

REPORT OF THE BOARD OF DIRECTORS, BY HENNING KRUSE PETERSEN, CHAIRMAN

Since last year's annual general meeting, Santa Fe Group has had four main tasks:

First, we had to say a final goodbye to the EAC era by changing the name of the company, simplifying the group structure and putting a new management team in place.

Secondly, we had to strengthen our systems and processes in a number of areas and focus on improving our cash flows and liquidity.

Next, we had to embark on the task of addressing the evident cost and margin problems in Moving Services, our largest business area.

Finally, we had to formulate a new strategy for Santa Fe. We had to set out a forward-looking plan to support sustainable growth and improved earnings.

With all these major changes, 2015 in many ways marked a new beginning for the company. In my report, I will give you an update on our progress in these four main tasks, and what is yet to come.

GROUP STRUCTURE AND MANAGEMENT

We changed the company's name from EAC to Santa Fe after last year's AGM, at which we also executed the necessary legal mergers. We also phased out the local Interdean and Wridgways brands in Europe and Australia and we now meet all our stakeholders under one global name and one brand: Santa Fe Group A/S with the Santa Fe Relocation Services trademark.

We were able to present our new Executive Board in the spring of 2015. Martin Thaysen took over as Group CEO immediately following the AGM, and in May Christian Møller Laursen joined the Executive Board as CFO.

Our Group Management Team was further strengthened with three more important appointments: Kevin Paterson is our new Chief Operating Officer and head of the Moving Services business area. Sue Kukadia is the new head of the Immigration Management Services business area and Neil Bothams is the new CEO of our largest sales region, Europe. All three previously held executive positions in major international groups, as did our two new Executive Board members.

With these changes, we have introduced five new members among our eleven senior executives, setting a team whose experience and skills match Santa Fe's needs and the challenges of our business. In addition to the new executives, we have also brought in specialists in selected positions where additional manpower and stronger competences were needed, such as procurement, strategy and finance.

Most of the Group Management Team is located in London, in proximity to the headquarters of many of our largest customers. In Copenhagen, we have closed down our corporate office and management centre which was relevant as long as the Group owned several different businesses. We have retained a smaller secretariat in Copenhagen, mainly to service our shareholders and handle relations with the Danish authorities.

We have thus succeeded in implementing the planned parent company cost savings. The parent company's total costs, including severance pay, were reduced from DKK 43 million in 2014 to DKK 16 million in 2015. These costs mainly concern matters not directly linked to the business, e.g. a listing, shareholder services,

general meeting, the Board of Directors' remuneration, auditors and advisers, employees and severance pay. We are committed to reducing these costs further.

FINANCIAL MATTERS

Throughout the year we focused on, and we continue to focus on, strengthening our cash flows and liquidity, and we are already seeing good progress. Overdue receivables have been reduced, as has working capital. These improvements have contributed to an improvement of cash flows from operating activities of almost EUR 18 million. Cash and cash equivalents were increased to just over EUR 30 million, and net interest bearing debt was cut by more than 50% to just under EUR 10 million.

In terms of earnings, 2015 was a transitional year. On the upside, we saw continued growth – revenue was up by almost 11% in EUR and by 3% in local currencies to approximately EUR 374 million. Earnings from operations maintained the status quo, however: EBITDA before special items was unchanged at EUR 12.2 million. Although this was expected, fact remains that earnings are too low, and we are working on that.

After special items, depreciation, amortisation, financial items and tax, results from continuing operations – that is Santa Fe – were a loss of EUR 3.3 million. While this is clearly not satisfactory, it is, however, an improvement of EUR 30 million over 2014, when earnings were impacted by a significant impairment of goodwill and trademarks.

NEW STRATEGY

As I mentioned earlier, one of our main tasks was to plot a new strategic course for Santa Fe.

The new strategy is based on our activities in Moving Services and Relocation Services – all our services for relocated employees and others moving to a new country to live and work there. These activities already form the backbone of Santa Fe. Accounting for 95% of our revenue, in these areas we have competitive strength and a strong brand. The markets are growing, and we are confident that we can create a great, strong and profitable business if we focus our strengths on Moving Services and Relocation Services, together forming Mobility Services.

Falling outside our strategic focus areas are the Records Management activities and our ownership interests in three joint ventures in China and Thailand, joint ventures which we have inherited from the EAC era. As long as we own or co-own these non-strategic assets, we will take good care of them and develop them. These activities have no part in the long-term plans of the Santa Fe Group, however, and will be sold when the conditions are right. We hope – and strive – to exit the three joint ventures already before the end of the year.

Our new strategy for the period to 2020 has three phases:

In 2015-16 we focus on laying a foundation for growth. We are addressing the problems in Moving Services – Fix the Core, as we call this programme, referencing the fact that Moving Services still forms the core of Santa Fe and is our largest business area. We are also strengthening our processes, organisation and – not least – technologies and recruiting new staff to improve our growth prospects for the next phase of our strategy. Finally, in 2015-16 we are focusing on improving earnings and liquidity.

In 2017-18, growth is back on the agenda. We will take advantage of the efficiency improvements and economies of scale achieved in the first phase of the strategy. Growth will mainly be generated through our high-margin Relocation Services activities.

In the last stage of the strategy – 2019-20 – the aim is for Santa Fe to achieve global market leadership: a company constantly generating above-market growth, cultivating new markets and new segments – and generally setting the agenda in the industry.

Now, Martin Thaysen will give a more in-depth presentation of our strategy and long-term goals.

PRESENTATION OF THE 2020 STRATEGY, BY CEO MARTIN THAYSEN

I thank you for the opportunity to tell you more about the strategy and our focus areas for 2016.

Let me begin by giving you a general overview of our business areas and product portfolio – our Business Lines, as we refer to them. Our range, spanning all the four most important business areas and our global coverage, are unrivalled.

Our core business today is Moving Services with the services belonging in this category.

In addition to this, we have over the past few years built a business in Destination Services, typically covering the services that expatriates require when arriving or preparing to arrive in a new city, a new country.

Particularly in the past year, we have also focused on accelerating growth in the Immigration Services business, gradually advancing from solely offering transactional residence and work permits to also offering entire programmes and package solutions to companies.

The last link in the value chain is Relocation and Assignment Management, focusing mainly on outsourcing of HR processes. This is our smallest business area, but a growing and financially attractive area.

What sets us apart is not only that we offer these services – other providers do so – but that we have our own operations in most countries and our own employees delivering the service directly to the customer. We control the services we deliver and can guarantee quality and compliance – and we have a Santa Fe employee available in the location if one of our customers' employees needs help.

If we take a step back and look at the industry, a simplified way of explaining Santa Fe's strategy is that we are moving away from largely offering simple transactional services towards offering a broader, more complex range of services and solutions that are more strategically important to our customers and that have higher margins.

It is in these new areas of Relocation Services – Destination Services, Immigration, Relocation and Assignment Management – that we see greater, more profitable growth potential and a growing demand from our corporate customers.

We have competition on all levels, but not many players offer the range of services and broad geographical footprint that we do.

Our new strategy focuses on five areas:

Fix the Core is focused on restoring profitability in Moving Services.

Alongside this, we have to accelerate growth in the new business areas RAMS and IMMS.

Developing our technological platform and the services provided via technological solutions is the third critical area, both from a cost perspective and from a service and competitiveness perspective. In January, we signed two contracts with Salesforce for an investment of EUR 11.5 million over the coming years, and the first stage of the project was launched in mid-March. Over the coming 24-36 months, this project will transform the way we operate and service our customers.

Last, but by no means least, we will continue our geographical expansion to more effectively cover the areas that our customers demand. Topping this list is the United States.

Let's look at Fix the Core and the growth of RAMS and IMMS in a bit more detail.

Fix the Core focuses mainly on increasing our operational efficiency and fulfilling our ambition of being cost leaders. Our standard moving prices are under pressure, and in most areas of the world we are losing money during the eight or nine months of the year when we are not operating to full capacity. As most of our processes are currently manual, our cost level is rising due to the simple fact that our payroll costs are increasing. Furthermore, we have a network in Australia that is no longer appropriate after the collapse of the country's mining and resources industry.

With these components in play, it is absolutely imperative that we become more efficient and that we tune our global network to our current and future business. This will in large part be achieved by improved processes, stricter operational discipline, better use of technology and improved procurement, taking advantage of our global scale. We're already well underway. We started executing a number of initiatives in the second half of 2015 and we expect to see the first effects in the first half of 2016.

The two relatively new business areas, which we see a great potential in, are Relocation and Assignment Management and Immigration Services.

Simply put, Relocation and Assignment Management is a business in which we manage overall relocation programmes for companies – a form of outsourcing of companies' HR functions. When a job opening arises, cost estimates for the relocation have to be made. The employee has to be advised and informed of the terms and benefits applying to the expatriation and everything have to be planned, from packing and moving to obtaining visa, work permit, finding a new home, school and much more. Our job is to coordinate all these activities, for which we receive a management fee.

Immigration Services covers everything to do with the permits necessary for a person to move from one country to another, bring the family along and obtain the right work permits. Currently, our business is mainly focused on transactional services, such as handling paperwork and contacting the relevant embassies or consulates – but this area is also under transformation. Authorities around the world are becoming increasingly aware of the mobile workforce – among other things to control who are working in their country, for how long, who they bring with them, etc. and to collect taxes. The authorities now correlate immigration data with work permits and tax data to check that people are correctly registered and pay their taxes. The area is thus becoming more complex and more demanding for companies to keep track of, and the fines if they fail to comply are significant and may recur after several years.

We already saw growth in both of these areas in 2015 and we aim to triple our revenue in both areas by 2020. To achieve this, we need stronger internal resources in Santa Fe, better technologies, and strong focus on growth with those of our existing customers who do not currently purchase these services from

us. The majority of our – generally very satisfied – customers mainly purchase moving services from us. We have to leverage our strong customer relations to extend our services, with particular focus on RAMS and IMMS.

Those are our focus areas. We are still in the first phase, which is mainly about creating the foundation for our future strategy. We have to get the basic processes and discipline, the controls relating to these processes, in place. We have to get the organisation and technologies in place. And we have to ensure that our fundamental profitability, cash flows and liquidity are satisfactory. Those are our top priorities in 2016, before we can move on to a more focused growth strategy and start in earnest to reap the benefits of the development that is bound to happen in the industry in the coming five years.

FINANCIAL GOALS, BY HENNING KRUSE PETERSEN

Thank you, Martin. The aim of our strategy is to generate average annual organic growth of 6-8% in local currencies in the years to 2020. Growth will accelerate from 2017 and will mainly be driven by Relocation Services, in particular Immigration and Relocation and Assignment Management, as Martin Thaysen just explained. By 2020, we expect that Relocation Services will account for 25-30% of the Group's revenue, against last year's 14%.

In terms of earnings, our goal is to lift the EBITDA margin to about 7% in 2020, which would more than double last year's 3.3%. With the Fix the Core programme, we aim to lift margins in Moving Services and we will furthermore profit from the fact that Relocation Services will account for a larger part of revenue, as these services have higher margins.

As a result of improved profitability and lower working capital we expect Santa Fe to provide a return on invested capital of around 10% by 2020.

DIVIDENDS AND CAPITAL STRUCTURE

The 2020 strategy requires investments. In the short term, our investments will include a brand new technological platform, and in the longer term we also need free cash flows for value creating acquisitions, for which there is ample opportunity in a fragmented industry. Against this background, the Board of Directors believe that a financial gearing of below 2 is suitable for a company such as Santa Fe. Financial gearing reflects the ratio of interest-bearing net debt to EBITDA before special items.

If the financial gearing is above target, we will allocate free cash flows to reduce debt. If the goal is within range, we will use our free cash flows for investments and acquisitions – or we will make distributions to shareholders. Distributions to shareholders will mainly be in the form of share buybacks, as this is to many shareholders the most attractive way, not least for tax purposes. We will then balance out these share buybacks with dividends.

For the period 2015-16, we will neither buy back shares nor pay dividends, however, as we announced a 2-year suspension of dividend payments at last year's annual general meeting. As long as Santa Fe is in a transitional phase, we will be best served by reinvesting all our earnings in the business to create a stronger, more profitable company. Accordingly, short-term shareholder value creation will be in the form of share price increases, and indeed last year we saw a 26% increase in our share price.

COMPOSITION OF THE BOARD OF DIRECTORS

Last year, we began a gradual generational handover in the Board of Directors to ensure that the Board possesses the right competences to manage and support a global service provider. The first step was

appointing Michael Hauge Sørensen, and today we are taking the next step in appointing Jakob Holmen Kraglund.

Technology is becoming increasingly important to the Santa Fe Group – both as a means of improving efficiency and as a tool to help us service our customers even better. We consider a strong technological platform a competitive strength, and Jakob Kraglund has more experience than most in combining information technology and business strategy to the greatest effect. He also has relevant experience in management, as a board member and as a professional adviser.

If Jakob Kraglund is elected as a new member of the Board of Directors, half of the board members before last year's AGM will have been replaced. I can already announce that the generational handover will continue next year with a view to ensuring an appropriate balance between renewal and continuity.

We propose that the Board of Directors' remuneration remain unchanged. When we cut the board members' remuneration by one third last year, I said that the remuneration will not be normalised until the Board merits it and the Santa Fe Group is experiencing stable growth. We are not there yet, but we should be getting closer in 2016.

OUTLOOK 2016

We expect our revenue for 2016 to be in line with 2015. Relocation Services will continue to grow, which will offset an expected minor drop in revenue for Moving Services. Generally, we will focus mainly on preparing the groundwork, so that we can get our growth back on track from 2017.

We expect earnings from operations (EBITDA before special items) at around EUR 13-15 million, compared with EUR 12.2 million last year. An improvement of EUR 1-3 million may not sound like much, considering the many measures we have taken to lift margins. But firstly, we posted income of EUR 2 million from the sale of a building in Singapore in 2015, which will not recur. Secondly, in 2016 we have an EUR 1.6 million cost increase in relation to our Records Management facility in Hong Kong. Adjusted for these two factors, the expected earnings improvement is about EUR 5-7 million, or DKK 35-50 million.

We will also see special items in 2016 in connection with the continuing restructuring and Fix the Core programme. However, special items are expected to be lower than in 2015, as most of the planned restructuring measures were initiated or completed last year.

The outlook is dependent of the high season for relocations, which in the northern hemisphere is the third quarter – up to a third of Santa Fe's annual revenue is traditionally generated in the important third quarter. The outlook is also sensitive to changes in exchange rates and the global economic climate, which at present is unfortunately not as easy to predict as we and others would like.

CONCLUSION

2015 was the first year of the Group's turn-around. I am happy to say that we have made a good start and are on track: Our Management is in place. We have much stronger focus on value creation. We are consistently addressing the problems of, particularly, Moving Services. And last – but not least – we have a clear plan for the future, which allows us to take advantage of the attractive market conditions prevailing in the vast majority of our markets.

We have thus laid the foundation for significant growth in Santa Fe Group for the next few years. We fully expect to see the first results of this improvement in 2016.