

DSV Ocean Transport A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 25 13 34 55

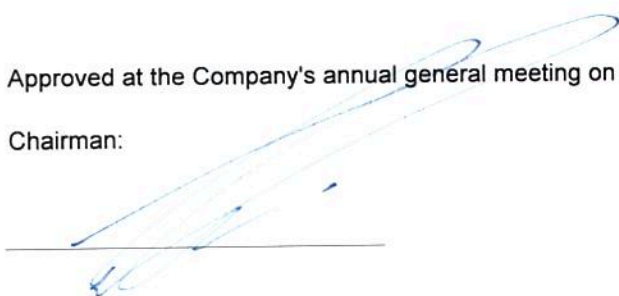
Annual Report

for the year ended 31 December 2018

19th financial year

Approved at the Company's annual general meeting on 30 April 2019

Chairman:

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to be a cursive name. The line is a simple black horizontal bar.

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Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of DSV Ocean Transport A/S for the financial year 1 January - 31 December 2018.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors considers the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

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

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

Hedehusene, 30 April 2019

Executive Board:



Carsten Trolle

Board of Directors:



Jens H. Lund
Chairman



Jens Bjørn Andersen



Carsten Trolle

Information about the Company

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

Board of Directors:

Jens H. Lund, Chairman
Jens Bjørn Andersen
Carsten Trolle

Executive Board:

Carsten Trolle

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

DSV Air & Sea Holding A/S, Hedehusene (100%)

Parent company:

DSV Air & Sea Holding A/S, Hedehusene (100%)

Management's review

Main activity

The Company's purpose is to operate as N.V.O.C.C. (Non Vessel Operating Common Carrier).

The company has acquired an activity from a Group company related to handling of Ocean Incentives and Global Ocean Procurement during 2018. This has affected the activity level and numbers in the Annual Report.

Financial review

The income statement of the Company for 2018 shows a loss of T.DKK 187 (profit TDKK 1 in 2017) and at 31 December 2018 the balance sheet of the Company shows equity of TDKK 2,697.

The management considers the Company's result as satisfactory.

Targets and expectations for the year ahead

For the year 2019, the management expects an slightly increased activity level and a result in line with 2018.

Subsequent events

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

Financial statements 1 January – 31 December

Income statement

Note	2018 DKK '000	2017 DKK '000
Revenue	13,357	0
Other external expenses	<u>-10,420</u>	<u>-1</u>
Gross margin	2,937	-1
2 Staff costs	<u>-2,780</u>	<u>0</u>
Operating profit/loss	157	-1
3 Financial income	1	2
4 Financial expenses	<u>-394</u>	<u>0</u>
Profit before tax	-236	1
5 Tax for the year	<u>49</u>	<u>0</u>
Profit for the year	<u>-187</u>	<u>1</u>
Recommended appropriation of profit		
Transferred to reserves under equity	<u>-187</u>	<u>1</u>
	<u>-187</u>	<u>1</u>

Financial statements 1 January - 31 December

Balance sheet

Note	2018 DKK '000	2017 DKK '000
ASSETS		
Current assets		
Trade receivables	5,063	0
Receivables from Group Companies	13,699	586
Other receivables	63,796	0
Deferred tax asset	45	0
Total current assets	82,603	586
TOTAL ASSETS	82,603	586

Financial statements 1 January - 31 December

Balance sheet

	2018	2017
Note	DKK '000	DKK '000
EQUITY AND LIABILITIES		
Equity		
6	500	500
	<u>2,197</u>	<u>85</u>
	<u>2,697</u>	<u>585</u>
Current liabilities		
	331	0
	68,256	0
	642	1
7	<u>10,677</u>	<u>0</u>
	<u>79,906</u>	<u>1</u>
	<u><u>82,603</u></u>	<u><u>586</u></u>

1 Accounting policies

8 Contingent liabilities and other commitments

9 Related parties

10 Consolidated financial statements

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Hedging reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	500	0	85	585
Fair value adjustments relating to hedging instruments	0	3,596	0	3,596
Tax on other comprehensive income	0	-791	0	-791
Other adjustments	0	0	-506	-506
Transfer, see "Appropriation of profit"	0	0	-187	-187
Equity at 31 December 2018	500	2,805	-608	2,697

Financial statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of DSV Ocean Transport A/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

The accounting policies are unchanged from last year.

The amounts in the Annual Report are stated in Danish kroner (DKK) and rounded to the nearest thousands.

Foreign currency translation

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

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

Foreign currency risk hedging

Due to the global activities, the Company is exposed to exchange rate fluctuations to a certain extent. DSV seeks to eliminate foreign currency risks by hedging currency exposures centrally via the Group's Treasury department. The risk exposure is managed on a net basis, primarily by using foreign exchange forward contracts.

The Company mainly uses foreign exchange forward contracts to hedge foreign currency risks. The main currency hedged is USD. The foreign exchange forward contracts are used as fair value hedges of currency exposures relating to external balance sheet assets and liabilities as well as expected short-term operational cash flows.

Income statement

Revenue

Revenue comprises services invoiced. Revenue is measured exclusive of VAT and other taxes collected on behalf of third parties.

Other external expenses

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

Staff costs

Staff costs include wages and salaries, pensions, social security costs and other staff costs.

Financial income and expenses

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

Tax for the year

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

Financial statements 1 January - 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

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

Equity

The hedging reserve comprises the fair value of hedging instruments qualifying for hedge accounting.

Hedge accounting ceases when the hedging instrument matures or if a hedge is no longer effective.

Incentive programmes

The company's incentive schemes include equity-settled share-based share option and warrants programmes which are settled in DSV A/S shares.

The value of the services, which the staff delivers in return for granting of options and warrants are measured at the fair value of the options and warrants.

The equity-settled share-based payment arrangements are measured at fair value at the time of granting and are recognised in the profit and loss account under staff costs during the period where the final right to the options or warrants is achieved. The counter item is directly recognised in equity.

In connection with the first recognition of share-based arrangements, the number of options and warrants which the staff are expected to gain right to is estimated. Subsequently, changes are adjusted for related to the number of the right of acquisition of options and warrants so that the total recognition is based on the actual number of rights of acquisition of options and warrants.

The fair value of the granted options and warrants is estimated by the use of the Black-Scholes valuation method. By the estimation terms and conditions related to the granted options and warrants are taken into account.

Corporation tax

Current tax liabilities and outstanding current tax are included in the balance sheet as tax calculated on the taxable income for the year adjusted for tax from previous years' taxable income and pre-paid taxes.

Current liabilities

Liabilities are valued at net realisable value.

Financial statements 1 January - 31 December

Notes

	2018	2017			
	DKK'000	DKK'000			
2 Staff costs					
Specification of staff costs:					
Salaries, wages, share options and warrants	2,561	0			
Pension costs	202	0			
Other expenses for social security	3	0			
Other staff costs	14	0			
	<u>2,780</u>	<u>0</u>			
Average number of employees	<u>3</u>	<u>0</u>			
3 Financial income					
Interest receivable from Group Companies	<u>1</u>	<u>2</u>			
4 Financial expenses					
Foreign currency translations adjustments	<u>394</u>	<u>0</u>			
5 Tax for the year					
Current tax for the year	-4	0			
Adjustment of the deferred tax charge for the year	<u>-45</u>	<u>0</u>			
	<u>-49</u>	<u>0</u>			
6 Share capital					
The share capital comprises:					
Shares, 500 of DKK 1.000 nominal value each	<u>500</u>	<u>500</u>			
Analysis of changes in the share capital over the past five years:					
DKK'000	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Balance at 1 January	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Balance at 31 December	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
7 Other debt					
Other debt contain market value of forward contracts amounting to 9,7 mDKK at 31 December 2018.					
8 Contingent liabilities and other commitments					
The Company has no further commitments or liabilities except from those included in the financial statements.					
The Company and it's ultimate parent company, DSV A/S, are taxed on a joint basis. The Company is thus jointly and severally liable for any taxes relating to the joint taxation arrangement.					

Financial statements 1 January - 31 December

Notes

9 Related parties

DSV Ocean Transport A/S' related parties comprise the following:

Parties exercising control

DSV Air & Sea Holding A/S, Hovedgaden 630, 2640 Hedehusene, which exercises control.

Other

Transactions with other related parties comprise interest bearing accounts.

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

There are not entered agreements or other transactions with companies where the Board of Directors or the Executive Board have had any financial interest except from transactions related to the conditions of employment.

10 Consolidated financial statements

The financial statements of DSV Ocean Transport A/S are included in the consolidated financial statements of DSV A/S, Hedehusene, Denmark. The consolidated financial statements of DSV A/S can be requested at the following adress:

DSV A/S
Hovedgaden 630
DK-2640 Hedehusene
Denmark

or: www.investor.dsv.com