

DSV Air & Sea Holding A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 26 36 63 56

Annual Report

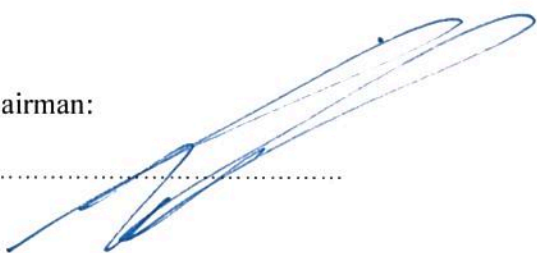
for the year ended 31 December 2017

17th financial year

Approved at the Company's annual general meeting on 31 May 2018.

Chairman:

.....

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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 Air & Sea Holding A/S for the financial year 1 January - 31 December 2017.

The Annual Report has been prepared in accordance with 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 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

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, 31 May 2018

Executive Board:




Carsten Trolle

Board of Directors:



Jens Bjørn Andersen
Chairman



Jens H. Lund



Kurt K. Larsen



Rene Falch Olesen

Independent Auditor's Report

To the Shareholders of DSV Air & Sea Holding 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 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DSV Air & Sea Holding A/S for the financial year 1 January - 31 December 2017, 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 financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 31 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 35 17 12 31



Kim Fichsel

State Authorised Public Accountant

mne9291



Dan Bjørregaard

State Authorised Public Accountant

mne33701

INFORMATION ABOUT THE COMPANY

Name	DSV Air & Sea Holding A/S
Adress	Hovedgaden 630
Post Code	2640 Hedehusene
	Tel: +45 43 20 30 40
	Fax: +45 43 20 30 41
CVR-No.	26 36 63 56
Municipality of domicile	Høje-Taastrup
Board of Directors:	Jens Bjørn Andersen, (Chairman) Jens H. Lund Kurt K. Larsen Rene Falch Olesen
Executive Board:	Carsten Trolle
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

MANAGEMENT'S REVIEW

Financial highlights

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Key figures (in thousands):					
Operating loss/profit	-35.120	-28.792	2.133	87.325	33.193
Net financials	-416.828	-162.980	-113.096	-126.299	-139.613
Profits for the year	408.074	1.192.469	528.651	490.697	858.910
Shareholders' equity at year-end	1.922.590	2.615.907	1.830.738	1.671.133	1.180.401
Total assets	15.810.208	17.206.036	6.095.691	6.147.499	6.259.647
Investments for the year	2.769.185	10.282.951	8.535	25.327	1.152.821
Ratios:					
Return on equity	17,98%	53,63%	30,19%	34,42%	114,24%
Solvency ratio	12,16%	15,20%	30,03%	27,18%	18,86%

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, " Recommendations and Financial Ratios 2015".

Return on equity	$\frac{\text{Profit/loss} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity} \times 100}{\text{Total Assets}}$

MANAGEMENT REVIEW

Business activities and mission

The company is a 100% owned subsidiary of DSV A/S. The company's financial statements are a part of the consolidated financial statements for DSV A/S.

The Company's objects are to carry on the business of freight forwarding and services with a view to moving goods by sea and air, primarily through subsidiaries the object of which is to carry on such activities, and to fund and financially support subsidiaries.

Business review

By the end of 2016, a large part of the UTi merger activities within DSV Air & Sea had been completed. This meant that, in 2017, we could concentrate on fine-tuning our organisation, systems and processes.

Following the successful migration of UTi users and customers to the Air & Sea transport management system (TMS), we focused heavily on improving the quality of data in our TMS to achieve the highest possible level of productivity, service and transparency.

2017 was all about getting "back to basics", delivering services that meet customer requirements and fully satisfy their demands. And, as a result of this, we successfully gained new business from both existing and new customers.

The net result for the year is t.DKK 408.074, which is below the result for 2016. The reason for the lower result are lower return on investments in subsidiaries.

The result is considered minor satisfactory by the management.

Investments

In 2017 the company had material investments in Group Enterprises due to restructuring within DSV.

Capital resources

The company has a solid capital resource due to the fact that the company is a part of the cashpool in the DSV Group. The capital resource is supported by the Groups strategic goal to secure sufficient financial flexibility.

Outlook

It is anticipated that the net profit for 2018 will be at the same level as the result for 2017.

Unusual risks

There are no unusual matters during the year which influence the measurement in the Annual Report.

Statement of corporate social responsibility, cf. The Financial Statements Act §99a

DSV Air & Sea Holding A/S is a subsidiary of the DSV Group. The Group issues a separate report on corporate social responsibility, the DSV CSR Report, which is the Group's progress report (COP) under UN's Global Compact. The report is available at: <http://www.dsv.com/About-DSV/csr/csr-reports>.

Statement of gender representation in management, cf. The Financial Statements Act § 99b

The Financial Statements Act § 99b requires Danish companies of a certain size to set targets for and report on gender representation in the company's top management.

MANAGEMENT REVIEW (continued)

At present, DSV Air & Sea Holding A/S does not comply with the requirement of equal gender representation in the company's top management. This is due to the fact that the company's board is made up of members from the DSV Group's management team. That is, equal gender representation in DSV Air & Sea Holding A/S depends on who holds the strategic positions in the Group, but it is the intention of the company that within 2022 at least one of four board members should be female. This intention is supported by company policy as described in the following:

Company policy for gender diversity takes its cue from the anti-discrimination paragraph in the DSV Code of Conduct. The policy aims to ensure a balanced workforce as well as equal opportunity for all DSV employees. This target will be pursued through a hiring and advancement practice and policy, focused on equal advancement possibilities for all talented and dedicated employees regardless of gender.

Events after the reporting date

No material events have occurred after 31 December 2017.

Financial statements 1 January - 31 December**INCOME STATEMENT**

	Note	2017 DKK '000	2016 DKK '000
Other external expenses		<u>-78.124</u>	<u>-83.939</u>
Gross profit		-78.124	-83.939
Staff costs	2	-9.059	-6.216
Other operating income		<u>52.063</u>	<u>61.363</u>
Operating loss/profit		-35.120	-28.792
Income from investments in Group enterprises incl. impairment	3	794.664	1.359.519
Financial income	4	158.365	191.979
Financial expenses	5	<u>-575.193</u>	<u>-354.959</u>
Profit before tax		342.716	1.167.747
Tax on profit for the year	6	<u>65.358</u>	<u>24.722</u>
NET PROFIT FOR THE YEAR		<u>408.074</u>	<u>1.192.469</u>

Financial statements 1 January - 31 December

BALANCE SHEET

ASSETS	Note	2017 DKK '000	2016 DKK '000
NON-CURRENT ASSETS			
Financial assets			
Investments in Group enterprises	7	13.687.961	15.009.049
Investments in associated companies	7	0	0
Non-current receivables from Group companies		0	1.109.545
Other securities and other receivables		11.453	11.453
Total financial assets		<u>13.699.414</u>	<u>16.130.047</u>
TOTAL NON-CURRENT ASSETS		<u>13.699.414</u>	<u>16.130.047</u>
CURRENT ASSETS			
Trade debtors		43.117	7.386
Receivables from Group companies		1.875.860	891.781
Tax receivable		90.552	39.314
Deferred tax asset	8	1.038	1.334
Other receivables		100.227	136.174
Total receivables		<u>2.110.794</u>	<u>1.075.989</u>
TOTAL CURRENT ASSETS		<u>2.110.794</u>	<u>1.075.989</u>
TOTAL ASSETS		<u>15.810.208</u>	<u>17.206.036</u>

Financial statements 1 January - 31 December

BALANCE SHEET

EQUITY AND LIABILITIES	Note	2017 DKK '000	2016 DKK '000
EQUITY			
Share capital	9	50.000	50.000
Proposed dividend	14	0	1.100.000
Retained earnings		<u>1.872.590</u>	<u>1.465.907</u>
TOTAL EQUITY		<u>1.922.590</u>	<u>2.615.907</u>
LIABILITIES			
Non-current liabilities			
Non-current liabilities to Group companies	10	<u>11.403.047</u>	<u>12.661.421</u>
Total non-current liabilities		<u>11.403.047</u>	<u>12.661.421</u>
LIABILITIES			
Current liabilities			
Suppliers of goods and services		435	4.471
Payables to Group companies		2.437.171	1.870.546
Other debt		<u>46.965</u>	<u>53.691</u>
Total current liabilities		<u>2.484.571</u>	<u>1.928.708</u>
TOTAL LIABILITIES		<u>13.887.618</u>	<u>14.590.129</u>
TOTAL EQUITY AND LIABILITIES		<u>15.810.208</u>	<u>17.206.036</u>
Accounting policies	1		
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STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Dividend	Total
Shareholders' Equity at 1/1 2016	50.000	1.380.738	400.000	1.830.738
Other adjustments	-	-7.300	-	-7.300
Dividend distributed	-	-	-400.000	-400.000
Transfer regarding proposed distribution	-	92.469	1.100.000	1.192.469
Shareholders' Equity at 31/12 2016	50.000	1.465.907	1.100.000	2.615.907
Shareholders' Equity at 1/1 2017	50.000	1.465.907	1.100.000	2.615.907
Fair value adjustments relating to hedging instruments	-	8.014	-	8.014
Tax on other comprehensive income	-	-1.763	-	-1.763
Other adjustments	-	-7.642	-	-7.642
Dividend distributed	-	-	-1.100.000	-1.100.000
Transfer regarding proposed distribution	-	408.074	-	408.074
Shareholders' Equity at 31/12 2017	50.000	1.872.590	-	1.922.590

Financial statements 1 January - 31 December

Note 1 Accounting policies

The 2017 Annual Report of DSV Air & Sea Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies are consistent with those of last year.

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

Consolidated financial statement

In accordance with section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of DSV Air & Sea Holding A/S and its subsidiaries are included in the consolidated financial statements of DSV A/S.

Cash flow statement

In accordance with section 86.4 of the Danish Financial Statements Act, no cash flow statement have been prepared. The cash flow statements of DSV Air & Sea Holding A/S and its subsidiaries are included in the consolidated financial statements of DSV A/S.

Fees to auditors appointed at the Annual General Meeting

In accordance with section 96.3 of the Danish Financial Statements Act, no information about fees to appointed auditors at the Annual General Meeting are disclosed, due to the information is disclosed on group level in the consolidated financial statements of DSV A/S.

Foreign currency translation

On initial recognition, foreign currency transactions are translated at the exchange rate ruling at the transaction date. Exchange differences between the exchange rates at the transaction date and the date of payment are recognised in the income statement under financial income and expenses.

Receivables, payables and other monetary items denominated in a foreign currency are translated at the exchange rate ruling at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date on which the receivable or payable was recorded or the exchange rate used in the latest annual report is recognised in the income statement as financial income and expenses.

Income statement

Staff costs

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

Other external expenses

Other external expenses comprise expenses incurred during the year related to management and administration of the company, including expenses for administrative personnel, management, office premises and expenses and office supplies.

Other operating income and losses

Other operating income is primarily related to invoicing of service fee to subsidiaries.

Income from investments in Group enterprises and associated companies

Dividends from investments in Group enterprises and associated companies are recognised in the Company's income statement in the financial year in which the dividends are declared. If the dividends distributed exceed accumulated earnings after the date of acquisition, dividends are, however, not recognised as income in the income statement, but as an adjustment of the cost of the investment.

Financial income and expenses

Financial income and expenses include interest income and expense, capital gains and losses in respect of securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities as well as surcharges and refunds under the tax prepayment scheme etc.

Financial statements 1 January - 31 December

Tax on profit/loss for the year

DSV Air & Sea Holding A/S is subject to the Danish regulations relating to compulsory joint taxation of the Group's subsidiaries. The subsidiaries are included in the joint taxation from the time of entering the consolidation in the consolidation annual accounts and up to the time when they are deconsolidated.

The current Danish corporation tax is allocated by settlement of the jointly taxed companies compared with the taxable income of these companies. In this connection, the companies with tax losses receive joint taxation contribution from the companies which are able to apply these losses to reduce own taxable gains (full allocation).

Tax for the year, which comprises of the current corporation tax for the year, joint taxation contribution and changes in deferred tax are taken to the profit and loss account with the part which is attributable to the profit/loss for the year and directly taken to equity with the part which is attributable to entries directly in equity.

Balance sheet

Investments in Group enterprises and associated companies

Investments in Group enterprises and associated companies are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

The cost is adjusted if dividends distributed exceed accumulated earnings after the date of acquisition.

Other securities and investments

Listed securities and equity investments recognised as fixed asset investments are measured at fair value on the balance sheet date.

Non-listed securities recognised under current assets are measured at current price based on calculated value in use at the balance sheet date.

Impairment of non-current assets

The carrying amounts of other non-current assets are calculated once a year to determine whether there is an indication of impairment. If so, their recoverable amounts are calculated. The recoverable amount is the higher of the fair value of the asset less the expected disposal costs and the value in use. The value in use is calculated as the present value of expected future cash flow from the asset or the cash-generating unit of which the asset forms part.

Impairment losses are recognised if the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount of the asset or cash-generating unit. Impairment losses are recognised in the income statement under amortisation, depreciation and impairment losses. Impairments of investments are included in share of income from investments.

Impairment of other assets is reversed if the assumptions and estimates on which the impairment is based have changed. Impairments are reversed if the new carrying amount of the asset exceeds the book value.

Trade debtors

Debtors are measured at amortised cost. Provision is made for expected losses on an individual basis.

Other receivables

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

Equity

Proposed dividends are recognised as a liability when adopted at the Annual General Meeting (date of declaration). Expected dividends for the year are shown as a separate item under equity.

Financial statements 1 January - 31 December

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 and deferred 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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amounts and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to other items disallowed for tax purposes if, except at the acquisition of enterprises, 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 tax 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 carryforwards, are recognised 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 or jurisdiction.

Deferred tax assets and tax liabilities are set off 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 assets are tested for impairment annually and are only recognised if they are likely to be utilised.

Short term liabilities

Other liabilities including amounts owed to suppliers, affiliates and associates and other debts are valued at net realisable value.

Financial statements 1 January - 31 December

NOTES

	2017 DKK'000	2016 DKK'000
Note 2. Staff costs		
Specification of staff costs:		
Salaries, wages, share options and warrants	8.344	5.198
Pension costs	642	420
Other expenses for social security	9	8
Other staff costs	<u>64</u>	<u>590</u>
	<u>9.059</u>	<u>6.216</u>
Average number of employees	<u>11</u>	<u>7</u>

Information regarding remuneration to the company's management is excluded with reference to the Danish Financial Statements Act, Section 98 b, subsection 3.

The Board of Directors does not receive remuneration for their roles as members of the board.

DSV A/S has established a share option and warrant programme for the Group's employees. The Executive Board in DSV Air & Sea Holding A/S has been granted share options from the programme. The Board of Directors have received options from the programme for their roles in DSV A/S. DSV Air & Sea Holding A/S's part of costs regarding the share options and warrants program are included as staff costs on a continuing basis.

	2017 DKK'000	2016 DKK'000
Note 3. Income from investments in Group enterprises incl. impairment		
Dividend received from subsidiaries	991.869	405.538
Impairment of investments in subsidiaries	-19.212	-25.594
Reversal of previous write-offs and fair value adjustments	0	984.400
Loss from sale of investments in Group enterprises	-177.993	-4.890
Gain from sale of associated companies	<u>0</u>	<u>65</u>
	<u>794.664</u>	<u>1.359.519</u>
Note 4. Financial income		
Financial income from Group enterprises	82.097	51.809
Foreign currency translation adjustments	<u>76.268</u>	<u>140.170</u>
	<u>158.365</u>	<u>191.979</u>
Note 5. Financial expenses		
Financial expenses for Group enterprises	276.660	294.554
Foreign currency translation adjustments	<u>298.533</u>	<u>60.405</u>
	<u>575.193</u>	<u>354.959</u>

Financial statements 1 January - 31 December

NOTES

	2017	2016
	DKK'000	DKK'000
Note 6. Tax for the year		
Current tax for the year	92.286	39.307
Adjustment of the deferred tax charge for the year	606	-1.580
Withholding tax	-27.523	-13.013
Prior year adjustments	-11	8
	<u>65.358</u>	<u>24.722</u>

Note 7. Financial assets

Investments in Group enterprises and associated companies:

Cost	Associated companies	Group enterprises
Balance at 1/1 2017	0	18.752.423
Additions	0	2.769.185
Disposals	0	-1.409.341
Cost at 31/12 2017	<u>0</u>	<u>20.112.267</u>
Write-offs and fair value adjustments		
Write-offs and fair value adjustments at 1/1 2017	0	-3.743.374
Write-off and fair value adjustments for the year	0	-19.212
Reduction re. dividend received which exceed accumulated earnings after the date of acquisition	0	-2.753.625
Reversal of previous write-offs and fair value adjustments re. disposals	0	91.905
Write-offs and fair value adjustments at 31/12 2017	<u>0</u>	<u>-6.424.306</u>
Carrying amount at 31/12 2017	<u><u>0</u></u>	<u><u>13.687.961</u></u>

NOTES

Note 7. Financial assets - continued

Company name	Registered office	Ownership	Currency	CUR'000 Share Capital
DSV Air & Sea A/S	Denmark	100%	DKK	31.000
DSV Ocean Transport A/S	Denmark	100%	DKK	500
DSV Air & Sea AS	Norway	100%	NOK	1.096
DSV Air & Sea AB	Sweden	100%	SEK	5.500
DSV Air & Sea Oy	Finland	100%	EUR	103
DSV Air & Sea Limited	UK	100%	GBP	3.000
SBS Worldwide (Holdings) Ltd.	UK	100%	GBP	115
DSV Air & Sea Limited	Ireland	100%	EUR	30
Saima Avandero SpA	Italy	99%	EUR	60.000
DSV Air & Sea NV	Belgium	100%	EUR	4.000
XB Luxembourg Holdings I SA	Luxemburg	100%	EUR	2.480
DSV Air & Sea A.S.	Turkey	100%	TRY	16.500
DSV Air & Sea Sp. z o.o.	Poland	100%	PLZ	1.050
DSV Air & Sea s.r.o.	Czech Republic	100%	CZK	500
DSV Air & Sea Co., Ltd.	China	100%	CNY	27.980
DSV Air & Sea Ltd.	Hong Kong	100%	HKD	550.000
PT. DSV Air & Sea	Indonesia	100%	USD	319
DSV Air & Sea Ltd.	Thailand	100%	THB	10.000
DSV Air & Sea Pte. Ltd.	Singapore	100%	SGD	150
DSV Air & Sea Sdn Bhd	Malaysia	100%	MYR	1.000
DSV Air & Sea Inc.	Philippines	100%	PHP	54.316
DSV Air & Sea Ltd.	Bangladesh	100%	BDT	10.000
DSV Air & Sea Ltd.	Korea	100%	KRW	300.000
DSV Air & Sea Co., Ltd.	Taiwan	100%	TWD	60.082
DSV Air & Sea Co., Ltd.	Vietnam	100%	VND	1.053.468
DSV Air & Sea Pvt. Ltd.	India	100%	INR	6.750
ABX LOGISTICS Singapore PTE LTD	Singapore	100%	SGD	282
DSV Air & Sea Co., Ltd.	Japan	100%	JPY	54.000
DSV AIR & SEA (LLC)	United Arab Em.	100%	AED	300
DSV Air & Sea Pty Ltd.	Australia	100%	AUD	10
DSV Air & Sea Limited	New Zealand	100%	NZD	1.000
DSV Air & Sea Holding Inc	USA	100%	USD	150.000
DSV Air & Sea Inc.	Canada	100%	CAD	6.300
DSV Air & Sea, S.A. de C.V.	Mexico	100%	MXN	23.106
DSV Air & Sea S.A.S.	Colombia	100%	COP	930.000
DSV-GL Latin America S.A.	Chile	100%	CLP	1.277.970
DSV Air & Sea OOD	Bulgaria	100%	BGN	20
Swift Freight International Nigeria Limited	Nigeria	100%	NGN	53.247
Swift Freight International Rwanda Limited	Rwanda	100%	RWF	3.000
Swift Freight International Burundi SA	Burundi	100%	BIF	10.000
Swift Global Logistics Limited	Mozambique	100%	MZN	127
Swift Global Logistics Limited	Tanzania	100%	TZS	1.000
Swift Global Logistics	Togo	100%	XOF	5.103
Swift Freight International (Uganda) Limited	Uganda	100%	UGX	2.546.071
Swift Freight Forwarders (Ghana) Limited	Ghana	100%	GHS	46
Swift Freight International (Zambia) Limited	Zambia	100%	ZMK	50
Swift Global Logistics Limited	Kenya	100%	KES	1.000
Swift Freight DRC San NCR KIN	DR Congo	100%	CDF	8.000
DSV Air & Sea S.A.	Costa Rica	100%	USD	200
UTi Worldwide Inc.	British Virgin Islands	100%	USD	1.400.053
UTi (UK) Holdings Ltd.	UK	100%	GBP	3.278
UTi (Netherlands) Holding BV	Netherlands	100%	EUR	1.095
UTi Pakistan (SMC private) Limited	Pakistan	100%	PKR	22.000
UTi Pership (Pvt) Limited	Sri Lanka	51%	LKR	17.500
UTi United States Puerty Rico Inc.	Puerty Rico	100%	USD	-
UTi Uruguay SA	Uruguay	100%	UYU	4.010
UTi Worldwide Vietnam Co. Ltd.	Vietnam	51%	VND	116.823.600
DSV Air & Sea Co., Ltd.	Cambodia	100%	USD	150
DSV AFRICA HOLDING (Pty) Ltd.	South Africa	100%	ZAR	1
UT Worldwide (India) Pvt. Limited	India	100%	INR	234.873
DSV UTI Air & Sea Agenciamento de Transportes Ltda.	Brazil	100%	BRL	78.809

Associated companies

ABX Logistics (Bangladesh) Ltd.	Bangladesh	33%	BDT	15.000
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Note 8. Deferred tax asset

	2017 DKK'000	2016 DKK'000
Deferred tax asset at 1/1	1.334	2.908
Deferred tax for the year	606	-1.580
Deferred tax adjustment relating to previous years	<u>-902</u>	<u>6</u>
Deferred tax asset at 31/12	<u><u>1.038</u></u>	<u><u>1.334</u></u>

Deferred tax asset relates to:

Other liabilities	<u>1.038</u>	<u>1.334</u>
Deferred tax asset	<u><u>1.038</u></u>	<u><u>1.334</u></u>

Note 9. Share capital

Contributed capital consist of 1 share to nominal value tkr. 50.000 and no changes for the last 5 years.

Note 10. Non current liabilities

The non-current liabilities to Group Companies are all due within 3 years.

Note 11. Contingent Liabilities

The Company is jointly registered as regards VAT with DSV A/S, DSV Road A/S, DSV Air & Sea A/S, DSV Solutions A/S, DSV Road Holding A/S and DSV Solutions Holding A/S. 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 Group entities. The Company is a wholly-owned subsidiary of DSV 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 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.

The Company has issued letter of support for individual Group enterprises to provide financial support to the extent necessary, allowing the Group enterprises to continue their activities and meet their obligations towards third parties

	2017 DKK'000	2016 DKK'000
Guarantees for rent commitments, indemnification and subordination agreements re. subsidiaries.	<u><u>305.871</u></u>	<u><u>411.160</u></u>

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Note 12. Related parties and ownership

DSV Air & Sea Holding A/S related parties comprise the following:

Parties exercising control

DSV A/S, Hovedgaden 630, DK-2640 Hedehusene

Other

The Company's related parties are the companies in the DSV Group and the companies' daily management.

Transactions with related parties has 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.

	2017	2016
	DKK'000	DKK'000
Transactions with related parties:		
Sale of servicefee	84.351	76.600
Sale of administration fee	4.409	204
Purchase of service fee	5.508	5.853
Purchase of administration fee	72.485	52.401
Financial income	82.097	51.809
Financial expenses	276.660	294.554

The company has bought shares from group companies with a value of t.DKK 2.754.159 in 2017 (2016 t.DKK 2.378.533) and made capital increases of 0 in 2017 (2016 t.DKK 1.215.262), and have sold shares to group companies with a value of t.DKK 1.172.294 in 2017 (2016 t.DKK0).

The company has following receivables and payables as of 31, December:

Non-current receivables from Group companies	0	1.109.545
Current receivables from Group companies	1.875.860	891.781
Non-current liabilities to Group companies	11.403.047	12.661.421
Current liabilities to Group companies	2.437.171	1.870.546

Ownership

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

DSV A/S, Hovedgaden 630, DK-2640 Hedehusene owns 100% of the shares in DSV Air & Sea Holding A/S.

Note 13. Consolidated financial statements

The financial statements of DSV Air & Sea Holding A/S and its subsidiaries 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

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Note 14. Proposed distribution of profit

	2017	2016
	DKK '000	DKK '000
Dividend	0	1.100.000
Retained earnings	<u>408.074</u>	<u>92.469</u>
Total distribution	<u>408.074</u>	<u>1.192.469</u>