

# **DSV Ocean Transport A/S**

Hovedgaden 630, 2640 Hedehusene

CVR No. 25 13 34 55

## **Annual Report**

for the year ended 31 December 2020

21th financial year

Approved at the Company's annual general meeting on 5 May 2021

Chairman:

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**Information about the Company**

DSV Ocean Transport A/S  
Hovedgaden 630  
2640 Hedehusene  
CVR No. 25 13 34 55  
Tel: +45 43 20 30 40  
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**Board of Directors:**

Jens H. Lund, Chairman  
Jens Bjørn Andersen  
Carsten Trolle

**Executive Board:**

Carsten Trolle

**Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab

**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%)

**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 2020.

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the result of the Company's operations and financial position.

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

Hedehusene, 5 May 2021

Executive Board:

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Carsten Trolle

Board of Directors:

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Jens H. Lund  
Chairman

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Jens Bjørn Andersen

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Carsten Trolle

## ***Independent Auditor's Report***

To the Shareholders of DSV Ocean Transport A/S

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DSV Ocean Transport A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

Copenhagen, 5 May 2021

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

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Poul P. Petersen

State Authorised Public Accountant

mne34503

## **Management's review**

### **Main activity**

The Company's purpose is to operate as N.V.O.C.C. (Non Vessel Operating Common Carrier) and handling of Incentives for the Group.

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 since 2018.

### **Financial review**

The income statement of the Company for 2020 shows a loss of TDKK 4.741 (profit TDKK 14.381 in 2019) and at 31 December 2020 the balance sheet of the Company shows equity of TDKK 10.902.

The Management considers the Company's result as satisfactory.

### **Targets and expectations for the year ahead**

For the year 2021, the Management expects a higher activity level and a result beyond 2020.

### **Events after the reporting date**

No material events have occurred after 31 December 2020.

Financial statements 1 January – 31 December

Income statement

		2020	2019
Note		DKK '000	DKK '000
	Revenue	47.657	14.454
	Other external expenses	-46.661	-12.294
	<b>Gross margin</b>	<b>996</b>	<b>2.160</b>
2	Staff costs	-1.019	-2.077
	<b>Operating profit/loss</b>	<b>-23</b>	<b>83</b>
3	Financial income	3.761	18.525
4	Financial expenses	-9.774	-156
	<b>Profit before tax</b>	<b>-6.036</b>	<b>18.452</b>
5	Tax for the year	1.295	-4.071
	<b>Profit for the year</b>	<b>-4.741</b>	<b>14.381</b>



Financial statements 1 January - 31 December

Balance sheet

Note	2020 DKK '000	2019 DKK '000
<b>ASSETS</b>		
<b>Current assets</b>		
Trade receivables	42.999	8.313
Receivables from Group Companies	625	0
Other receivables	147.157	87.623
Deferred tax asset	-	21
<b>Total current assets</b>	<b><u>190.781</u></b>	<b><u>95.957</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>190.781</u></u></b>	<b><u><u>95.957</u></u></b>

Financial statements 1 January - 31 December

Balance sheet

	2020	2019
Note	DKK '000	DKK '000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
6 Share capital	500	500
Reserves and retained earnings	<u>10.402</u>	<u>17.415</u>
<b>Total equity</b>	<b><u>10.902</u></b>	<b><u>17.915</u></b>
<b>Current liabilities</b>		
Suppliers of goods and services	67	1.586
Payables to Group companies	173.898	69.920
Corporate tax	1.828	4.283
7 Other debt	<u>4.086</u>	<u>2.253</u>
<b>Total current liabilities</b>	<b><u>179.879</u></b>	<b><u>78.042</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u><u>190.781</u></u></b>	<b><u><u>95.957</u></u></b>

- 1 Accounting policies
- 8 Contingent liabilities and other commitments
- 9 Related parties
- 10 Consolidated financial statements
- 11 Proposed distribution of profit

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>
<b>Equity at 1 January 2020</b>	<b>500</b>	<b>3.642</b>	<b>13.773</b>	<b>17.915</b>
Fair value adjustments relating to hedging instruments	-	14.395	-	14.395
Tax on other comprehensive income	-	-3.167	-	-3.167
Dividend distributed	-	-	-13.500	-13.500
Transfer, see "Appropriation of profit"	-	-	-4.741	-4.741
<b>Equity at 31 December 2020</b>	<b>500</b>	<b>14.870</b>	<b>-4.468</b>	<b>10.902</b>

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies

The Annual report of DSV Ocean Transport A/S for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities. Furthermore, the Company has chosen to comply with some of the rules applying for class C enterprises.

The 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 fair value changes in the part of the derivative which is classified as and qualifies for recognition as a future cash flow hedges and which effectively hedges against changes in the value of the hedged item.

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 Panalpina 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**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2 Staff costs</b>		
Specification of staff costs:		
Salaries, wages, share options and warrants	931	1.916
Pension costs	80	149
Other expenses for social security	2	2
Other staff costs	<u>6</u>	<u>10</u>
	<u>1.019</u>	<u>2.077</u>
Average number of employees	<u>2</u>	<u>2</u>
<b>3 Financial income</b>		
Interest receivable from Group Companies	-	191
Foreign currency translations adjustments	<u>3.761</u>	<u>18.334</u>
	<u>3.761</u>	<u>18.525</u>
<b>4 Financial expenses</b>		
Interest payable from Group Companies	-	145
Other interest expenses and similar charges	51	11
Foreign currency translations adjustments	<u>9.723</u>	<u>-</u>
	<u>9.774</u>	<u>156</u>
<b>5 Tax for the year</b>		
Current tax for the year	-1.316	4.047
Adjustment of the deferred tax charge for the year	<u>21</u>	<u>24</u>
	<u>-1.295</u>	<u>4.071</u>
<b>6 Share capital</b>		
The share capital comprises:		
Shares, 500 of DKK 1.000 nominal value each	<u>500</u>	<u>500</u>
<b>7 Other debt</b>		
Other debt contain market value of forward contracts amounting to -19 mDKK at 31 December 2020 (1,5 mDKK at 31 December 2019).		
<b>8 Contingent liabilities and other commitments</b>		
The Company is jointly registered for VAT with the Group's other Danish Companies. The Company is thus jointly and severally liable for VAT as regards the jointly registration.		

The Company is assessed jointly for tax purposes together with the other domestic DSV Panalpina Group entities. The Company is a wholly-owned subsidiary of DSV Panalpina A/S and is under an unlimited and joint liability regime for Danish tax payments and withholding taxes on dividends, interest and royalties from the jointly taxed entities. The total amount is disclosed in the Annual financial statements of DSV Panalpina A/S, which is the administration company of the joint taxation arrangement. Any subsequent adjustments of the taxable consolidated profit or withholding taxes may result in an increase in the Company's tax liability.

**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 Panalpina A/S, Hedehusene, Denmark. The consolidated financial statements of DSV Panalpina A/S can be requested at the following address:

DSV Panalpina A/S  
Hovedgaden 630  
DK-2640 Hedehusene  
Denmark

or: [www.investor.dsv.com](http://www.investor.dsv.com)

**11 Proposed distribution of profit**

	<b>2020</b>	<b>2019</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Dividend	-	13.500
Retained earnings	<u>-4.741</u>	<u>881</u>
Total distribution	<u><u>-4.741</u></u>	<u><u>14.381</u></u>