Global Transport and Logistics

DSV Finance B.V.

Annual Report
for the year ended 31 December 2022

Global Transport and Logistics

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CHAPTER I: DIRECTORS' REPORT

1. DIRECTORS' REPORT

The Management Board[1] of DSV Finance B.V. ("the Company") is pleased to present the financial statements of the Company for the year ended 31 December 2022. The annual report covers the period 1 January 2022 to 31 December 2022. 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 Malcom McLeanstraat 2, 5975WG Sevenum, the Netherlands. There are no branches besides this head office.

Pursuant to the Decree of July 26, 2008 implementing Section 41 of Directive No. 2006/43/EC (hereinafter referred to as the "Decree"), published on August 7, 2008 (Bulletin of Acts and Decrees 2008/323), the Company qualifies as a public interest entity (hereinafter referred to as "PIE") based on the fact that the company has issued bonds that are listed on a EU regulated market. According to the Decree, a PIE must establish an independent Audit Committee, unless it can claim exemption as described in the Decree.

The Management Board has advised the Parent Company that the Company can be in compliance with the Decree by either (i) having the Company's General Meeting setting up an independent Audit Committee; or (ii) having the tasks and requirements associated with the compulsory Audit Committee for a PIE be carried out and observed by the Company's sole shareholder's Audit and Risk Supervision Committee. The Management Board has been notified that the Audit Committee of DSV A/S ("the Ultimate Parent Company of the Company") has taken up the role of Audit Committee for the financial year 2022. The Audit Committee does not receive a remuneration with regards to the services provided to the Company.

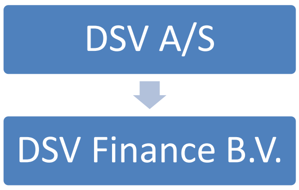
The Company has no employees and receives services through DSV group entities.

[1] The directors

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 2022, 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 in 2023.

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.

Mr. Jens Hesselberg Lund resigned on 10th February 2022, for which the number of Management Board members of the company consists of two members going forward:

- Mr. Jens Bjørn Andersen
- Mr. Michael Ebbe

They are jointly authorized.

1.5 Distribution of director seats between women and men

Our DSV approach to achieve gender equality on corporate boards will be at least 30% of the directors of a company must be women. This target was not achieved at year-end 2022. 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 Management Board. 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 Programme, 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 2022, the maximum aggregate principal number of notes which can be issued and outstanding under the Programme is EUR 4 billion. Notes 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, an 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 one new corporate bond totalling EUR 0.6 billion and with duration of 8 years on the capital markets.

Below is an overview of the bonds:

date	list of bonds	maturity at issuance	nominal value in EUR	issue %	issued price	fees[2]	total net
03/03/2021	Bond 1 - Light	10 yrs	500.000.000	99,815%	499.075.000	(1.987.846)	497.087.154
05/07/2021	Bond 2 - Race	12 yrs	600.000.000	99,079%	594.474.000	(1.673.171)	592.800.829
17/09/2021	Bond 3 - Porto	15 yrs	500.000.000	98,887%	494.435.000	(804.560)	493.630.440
16/03/2022	Bond 4 - Home	8 yrs	600.000.000	98,708%	592.248.000	(3.039.196)	589.208.804
			2.200.000.000		**2.180.232.000**	**(7.504.773)**	**2.172.727.227**

1.8 Results for the period ended 31 December 2022

The Company's interest income on loans for 2022 amounts to EUR 20.854.921 (2021: EUR 6.471.471 and the result after taxation for 2022 amounts to a loss of EUR 1.191.441 (2021: EUR 3.931 loss).

2022 is the second financial year of the Company covering 12 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 2022.

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.

[2] Base, discretionary, consultancy and other fees

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 of the Company's funding are fixed and are lower than the interest rates 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 low liquidity risk. As per end of December 2022, the Company had an inhouse bank receivable of EUR 18.841.053 (2021: EUR 3.554.921) and in additional a cash receivable amounting to EUR 5.603 (2021: EUR 4.578.345) at the external bank 'Nordea', resulting into a total cash position of EUR 18.846.657. (2021: EUR 8.133.265).

In the second financial year 2022 of the Company the liquidity has improved compare with the first financial year, whilst the solvability decreased slightly. The low solvency ratio results from the high amount of tax accruals, which caused the loss position, whilst the result before taxes is positive. However, since the financial fixed assets and non-current liabilities have the same duration with a fixed margin, the Company has limited risk with regards to solvency. The equity at year end 2022 is negative amounting to EUR – 1.195.371 (2021: -3.931 loss) with a solvency ratio (equity/total assets) of -0,0546% (2021: -0,0002%). The liquidity ratio (current assets/ current liabilities) is 1.68 (2021: 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 low, the Group ensures the cash readiness through short and long-term credit facilities from 3rd parties bank.

The bonds issued by the Company are 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 euro dominated for which there is no currency risk involved.
Credit risk	• review of outstanding loans • assess credit risk of DSV A/S, the sole borrower of the loans.
Interest risk	Interest rate analyses are regularly prepared and the potential effects on the net interest income are examined, which are performed by Group Treasury. 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.

1.10.2 Fraud risks

DSV Group has a zero-tolerance approach towards bribery and corruption and complies with applicable anti-bribery and corruption legislation. The Code of Conduct describes the specific rules to address bribery and corruption (including fraud) within DSV Group, so that no employees take part in it. The rules described do not prohibit normal and appropriate hospitality given or received. All DSV employees are always expected to support DSV's purpose and strategy and consider the impact on the DSV brand and avoid any damaging or derogatory communications, whether online or elsewhere. This also includes any form of fraud or piracy of copyrighted and/or proprietary materials. Despite the fact, that the Company has no staff, the Management Board and DSV employees, who are providing group services to the Company are bound by these Corporate Compliance Rules.

Within treasury, finance and compliance for the Company, fraud is avoided by means of a 4-eyes review for all kinds of processes, that include an approval flow that goes over several levels (such as direct responsible, …), segregation of responsibilities and duties, etc. Same principle applies to all other departments within the Organization.

In particular, DSV Group has defined strict policy for authorization levels and correlating job titles as well as approval limits, which are covered in the co-called '*The global authorization and title policy*', for which DSV Executive Board is overall responsible for this policy. These strict policies are therefore also applicable for the Company.

The awareness of the anti-fraud (or corruption) and whistleblowing policies take place through training of employees (included the employees, who are also performing group services to the Company) by in-person training and/or DSV e-learning on a regular base (e.g. at least once a year) to emphasize the importance of compliance with the DSV Code of Conduct and with the applicable laws and regulations.

The Board of Directors is responsible for the establishment and adequate functioning of internal control in the Company to ensure the DSV Group's risk management strategy and the overall framework for identifying and mitigating risk are met. Consequently, the Board of Directors has implemented a range of processes designed to provide better control on the Company's operations. These processes and procedures include measures regarding the general control environment as well as specific internal control measures. All these processes and procedures, which are outlined in below note 1.10.2.1, are aimed at ensuring a reasonable level of assurance that the Company has identified and managed its significant risks and that it meets the Group objectives in compliance with applicable laws and regulations.

Fraud preventing and mitigating measures

The overall approach to risk management and control are being undertaken by the Controller's Quarterly Risk and Control Status Reports, including Code of Business Principles cases relating to frauds and financial crimes and significant issues, which are implemented as standard review for all kind of processes in the Organization.

1.10.2.1

Fraud risks are continuously reviewed as follows:

- Ongoing monitoring of the business activities and development
- Informal ongoing assessment focused on risks of employee fraud or misappropriation of assets
- Formal periodic assessment considering all potential fraud risk areas

We have taken extra caution with regard to the following key fraud risks linked to the Company, which are:

- Material misstatements of financial statements by manipulation of the financial reporting process by recording inappropriate or unauthorized journal entries throughout the year or at period end. This could be overstating interest income, understating expenses (such as interest, consultancy fees) and timing difference
- Misappropriation of assets/payments due to improper segregation of duties
- Management estimates regarding the fair value of intercompany loans and bonds

Therefore, DSV Group has set out control measures, which includes a system for assessing fraud and corruption risks, and also internal controls to mitigate those risks. This system contributes to the prevention and timely detection of fraud risks in our organisation to help preventing possible damage.

The management's process, the so-called '*fraud risk management system'*, to fraud risks are:

- Management investigation of variances from expected financial performance
- Management review of key reconciliations
- Four-eyes principles on all major processes
- Implementation of segregation of duties in key business processes
- Periodic review of access rights to key systems
- Internal reviews processes
- Key authorization controls over treasury management

1.10.2.2

These control measures are implemented in the Company and be closely monitored and managed to mitigate potential risk of non-compliance.

Whistleblower policy

DSV is committed to a high degree of openness, transparency and integrity as well as complying with applicable laws and regulations. The implementation of a Whistleblower Policy supports all employees at DSV in living up to this commitment. The purpose of the Policy is to enable DSV employees, the Management Board and external parties to be alert and vigilant to misconduct and make immediately filings (anonymous or by name) about alleged violations of law or the DSV Code of Conduct (e.g.: bribery, human rights, working conditions, …).

1.11 Future expectations

The Company plays a crucial role as a primary financing entity within the Group, and the Group's financial position, particularly the liquidity status and planned capital expenditures, significantly impact the Company's business development. The Group aims to enhance its growth by increasing capital expenditure (excluding leases) to support strategic objectives.

DSV Finance B.V. will continue to operate as the Group's finance company, and any potential proceeds from future debt issues will be allocated within the Group.

The Management Board is continually exploring opportunities to raise funds from the capital markets in 2023. However, as of the reporting date, no bonds have been issued in 2023.

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

When new applications for financing will be received during 2023, the Company will decide if, how and where to issue new bonds or to take or provide new loans. The Company does not intend to make investments in 2023.

Ukraine and Russia
As previously announced, we have divested or closed down all DSV subsidiaries in Russia and Belarus. We made this decision shortly after Russia's invasion of Ukraine, and the exit had no material impact on the financial results of the Group. We also make sure that we comply with international sanctions against Russia and Belarus at all times, and we have stopped organising transports to, from and through the two countries, except for pharmaceutical shipments and humanitarian aid. Our Ukrainian operations were temporarily suspended when the invasion started in February 2022. During the year, we have resumed activities in the country to the extent possible and we don't see any future financial impact on the on-going Russia/Ukraine war.

For further detailed information on the Group's expected financial position in 2022 reference is made to the DSV A/S Annual Report 2022.

Navigating market volatility and tough challenges is not new to DSV. Our cost discipline, focus on keeping net working capital under control, strong capital structure and scalable asset-light business model are all designed with this purpose in mind.

Our ambitions for the coming years revolve around three themes: growth, efficiency and sustainability. At a practical level, that means continuing our focus on M&A, strengthening our market position through organic growth, enhancing our logistics and digital capabilities, continuing our work on the sustainability agenda and exploring new opportunities in response to changing market dynamics. As we engage in all of these activities, our mindset will always be to try to do more with less, accelerating our operational excellence initiatives and digital transformation to constantly find more efficient solutions to support our customers.

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1.12 Going Concern

As part of the preparation of the financial statements, Management Board assessed the Company's ability to continue as a going concern. As the outstanding bonds have been guaranteed by DSV A/S, the Company has been secured the risk of non-repayment of the outstanding bonds. Furthermore, Management Board analysed the financials of the group companies with short term and long-term debts and concluded that the risk of non-repayment of the outstanding loans is low. As there is no indication of circumstances that raise significant doubt, Management Board concluded that the Company is able to continue as a going concern.

1.13 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.

Sevenum, 15 June 2023

The Management Board is represented by the two directors, who are jointly authorized.

Jens Bjørn Andersen
Director

Michael Ebbe
Director

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CHAPTER II: FINANCIAL STATEMENTS

2. FINANCIAL STATEMENTS

2.1 Balance sheet as at 31 December 2022 (after appropriation of result)

DSV FINANCE B.V. BALANCE SHEET AS OF		31/12/2022	31/12/2021
	Notes	*EUR*	*EUR*
ASSETS			
A. Fixed Assets			
Financial fixed assets			
Loans to group companies	1	2.170.603.500	1.580.155.500
		2.170.603.500	**1.580.155.500**
B. Current Assets			
Other receivables	2	20.643.912	4.069.424
Cash and cash equivalents	3	5.603	4.578.344
		20.649.515	**8.647.768**
TOTAL ASSETS		**2.191.253.015**	**1.588.803.268**
SHAREHOLDERS' EQUITY & LIABILITIES			
A. Shareholders' equity	4		
Share capital		1	1
Other reserves		(1.195.372)	(3.931)
		(1.195.371)	**(3.930)**
B. Long-term liabilities			
Non-current loans	5	2.174.442.811	1.582.552.136
Deferred tax liabilities	6	5.694.275	516.171
		2.180.137.085	**1.583.068.307**
C. Current liabilities			
Payables to group companies	7	6.000	96.598
Other liabilities and accruals	8	12.305.301	5.642.293
		12.311.301	**5.738.891**
Total liabilities		**2.192.448.386**	**1.588.807.198**
TOTAL EQUITY & LIABILITIES		**2.191.253.015**	**1.588.803.268**

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2.2 Profit and loss account for the period 1 January 2022 until 31 December 2022

DSV FINANCE B.V. PROFIT AND LOSS ACCOUNT For the year ended 31 December		2022	2021[3]
	Notes	*EUR*	*EUR*
Financial income	10	20.879.850	6.471.471
Interest expenses and similar charges	11	(20.433.754)	(6.250.751)
Net financial income and expenses		**446.096**	**220.720**
General and administrative expenses	12	267.562	222.984
Total other external expenses		**267.562**	**222.984**
Profit before tax		**178.534**	**(2.264)**
Tax expense	13	1.369.976	1.667
Net result for the year		**(1.191.441)**	**(3.931)**

[3] 2021 was the first financial year of the Company covering 10,5 months.

General notes to the Financial Statements

2.2.1 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 Malcom Mc Leanstraat 2, 5975WG Sevenum, the Netherlands.

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

Going concern

The financial year of the Company covers the period as of 1 January until 31 December 2022. The financial statements have been prepared on a going concern basis. Over the period ending on 31 December 2022 the Company had a result of EUR -1.191.441 (2021: EUR -3.931) and a negative net cash flow of EUR 4.572.740[4] (2021: 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 including the IHB receivables amounts to EUR 18.846.657 (2021: EUR 8.133.265) as at 31 December 2022 are sufficient to cover the yearly interest outflow for the current year.

The budget for 2023 forecasts a positive cash flow and with the expected increase of turnover and a strong cost management strategy, as well as the strong cash position, the Company expects to be able to maintain its ability to continue as a going concern.

[4] EUR 4.5 million has been transferred from the cash and cash equivalent to the IHB treasury accounts, which are included under the chapter other receivables from group companies. The amounts on the IHB treasury accounts are directly available upon request.

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. The bond repayments for the 4 bonds are not due until respectively March 2030, March 2031, July 2033 and September 2036.

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[5]. Cash equivalents and its EUR 2.5 billion EMTN-Programme has been updated in 2022 to EUR 4 billion.

2.2.2 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.

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.

2.2.3 Comparison with prior years

The financial year 2022 covers a full year, whilst 2021, was the first financial year of the Company covering 10.5 months.

2.2.4 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.

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

2.2.5 Cash flow statement

The company does not prepare its own separate cash flow statement, as an equivalent cash flow statement is included in the consolidated financial statements of DSV A/S. The DSV group consolidated financial statements are available on the website https://investor.dsv.com/.

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2.3 General accounting principles for the preparation of the annual accounts

2.3.1 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.

2.3.2 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 1 counterparty[6], 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: Danske and Nordea) were used to reflect DSV risk. The fair value of financial instruments, other than the ones stated on page 6, is close to the carrying amount.

2.3.3 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.

[6] DSV A/S

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.

2.3.4 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.

2.4 Accounting principles for valuation of assets and liabilities

2.4.1 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.

2.4.2 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.

2.4.3 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. These are initially and subsequently recorded at nominal value.

2.4.4 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.

2.4.5 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.

2.4.6 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.

2.4.7 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.

2.5 Accounting principles for the determination of the result

2.5.1 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.

2.5.2 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.

2.5.3 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.

2.5.4 Taxation

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

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
2.5.4.1 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.

Deferred Tax

2.5.4.2 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
2.5.4.3 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.

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.

2.6 Financial instruments and risk management

2.6.1 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 a 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.

Our financial risks are monitored by our Group Finance departments to ensure a high level of management attention. 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 solely in EUR currency, hence there are no currency risks.

Credit risk
Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Company's receivables from customers and investment securities. The Company's exposure to credit risk is influenced mainly by the individual characteristics of DSV A/S. The net proceeds from each issue of interest-bearing bonds by the Company only will be applied towards the purposes of on-lending to DSV A/S. The interest rates and other interest conditions on the interest-bearing bonds are equal to these on the loans to DSV A/S, with exception of a small spread. DSV A/S has provided no securities but has taken over the irrevocable and unconditional guarantee for the benefit of all bondholders with respect to the prescribed and punctual payment of capital and interest of the bonds issued by the Company. The total value of the loans to DSV A/S including accrued interest per 31 December 2022 amounted to EUR 2.2 billion (2021: EUR 1.6 billion).

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 and as the borrower is DSV A/S, the credit risk 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.

In general, the Company strives to match interest rate risks of its assets and liabilities. Due to the fact that the bonds have the similar fixed interest base and term as the issued loans to DSV A/S, the interest rate risk is hedged in a natural way.

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.

The Company is currently not exposed to cash flow risk due to the intercompany financing structure. Any cash payment regarding loans payable are directly offset by the positive cash flow regarding the loans receivable. Interests on the loans receivables are monthly settled via the Inhouse Banking, whilst the interest payables to the bondholders are annually, therefore sufficient funds are building up to pay the annual interest to the bondholders.
As the interest income is higher than the interest expense, cash flow will be creasing every year, allowing the Company to have enough cash flow to repay the bonds in full.3.

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2.6.2 Risk paragraph

2.6.2.1 *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 of DSV Group are encouraged to contribute by recognizing risks and act accordingly.

2.6.2.2 *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.

2.6.2.3 *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 euro dominated, for which there is no currency risk involved.
Credit risk	• review of outstanding loans • assess of credit risk of DSV A/S, the main borrower of the loans.
Interest risk	Interest rate analyses are regularly prepared and the potential effects on the net interest income are examined, which are performed by Group Treasury. 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.

2.6.3 Fraud risks

DSV Group has a zero-tolerance approach towards bribery and corruption and complies with applicable anti-bribery and corruption legislation. The Code of Conduct describes the specific rules to address bribery and corruption (including fraud) within DSV Group so that no employees take part in it. The rules described do not prohibit normal and appropriate hospitality given or received. All DSV employees are always expected to support DSV's purpose and strategy and consider the impact on the DSV brand and avoid any damaging or derogatory communications, whether online or elsewhere. This also includes any form of fraud or piracy of copyrighted and/or proprietary materials. Despite the fact, that the Company has no staff, the Management Board and DSV employees, who are providing group services to the Company are bound by these Corporate Compliance Rules.

Within treasury, finance and compliance for the Company, fraud is avoided by means of a 4-eyes review for all kinds of processes, that include an approval flow that goes over several levels (direct responsible, manager, …), segregation of responsibilities and duties, etc. Same principle applies to all other departments within the Organization.

In particular, DSV Group has defined strict policy for authorization levels and correlating job titles as well as approval limits, which are covered in the co-called '*The global authorization and title policy*', for which DSV Executive Board is overall responsible for this policy. These strict policies are, therefore also applicable for the Company.

The awareness of the anti-fraud (or corruption) and whistleblowing policies take place through training of employees (included the employees, who are also performing group services to the Company) by in-person training and/or DSV e-learning on a regular base (e.g. at least once a year) to emphasize the importance of compliance with the DSV Code of Conduct and with the applicable laws and regulations.

The Board of Directors is responsible for the establishment and adequate functioning of internal control in the Company to ensure the DSV Group's risk management strategy and the overall framework for identifying and mitigating risk are met. Consequently, the Board of Directors has implemented a range of processes designed to provide better control on the Company's operations. These processes and procedures include measures regarding the general control environment as well as specific internal control measures. All these processes and procedures, which are outlined in below note 1.10.2.1, are aimed at ensuring a reasonable level of assurance that the Company has identified and managed its significant risks and that it meets the Group objectives in compliance with applicable laws and regulations.

Fraud preventing and mitigating measures

The overall approach to risk management and control are being undertaken by the Controller's Quarterly Risk and Control Status Reports, including Code of Business Principles cases relating to frauds and financial crimes and significant issues, which are implemented as standard review for all kind of processes in the Organization.

2.6.3.1

Fraud risks are continuously reviewed as follows:

- Ongoing monitoring of the business activities and developments.
- Informal ongoing assessment focused on risks of employee fraud or misappropriation of assets
- Formal periodic assessment considering all potential fraud risk areas

We have taken extra caution with regard to the following key fraud risks linked to the Company, which are:

- Material misstatements of financial statements by manipulation of the financial reporting process by recording inappropriate or unauthorized journal entries throughout the year or at period end. This could be overstating interest income, understating expenses (such as interest, consultancy fees) and timing difference.
- Misappropriation of assets/payments due to improper segregation of duties.
- Management estimates regarding the fair value of intercompany loans and bonds.

Therefore, DSV Group has set out control measures, which includes a system for assessing fraud and corruption risks, and also internal controls to mitigate those risks. This system contributes to the prevention and timely detection of fraud risks in our organisation to help preventing possible damage.

The management's process, the so-called '*fraud risk management system'*, to fraud risks are:

- Management investigation of variances from expected financial performance
- Management review of key reconciliations
- Four-eyes principles on all major processes
- Implementation of segregation of duties in key business processes
- Periodic review of access rights to key systems
- Internal reviews of processesKey authorization controls over treasury management

2.6.3.2

These control measures are implemented in the Company and be closely monitored and managed to mitigate potential risk of non-compliance.

Whistleblower policy

DSV is committed to a high degree of openness, transparency and integrity as well as complying with applicable laws and regulations. The implementation of a Whistleblower Policy supports all employees at DSV in living up to this commitment. The purpose of the Policy is to enable DSV employees, the Board of Directors and external parties to be alert and vigilant to misconduct and make immediately filings (anonymous or by name) about alleged violations of law or the DSV Code of Conduct (e.g.: bribery, human rights, working conditions, …).

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Notes to the Balance Sheet as at December 31, 2022

1. Financial fixed assets

Loans to group companies

	31/12/2021	Movement during 2022	31/12/2022
	EUR	EUR	EUR
Loan 1 - €500 mio dated 03/03/2021	498.324.900	-	498.324.900
Loan 2 - €600 mio dated 05/07/2021	592.674.000	-	592.674.000
Loan 3 - €500 mio dated 17/09/2021	489.156.600	-	489.156.600
Loan 4 - €600 mio dated 16/03/2022	-	590.448.000	590.448.000
	1.580.155.500	**590.448.000**	**2.170.603.500**

Intragroup long-term loan 1 – DSV A/S

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

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 was granted in 2021. The nominal interest rate amounted to 0,57% per annum prior to being increased to 0,65% per annum as of October 2021. The loan shall be repaid in full at latest on March 3, 2031. Additional interest details are described in note 10 'Financial income'.

Intragroup long-term loan 2 – DSV A/S

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

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 was 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. Additional interest details are described in note 10 'Financial income'.

Intragroup long-term loan 3 – DSV A/S

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

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 was 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. Additional interest details are described in note 10 'Financial income'.

Intragroup long-term loan 4 – DSV A/S

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

This loan has been issued on March 16, 2022, to DSV A/S for the total maximum amount of EUR 600.000.000 with a term of 8 years. An amount of EUR 590.448.000 was granted in 2022. The nominal interest rate amounted to 1,44% per annum. The loan shall be repaid in full at latest on March 16, 2030. Additional interest details are described in note 10 'Financial income'.

2. Other receivables

	31/12/2022	31/12/2021
	EUR	EUR
Other group companies receivables	18.841.053	3.554.921
Tax receivable	1.802.859	514.503
	20.643.912	**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. There are no specific conditions agreed for Inhouse bank. The short-term deposit is covered under 'other group companies' receivables, for which it represents the inhouse bank balance and is related to the interest income on the long-term financial assets.

3. Cash and cash equivalents

	31/12/2022	31/12/2021
	EUR	EUR
Nordea bank	5.603	4.578.344
	5.603	**4.578.344**

Cash and bank balances are at the free disposal of the Company.

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4. Shareholders' equity

DSV Finance B.V.
Statement of changes in equity
For the year ended 31 December 2022

	Share capital	Other reserves	Total
	EUR	***EUR***	***EUR***
Balance as at 10 February 2021	1	-	1
Movements 2021			
Net result 2021	-	(3.931)	(3.931)
Balance as at 31 December 2021	**1**	**(3.931)**	**(3.930)**
Movement 2022			
Net result 2022	-	(1.191.441)	(1.191.441)
Balance as at 31 December 2022	**1**	**(1.195.372)**	**(1.195.371)**

Share capital

The authorized and issued share capital of the Company as of 31 December 2022 amounts to EUR 1 and consists of 1 ordinary share, which was fully paid in 2023.

Proposal for the appropriation of net result 2022

	2022
	EUR
Loss of the year	(1.191.441)

The Management Board proposes to deduct the loss for the year 2022 from the other reserves. This proposal has already been processed in the annual accounts.

5. Non-current loans

The Company had the following bonds outstanding:

	31/12/2022	31/12/2021
	EUR	EUR
Bond 1 – Project Light (2021 - 2031)	497.574.654	497.277.668
Bond 2 – Project Race (2021 – 2033)	592.800.829	592.180.222
Bond 3 – Project Porto (2021 – 2036)	493.631.440	493.094.246
Bond 4 – Project Home (2022 – 2030)	590.435.888	-
	2.174.442.811	**1.582.552.136**

Bond 1 – Project Light (2021 – 2031)

	2022	2021
	EUR	EUR
Book value opening balance	497.277.668	-
Bonds issued	-	497.097.460
Amortization	296.986	180.208
Book value at 31 December	**497.574.654**	**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 and a term of 10 years. The bonds were issued at 99,815%, (99,42% after fees), see page 6 ‘bonds overview. The bond has a maturity at March 3, 2031. The interest coupon amounts to 0,500% per annum and is paid annually, whilst the yield is 0,56%. 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)

	2022	2021
	EUR	EUR
Book value opening balance	592.180.222	-
Bonds issued	-	591.838.399
Amortization	620.607	341.823
Book value at 31 December	**592.800.829**	**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%, (98,80% after fees), see page 6 ‘bonds overview’. The bond has a maturity at July 5, 2033. The interest coupon amounts to 0,750% per annum and is paid annually, whilst the yield is 0,85%. 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)

	2022	2021
	EUR	EUR
Book value opening balance	493.094.246	-
Bonds issued	-	492.937.254
Amortization	537.194	156.992
Book value at 31 December	**493.631.440**	**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%, (98,73% after fees), see page 6 ‘bonds overview. The bond has a maturity at September 17, 2036. The interest coupon amounts to 0,875% per annum and is paid annually, whilst the yield is 0,98%. The bonds are listed at the Euronext Dublin Stock Exchange. DSV A/S is the guarantor for these bonds.

Bond 4 – Project Home (2022 – 2030)

	2022	2021
	EUR	EUR
Book value opening balance	-	-
Bonds issued	589.380.207	-
Amortization	1.055.681	
Book value at 31 December	**590.435.888**	**-**

On March 16, 2022, the Company issued bonds for a total amount of EUR 600.000.000 less disagio, consultancy and discretionary fees. The bonds were issued at 98,708%, (98,20% after fees), see page 6 ‘bonds overview’. The bond has a maturity at March 16, 2030. The interest coupon amounts to 1,375% per annum and is paid annually, whilst the yield is 1,55%. 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 31/12/2021	Recognized during 2022	Balance as of 31/12/2022
Deferred tax in relation to consultancy fees paid	516.171	5.178.104	5.694.275
	516.171	**5.178.104**	**5.694.275**

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 temporary difference until the maturity of the bonds. The consultancy fees paid for releasing bonds on financial markets are part of the amortization of the interest and total incurred fees on the bonds. For tax purposes, this is taken as a one-off cost to P&L and not via amortization.

7. Payables to group companies

	31/12/2022	31/12/2021
	EUR	EUR
Other group companies payables	6.000	96.598
	6.000	**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 be repaid at any time and is no interest bearing.

8. Other liabilities and accruals

	31/12/2022	31/12/2021
	EUR	EUR
Accrued audit fee	65.340	58.625
Accrued interest	12.116.319	5.583.668
Accrued legal fees	73.642	-
Accrued consultancy fees	50.000	-
	12.305.301	**5.642.293**

The accrued interest payable to bondholders are as follows:

		number of months		**amounts in EUR**	
	starting period	**in 2022**	**in 2021**	**in 2022**	**in 2021**
Bond 1	3/03/2021	10.0	10.0	2.083.333	2.081.931
Bond 2	5/07/2021	6.0	6.0	2.250.000	2.250.000
Bond 3	17/09/2021	3.5	3.5	1.251.736	1.251.737
Bond 4	16/03/2022	9.5	-	6.531.250	-
				12.116.319	**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 values

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

	Fair values		Book values	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	EUR	EUR	EUR	EUR
Financial fixed assets				
Loans to group company 'DSV A/S'	1.613.441.929	1.541.602.191	2.170.603.500	1.580.155.500
Long term liabilities				
Bonds/loan payable	1.609.122.500	1.559.024.218	2.174.442.811	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: Danske and Nordea) were used to reflect DSV Finance risk. The fair value of financial instruments other than the ones stated in the above table is close to the carrying amount.

Due to the same duration and similar interest conditions of both assets and liabilities, the fair value of the assets and liabilities is still in balance. Management has the opinion that it can realize the present book values, because DSV A/S has strong capacity to meet their contractual cash flow obligations in the near term. Therefore, all loans were classified as low credit risk, hence the credit loss is remoted, and no impairment is required as per RJ 2022/121.2 based on the following indicators:

- The DSV Group consolidated annual report 2022 demonstrates that DSV Group has achieved strong financial performance for the year.
- The solvency and liquidity are positive. DSV Group is in good financial health and has a strong cash position to meet its short term as well as long-term debts.
- The published interim financial report for DSV Group related to Q1 2023 shows again good results and a strong cash flow although in slow market conditions. DSV maintains its long-term ambition of outgrowing the general market and expect global trade volumes to gradually improve in the coming quarters.
- GIL integration has improved DSV Group's profitability of our business and turns this into a positive cash flow. This allows DSV to pay back its short- and long-term liabilities, faster than initially planned.
- The DSV Group's asset-light approach allows DSV to quickly adapt to any potential slowdown in individual markets. Certain global supply chains are gradually changing, and DSV continuously adapts its network and service offerings and to keep the cash flowing.
- At DSV Group, there will be a further focus on profitable growth and operational excellence by optimizing workflows and data quality on shipment level, which has significantly improved productivity to achieve more costs synergies, therefore it will continue improve the results and financial position of the company/DSV Group.

<u>Notes to the Profit and Loss account 2022</u>.

10. Financial income

	2022	2021
	EUR	EUR
Interest income on LT loans	20.854.921	6.471.471
IHB interest income	17.273	-
Bank interest	5.767	-
Realized/unrealized exchange rate gain	1.889	
	20.879.850	**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	3/03/2021	498.324.900	0,65%
Loan 2	5/07/2021	592.674.000	0,95%
Loan 3	17/09/2021	489.156.600	1,01%
Loan 4	16/03/2022	590.448.000	1,44%
		2.170.603.500	

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

	2022	2021
	EUR	EUR
Interest expenses from bonds	17.906.250	5.558.668
Amortization of the bond discount and issue costs	2.510.468	691.645
Other interest and bank charges	17.036	285
Realised exchange rate losses	-	153
	20.433.754	**6.250.751**

These financial costs are related to the bonds.

12. General and administrative expenses

	2022	2021
	EUR	EUR
Consultancy fees	7.599	164.359
Audit fees	108.311	58.625
Legal fees	73.641	-
Administration fees	78.011	-
	267.562	**222.984**

13. Tax expense

Income tax recognized in profit or loss

	2022	2021
	EUR	EUR
Current tax expense	1.316.605	(514.503)
Tax adjustment related to prior years	(1.802.859)	-
Deferred tax	1.856.230	516.171
	1.369.976	**1.667**

The income tax expense for the year can be reconciled to the accounting profit as follows:

a. Actual tax

	2022	2021
	EUR	EUR
Result before tax	**209.481**	**(3.931)**
Timing difference:		
Deductible deferred expenses on bonds	5.775.085	(2.334.720)
Permanent difference:		
Disallowed items	-	-
Taxable result before tax	**5.984.566**	**(2.338.651)**
Total income tax expense recognized in the current year:		
Taxable against the corporate income tax rate of 22% (DK) (2021: 22%)	1.316.605	(514.503)
Tax adjustment to prior years	(1.802.859)	-
Deferred tax liability on deferred expenses	1.856.230	516.171
Total	**1.369.976**	**1.667**
Effective tax rate	653,99%	(42,41%)

The Company is exempted from tax in The Netherlands and is 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 2022.

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 two members at year end 2022:

- Mr. Jens Bjørn Andersen
- Mr. Michael Ebbe

Both members of the Management Board do not receive any remuneration from the Company, they receive a remuneration as Board of Directors of DSV A/S. Reference is made in the DSV annual report 2022 on page 81.

17. Commitments and rights not included in the balance sheet

The Company is fully taxable in Denmark, conform the Corporation Tax Act, section 1, subsection 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. Consequently, 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.

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 69.000 (2021: EUR 58.625). This fee relates to the audit of the 2022 financial statement, regardless of whether the work was performed during the financial year. There were no other services provided by BDO to the Company.

19. Post balance sheet events

No subsequent events occurred.

20. Appropriation of the result for the 2022 financial year

The Management Board proposes to deduct the 2022 result from the other reserves for an amount of EUR (1.191.441). This proposal has already been processed in the annual accounts. The General Meeting of Shareholders will be asked to approve the appropriation of the 2022 result.

Global Transport and Logistics

21. Approval of financial statements

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

Sevenum, 15 June 2023

Management Board:

Jens Bjørn Andersen

Michael Ebbe

CHAPTER III: OTHER INFORMATION

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 Management Board 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.

Independent auditor's report

The independent auditor's report is included.

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Independent auditor's report

To: the shareholders of DSV Finance B.V. and Audit Committee of the ultimate parent company DSV A/S

A. Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of DSV Finance B.V. based in Venlo.

WE HAVE AUDITED	OUR OPINION
The financial statements comprise: 1. the balance sheet as at 31 December 2022; 2. the profit and loss account for 2022; 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 2022 and of its result for 2022 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 € 21,900,000. 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 Management Board that misstatements in excess of € 1,095,000, 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 going concern

The financial statements are prepared on the basis of the going concern assumption, which assumes that DSV Finance B.V. will continue to operate as a going concern for the foreseeable future. As explained in the section 2 ‘Going Concern’ on page 15 of the financial statements and in the section ‘Going Concern’ in the Directors Report, the Management Board has carried out a going concern assessment and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern.

Our audit procedures to evaluate the board’s going concern assessment included:

- considered whether the board’s going concern assessment contains all relevant information that we have knowledge of and inquired the board on key assumptions and estimates. In doing so, we have paid attention, among the other things to the recoverability of the loans in relation to the financial position of DSV A/S. See for further details paragraph key audit matters.
- obtained information from the board about its knowledge of going concern risks beyond the period of the going concern assessment carried out by the board.

Our audit procedures indicated that the going concern assumption used by the board is appropriate and no going concern risks have been identified.

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 entity and its environment and the components of the system of internal control, including the risk assessment process and the Management Board’s process for responding to the risks of fraud and monitoring the system of internal control, as well as the outcomes. See for further details the section 1.10.02 ‘Fraud risks’ on page 9 in the Directors Report and in the section 2.6.3 ‘Fraud risks’ on page 29 of the financial statements.

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 DSV Group code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, 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 to fraud is present. We identified the following 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.
  We have also used data analysis to identify and address high-risk journal entries.
- We have rebutted the presumed fraud risk on revenue recognition, due to the simplicity of the process and the high predictability, as well as the absence of incentives by the Management Board.

We also refer to section 1.10 of the the Directors Report for the Management Board's fraud risk assessment in which is described that the payment process has been identified as a process with a potential higher fraud risk. In this area there is a strict focus on Segregation of Duties and access control to the bank application on which is relied as one of the control measures, which has been tested as part of our audit.

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 with representatives of the Management Board.

The above mentioned approach did not lead to indications for potential risks of material misstatements due to fraud.

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 Management Board. 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 ISSUED	OUR AUDIT APPROACH
We consider the valuation of the loans issued to the parent company DSV A/S, as disclosed in note 1 of the financial statements and representing 99,1% of the balance sheet total, as a key audit matter. We identified this key audit matter due to the size of the loans issued and due to the material impact a possible impairment may have on the profit and loss account and financial position of DSV Finance BV. Initially, loans issued to DSV A/S are recognized at its fair value and subsequently carried at amortized cost using the effective interest method. Based on the impairment assessment performed by the Company, the Management Board has concluded that that no impairment was necessary as of year-end.	We have performed detailed audit procedures addressing the valuation, including possible impairment triggers of the loans issued to DSV A/S We have performed the following audit procedures: ▶ Inspected the loan agreements entered into between the Company and DSV A/S. ▶ Inspected the financial statements as per 31 December 2022 of DSV A/S. Including the free cash flow amounts. ▶ Inspected the 2023 Q1 quarterly report of the guarantor and borrower 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 and DSV Finance B.V. ▶ Searched and evaluated the information for investors with regard to DSV A/S. ▶ Assessed the adequacy of disclosures in the financial statements related to the loans issued to DSV A/S. ▶ Discussed the recent developments in the financial position and the cash flows of DSV A/S with the representatives of the Management Board.

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:

- 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 for the Directors Report and the other information.

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 Management Board is responsible for the preparation of the other information, including the Directors Report in accordance with Part 9 of Book 2 of the Dutch Civil Code.

D. Report on other legal and regulatory requirements

Engagement

We were engaged by the Management Board as auditor of DSV Finance B.V. as of the audit for financial year 2021 and have operated as statutory auditor ever since that financial year.

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 Management Board and the Audit Committee of DSV A/S for the financial statements

The Management Board 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 Management Board is responsible for such internal control as the Management Board 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 Management Board is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting framework mentioned, the Management Board should prepare the financial statements using the going concern basis of accounting, unless the Management Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Management Board 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 Audit Committee of DSV A/S 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 Management Board.
- Concluding on the appropriateness of the Management Board's 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 Management Board and the Audit Committee of DSV A/S 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 Management Board and the Audit Committee of DSV A/S 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 Management Board and the Audit Committee of DSV A/S, 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, 15 June 2023

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

drs. M.F. Meijer RA