an inhouse bank treasury account with Group for which addition funding can be requested. The overall funding of DSV companies is managed by Group Treasury by drawing on the Group's main credit facilities. Funding of subsidiaries is as the main principle established by way of internal loans or overdraft facilities provided by Group Treasury. DSV subsidiaries have limits on their treasury accounts. These Treasury limits are based on the annual budget and are reviewed on a regular basis and approved by Group Finance and documented by an agreement. Limits must not be exceeded without prior agreement with Group Controlling and Reporting.

The inhouse bank balance receivable measured at amortized cost is subject to the credit risk of the head of the inhouse bank treasury account, which is DSV A/S. The management assesses the default risk as low.

In the financial period, the cash flows of the debt instruments were neither modified nor model changes made to derive risk parameters. As a result, the input parameters were not revalued. Loans and receivables measured at amortized cost were recognized at the balance sheet date. At the balance sheet date, there were no indications of significant deterioration of creditworthiness.

2.8.2 Risk paragraph

2.8.2.1 *Methodology*

The risk management system is compliant with the requirement from the management of DSV Group. Risk management is primarily performed by direction and management; however, all employees are encouraged to contribute by recognizing risks and act accordingly.

2.8.2.2 *Significant risks and control activities selected*

Risk is evaluated on a monthly or quarterly basis depending on the nature of the risk. Subsequently, for each risk control activities are selected and developed.

2.8.2.3 *Risk appetite regarding significant risks*

The risk appetite of management is classified as average, except compliance with laws and regulation, for which we are risk averse.

Risks	Control activities
Currency risk	Transactions are mainly euro dominated for which there is no currency risk involved.
Credit risk	• review of expired posts • review of accounts receivables and exhortation
Interest risk	Financing activities are performed by DSV A/S. For the company there is a low risk as the rates are fixed for longer period in relation to age of the bonds and Intercompany loans.
Liquidity risk	Adequate liquidity control activities mean that there are sufficient funds and credit facilities. These facilities are provided by DSV Group.
Fraud Risk	Fraud risk is limited as to the internal controls and 4-eye principles on all financial transactions
Compliance with laws and regulation	Follow procedures and use of experts for specific cases

Notes to the Balance Sheet as at December 31, 2021

1. Financial fixed assets

Loans to group companies

	10 February 2021	Movement during 2021	31 December 2021
	EUR	EUR	EUR
Loan 1 - €500 mio dated 03/03/2021	0	498.324.900	498.324.900
Loan 2 - €600 mio dated 05/07/2021	0	592.674.000	592.674.000
Loan 3 - €500 mio dated 17/09/2021	0	489.156.600	489.156.600
	0	1.580.155.500	1 580.155.500

Intragroup long-term loan 1 – DSV A/S

No impairment is charged against the result of the financial year; hence no impairment loss exists.

This loan has been issued on March 3, 2021, to DSV A/S for the total maximum amount of EUR 500 000 000 with a term of 10 years. An amount of EUR 498 324 900 has granted in 2021. The nominal interest rate amounted to 0,57% per annum and from October 2021 this interest rate has changed to 0,65% per annum. The loan shall be repaid in full at latest on March 3, 2031.

Intragroup long-term loan 2 – DSV A/S

No impairment is charged against the result of the financial year; hence no impairment loss exists.

This loan has been issued on July 5, 2021, to DSV A/S for the total maximum amount of EUR 600 000 000 with a term of 12 years. An amount of EUR 592 674 000 has granted in 2021. The nominal interest rate amounted to 0,87% per annum and from October 2021 this interest rate has changed to 0,95% per annum. The loan shall be repaid in full at latest on July 5, 2033.

Intragroup long-term loan 3 – DSV A/S

No impairment is charged against the result of the financial year; hence no impairment loss exists.

This loan has been issued on September 17, 2021, to DSV A/S for the total maximum amount of EUR 500 000 000 with a term of 15 years. An amount of EUR 489 156 600 has granted in 2021. The nominal interest rate amounted to 1 % per annum and from October 2021 this interest rate has changed to 1,01% per annum. The loan shall be repaid in full at latest on September 17, 2036.

2. Other receivables

	31 December 2021
	EUR
Other group companies receivables	3.554.921
Tax receivable	514.503
	4.069.424

All the amounts are short-term. The net carrying value of the receivables is considered as reasonable approximation of fair value. Tax receivable is with the parent of the Danish fiscal unity.

3. Cash and cash equivalents

	31 December 2021
	EUR
Nordea bank	4.578.344
	4.578.344

The short-term deposit represents the inhouse bank balance and is related to the interest income on the long-term financial assets. There are no specific conditions agreed for Inhouse bank.

4. Shareholders' equity

DSV FINANCE B.V. **Movement schedule** **For the period ended 31 December 2021**			
	Share capital	Other reserves	Total
	EUR	***EUR***	***EUR***
Balance as at 10 February 2021	1	-	1
Movement 2021:			
Net result 2021	-	(3.931)	(3.931)
Balance as at 31 December 2021	**1**	**(3.931)**	**(3.390)**

Share capital

The authorized and issued share capital of the Company as of 31 December 2021 amounts to EUR 1 and consists of 1 ordinary share, which was fully paid.

Proposal for the appropriation of net result 2021

	2021
	EUR
Loss of the period	(3.931)

The Management Board proposes to deduct the loss for the period 2021 from the other reserves.

5. Non-current loans

The Company issued the following bonds during 2021:

	31 December 2021
	EUR
Bond 1 – Project Light (2021 - 2031)	497.277.668
Bond 2 – Project Race (2021 – 2033)	592.180.222
Bond 3 – Project Porto (2021 – 2036)	493.094.246
	1.582.552.136

Bond 1 – Project Light (2021 – 2031)

	2021
	EUR
Bookvalue as at 10-02-2021	-
Bonds issued	497.097.460
Amortization 2021	180.208
Bookvalue per 31-12-2021	497.277.668

On March 3, 2021, the Company issued bonds for a total amount of EUR 500.000.000 less disagio, consultancy and discretionary fees. The bonds were issued at 99,815%. The bonds will be repaid in full on March 3, 2031. The interest coupon amounts to 0,500% per annum and is paid annually. The bonds are listed at the Euronext Dublin Stock Exchange. DSV A/S is the guarantor for these bonds.

Bond 2 – Project Race (2021 – 2033)

	2021
	EUR
Bookvalue as at 10-02-2021	-
Bonds issued	591.838.399
Amortization 2021	341.823
Bookvalue per 31-12-2021	592.180.222

On July 5, 2021, the Company issued bonds for a total amount of EUR 600.000.000 less disagio and consultancy fees. The bonds were issued at 99,079%. The bonds will be repaid in full on July 5, 2033. The interest coupon amounts to 0,750% per annum and is paid annually. The bonds are listed at the Euronext Dublin Stock Exchange. DSV A/S is the guarantor for these bonds.

Bond 3 – Project Porto (2021 – 2036)

	2021
	EUR
Bookvalue as at 10-02-2021	-
Bonds issued	492.937.254
Amortization 2021	156.992
Bookvalue per 31-12-2021	493.094.246

On September 17, 2021, the Company issued bonds for a total amount of EUR 500.000.000 less disagio and consultancy fees. The bonds were issued at 98,887%. The bonds will be repaid in full on September 17, 2036. The interest coupon amounts to 0,875% per annum and is paid annually. The bonds are listed at the Euronext Dublin Stock Exchange. DSV A/S is the guarantor for these bonds.

6. Deferred tax liabilities

Deferred taxes arising from temporary differences are summarised as follows:

Deferred tax liabilities	Balance as of 10 February 2021	Recognized during 2021	Balance as of 31 December 2021
Consultancy fees paid	-	516.171	516.171
	-	**516.171**	**516.171**

Global Transport and Logistics

The Company controls the timing of the reversal, and the temporary difference will not reverse on short-term. The tax value is equivalent to the temporarily difference until the maturity of the bonds. The consultancy fees pay for releasing bonds on financial markets are part of the amortization of the interest and paid fees on the bonds. For tax this is taken as a one-off cost to P&L and not via amortization.

7. Payables to Group

	31 December 2021
	EUR
Payables to group companies	96.598
	96.598

All amounts are short-term. The carrying values of payables are considered to be a reasonable approximation of fair value. This amount can repay at any time and is no interest bearing.

8. Other liabilities and accruals

	31 December 2021
	EUR
Accrued audit fee	58.625
Accrued interest	5.583.668
	5 642.293

The accrued interest payable to bondholders are as follows:

	Starting period	number of months in 2021	Amount in EUR
Bond 1	03/03/2021	10	2.081.931
Bond 2	05/07/2021	6	2.250.000
Bond 3	17/09/2021	3,5	1.251.737
			5.583.668

All balances stated above will generally be utilized within the next reporting period.

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

9. Off-balance sheet

Fair value

The fair value of the financial instruments stated on the balance sheet can be specified as follows:

	Fair value 31 December 2021	Book value 31 December 2021
Financial fixed assets		
Loans to group company 'DSV A/S'	1.571.344.554	1.580.155.500
Long term liabilities		
Bonds/loan payable	1.559.024.218	1.582.552.136

The fair values represent the clean fair value excluding interest accruals. For the calculation, discount factors based on secondary market yields (source: Bloomberg) were used to reflect DSV Finance risk.

The fair value of financial instruments other than the once stated in the above tables is close to the carrying amount.

Global Transport and Logistics

Notes to the Profit and Loss account 2021.

10. Financial income

	2021
	EUR
Interest income on LT loan	6.471.471
	6.471.471

The interest income arises from the Long-Term Loan with DSV A/S.

The financial transactions are based on arm's length conditions and prices. The interest rate is fixed for a period of 3 months at the end of a quarter and is calculated as follows:

Interest Rate
+ Fixed interest rate + Loan margin = Interest Rate (rounded to the nearest multiple of 1/800)

The interest is calculated based on the outstanding balance and a year of 360 or 365 days. On the effective date, the total interest rate applicable for the loans are:

	Issuance date	Amount in EUR	rate
Loan 1	03/03/2021	498.325.000	0,65%
Loan 2	05/07/2021	592.674.000	0,95%
Loan 3	17/09/2021	493.735.000	1,01%
		1.584.734.000	

The intercompany Loan margin is based on the margins DSV A/S pays to external banks for long-term loans and credit facilities. The loan margin applied by the banks reflects the creditworthiness of DSV A/S as the borrower. The loan margin is fixed until parties agreed to change this.

11. Interest expenses and similar charges

	2021
	EUR
Interest expenses from bonds	5.558.668
Amortization of the bond discount and issue costs	691.645
Other interest and bank charges	285
Realised exchange rate losses	153
	6.250.751

These financial costs are related to the bonds.

12. General and administrative expenses

	2021
	EUR
Consultancy fees	164.359
Audit fees	58.625
	222.984

13. Tax expense

Income tax recognized in profit or loss

	2021
	EUR
Current tax expense	(514.503)
Deferred tax	516.171
	1.667

a. Actual tax

	2021
	EUR
Result before tax	**(3.931)**
Timing difference:	
Deductible deferred expenses on bonds	(2.334.720)
Permanent difference:	
Disallowed items	-
Taxable result before tax	**(2.338.652)**
Total income tax expense recognized in the current year:	
Taxable against the corporate income tax rate of 22% (DK):	(514.503)
Deferred tax liability on deferred expenses	516.171
Total	**1 667**
Effective tax rate	(42,41) %

The Company is exempted from tax in The Netherlands and will be taxable under the Danish tax regime, as part of the joint taxation in Denmark, hence the tax calculation is according to the Danish tax rules.

The effective tax rate deviate from the applicable tax rate as a result of total payable consultancy fees on the bonds have been taken into accounts as tax deductible, whilst these costs have been spread over the maturity of the bonds as per local GAAP.

14. Related parties' transactions

The Group's related parties only include DSV A/S for 2021.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received, except those related to the bonds. Outstanding balances are usually settled through the inhouse banking accounts.

15. Employees

The Company has no employees.

16. Directors' remuneration

The Management Board of the Company currently consists of three members:

- Mr. Jens Bjorn Andersen
- Mr. Jens Lund Hesselberg
- Mr. Michael Ebbe

The members of the Management Board do not receive any remuneration from the Company.

17. Commitments and rights not included in the balance sheet

The Company is fully taxable in Denmark, cf. the Corporation Tax Act, section 1, subsession 1, no. 2, as the management's seat is in Denmark. As well as based on the double taxation treaty between The Netherlands and Denmark pursuant the place of effective management is in Denmark. The Company is part of the Danish tax group headed by DSV A/S. As a consequence, the Company is liable for all corporate tax liabilities and subject to the Danish tax regime.

The tax position of the Company is accounted for and included in the consolidated tax position of the head of the Danish Tax Group, DSV A/S. In line with Group policy, the income tax expenses are not being charged to the Company but remain with the head of the Danish Tax Group.

18. Independent auditor's fees

BDO Audit & Assurance B.V. is appointed as independent auditor for the Company's Financial Statement. The remuneration amounts to EUR 58.625. This fee relates to the audit of the 2021 financial statement, regardless of whether the work was performed during the financial year.

19. Post balance sheet events

The Company has issued on 16 March 2022 a new bond of 600 million euro with an interest rate off 1.375% for a period of 8 years.

Due to the ongoing dramatic developments in Russia-Ukraine conflict, several carries have stopped using Russian airspace.

The difficult situation in Ukraine is on everyone's mind. DSV shipments to and from Russia and Belarus have stopped, except certain humanitarian shipments, and we are in the process of divesting and exiting our activities in Russia. The direct financial impact is not material as the combined revenue in Ukraine, Russia and Belarus represents less than 1% of the Group's revenue. Still, the situation has impacted the markets negatively in several ways, especially for air and road transports, and we continue to do our best to find capacity and alternative solutions for our customers." As the situation is still uncertain, we are at this stage not able to provide an estimation of the impact.

20. Appropriation of the result for the 2021 financial year

The Board of Directors proposes to deduct the 2021 result from the other reserves for an amount of EUR (3 931). The General Meeting of Shareholders will be asked to approve the appropriation of the 2021 result.

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21. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on

Venlo, 1 August 2022

Board of Directors:

Jens Bjorn Andersen

Jens Hesselberg Lund

Michael Ebbe

CHAPTER III: OTHER INFORMATION

Independent auditor’s report

The independent auditor’s report is included.

Statutory provisions concerning appropriation of profits

Under Dutch Civil law no dividends can be declared until all losses have been recovered. Subject to this, profits are at the disposal of the General Meeting in accordance with the Company’s Articles of Association.

Following the appropriation of result proposed by the board of directors and pursuant to the article 35 of the article of association, the General Meeting is authorized to appropriate any profit determined through adoption of the annual accounts and to set any distributions as far as the shareholders’ equity exceeds the reserves that must be maintained by law or the article of association.

The company may only make distributions to the shareholders and other persons entitled o the distributable profit insofar as (1) the company can continue to pay its due and payable debts after the distribution (the so-called benefit test), and (2) the greater the reserves that have to be held pursuant to the law and the articles of association (the so-called balance sheet test). If this is not the case, the Board may not approve the payment. Preliminary tests carried out by the Board have not produced any indications that the proposed payment of dividend would not be possible, but these tests have yet to be made definitive (and the Board must approve the distribution) prior to the actual payment of the dividend. the dividend.

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The Netherlands

Independent auditor's report

To: the shareholders of DSV Finance B.V.

A. Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of DSV Finance B.V. ('the company') based in Venlo.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. the balance sheet as at 31 December 2021; 2. the profit and loss account for the period 10 February 2021 till 31 December 2021; and 3. the notes comprising of a summary of the accounting policies and other explanatory information.	In our opinion, the accompanying financial statements give a true and fair view of the financial position of DSV Finance B.V. as at 31 December 2021 and of its result for the period 10 February 2021 till 31 December 2021 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of DSV Finance B.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 15.900.000. The materiality is based on a benchmark of total assets (representing 1% of total assets) which we consider to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the company. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of € 795.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and process of the board of directors for responding to the risks of fraud and monitoring the system of internal control and how the board of directors exercises oversight, as well as the outcomes.

We refer to section 'Management Board policy with respects to risks' of the Directors' report for management's fraud risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following potential material fraud risks and performed the following specific procedures:

- In accordance with our professional standards (Dutch Standards on Auditing), we identified and addressed the risk of management override of internal controls. We performed procedures to evaluate key accounting estimates in particular relating to important judgment areas and significant accounting estimates related to the valuation of the loans, issued to DSV A/S as disclosed in Note 1 of the financial statements and the current receivables from DSV A/S as disclosed in Note 3 of the financial statements. For more information about our audit approach we refer to 'Our key audit matters'.
  We have also used data analysis to identify and address high-risk journal entries. We evaluated the internal control measures regarding manual adjustments and whether these were subject to internal review. We verified whether material manual adjustments were accurate and recorded completely in the financial statements.
- Based on the Dutch Standards on Auditing, we always assume a fraud risk with regard to revenue recognition. We have rebutted this presumed fraud risk on revenue recognition, due to the simplicity of the process and the high predictability.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We considered available information and made enquiries of relevant executives, the board of directors.

This did not lead to indications for fraud potentially resulting in material misstatements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matter to the board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

VALUATION OF LOANS	OUR AUDIT APPROACH
We consider the valuation of the loans, issued to DSV A/S as disclosed in note 1 of the financial statements and the Inhouse Bank Receivables from DSV A/S as disclosed in Note 3 of the financial statements, combined representing 99,5% of the balance sheet total, a key audit matter. We identified this as a key audit matter due to the size of the loans issued and due to the material impact a possible impairment may have on the income statement.	We have performed detailed audit procedures addressing the valuation, including possible impairment triggers of the loans issued to DSV A/S and Inhouse Bank Receivables from DSV A/S. We have performed the following audit procedures: ▶ Inspected the financial statements as per 31 December 2021 of DSV A/S. ▶ Inspected the loan agreements entered into between the company and DSV A/S.

Initially, loans issued to DSV A/S and Inhouse Bank Receivables from DSV A/S are recognized at its fair value and subsequently carried at nominal value. The board of directors has concluded that no impairment is necessary as of year-end.	▶ Inspected the Q1 2022 statements of the guarantor DSV A/S. ▶ Evaluated the information derived from credit rating agencies: Standard & Poor's and Moody's. ▶ Reviewed the market values of the outstanding notes for indications of recoverability and creditworthiness. ▶ Reviewed news reports on the company and DSV A.S. ▶ Searched and evaluated the information for investors on the website of DSV A/S. ▶ Assessed the adequacy of the disclosures in the financial statements relating to both the loans issued and Inhouse Bank receivables. ▶ Discussed the recent developments in the financial position and the cash flows of relevant group companies with the Board of Directors.

C. Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the Directors' report;
- other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement
We were engaged by the board of directors as auditor of DSV Finance B.V. on 19 May 2022, as of the audit for financial year 2021.

No prohibited non-audit services
We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

E. Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements
The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting, unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The board of directors is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements
Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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.
- Obtaining 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 entity's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 1 August 2022

For and on behalf of BDO Audit & Assurance B.V.,

drs. M.F. Meijer RA