

# **DSV Road Holding A/S**

Hovedgaden 630, 2640 Hedehusene

CVR No. 26 36 63 72

## **Annual Report**

for the year ended 31 December 2023

23<sup>rd</sup> financial year

Approved at the Company's Annual General Meeting on 30 April 2024.

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 Road Holding A/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 30 April 2024

Executive Board:

Søren Schmidt

Board of Directors:

Jens H. Lund  
Chairman

Michael Ebbe

Brian S. Ejsing

Morten L. Dragsbæk

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

To the Shareholders of DSV Road 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DSV Road Holding A/S for the financial year 1 January - 31 December 2023, 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Hellerup, 30 April 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

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Kim Tromholt

State Authorised Public Accountant

mne33251

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Poul P. Petersen

State Authorised Public Accountant

mne34503

## INFORMATION ABOUT THE COMPANY

**Name** DSV Road Holding A/S  
**Address** Hovedgaden 630  
**Post Code** 2640 Hedehusene  
Tel: +45 43 20 30 40  
Fax: +45 43 20 30 41

**CVR No.** 26 36 63 72

**Municipality of domicile** Høje-Taastrup

**Board of Directors:** Jens H. Lund, (Chairman)  
Michael Ebbe  
Brian S. Ejsing  
Morten L. Dragsbæk

**Executive Board:** Søren Schmidt

**Auditors:** PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab

## MANAGEMENT'S REVIEW

### Financial highlights

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Key figures (in thousands):</b>					
Revenue	23,333	22,224	21,222	16,469	20,535
Operating loss/profit	39,011	315,677	33,603	-3,682	-232
Net financials	-81,842	-22,780	-9,248	-14,476	331
Profit for the year	1,243,348	804,247	570,310	1,904,932	422,194
Shareholders' equity at year-end	1,617,796	1,188,558	1,011,331	2,395,150	942,504
Total assets	5,075,633	4,166,628	4,016,858	4,599,403	2,535,881
Investments for the year	760,128	407,583	1,112,880	703,255	200,861
<b>Ratios:</b>					
Return on equity	88.61%	73.12%	33.48%	114.15%	41.53%
Solvency ratio	31.87%	28.53%	25.18%	52.08%	37.17%

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios as stated below:

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 (CVR No.: 58233528). The Company's financial statements are a part of the consolidated financial statements for DSV A/S.

DSV Road Holding A/S invests in agencies and transport companies, which offers transport and related services.

### Business review

In this section we refer to the DSV Group's Annual Report, where the business review has been highlighted for the Road division.

The report is available at: <https://investor.dsv.com/reports-presentations>

For 2023, the Road division reported a 1.1% increase in gross profit and a 0.1% decrease in EBIT before special items. Overcapacity and lower fuel prices led to lower direct freight cost and had a positive impact on the gross margin.

In recent years, the lack of truck drivers and overall capacity has been a major theme for the road freight market. The war in Ukraine and EU's Mobility Package have also reduced capacity. This changed during 2023, as the general economic slowdown in Europe had an impact on demand for transportation. While we do not expect this to persist long term, we saw declining rates and increasingly tough competition in 2023.

We estimate that DSV Road grew its share across most markets as a result of our strong network and market position, not least in the less-than-truckload market. Our effective procurement setup and strong network meant that we were able to offer high service levels in combination with competitive prices. We believe that this was an important factor behind our market share gains in 2023.

In 2023, we continued developing our European groupage network as part of our Road Way Forward programme. We also continued to enhance our control tower setup, which enables us to offer our customers one point of contact to handle commercial, operational and financial inquiries. In 2023, we strengthened our semiconductor capabilities in the US with the acquisitions of S&M Moving Systems West and Global Diversity Logistics.

The other part of the Road Way Forward programme is the development of a new transport management system (TMS). While several parts of the TMS are already operational (for instance our quote tool, booking and invoicing solutions), we have in 2023 put the development of other elements on hold. Instead, we are redefining our requirements and taking a new approach to achieve an effective IT setup for DSV Road. The change will cause a delay, but the programme continues and the objectives are unchanged.

We have continued our work to help customers optimise their supply chains and reduce their carbon footprints. This includes promoting our Green Logistics services, where we continue to see good interest. In 2023, we formalized the divisional roadmaps for our path towards net zero. For the Road division, this involves strategic partnerships with truck manufacturers and testing of technologies and equipment. This includes electric trailers, which have the potential to reduce CO<sub>2</sub> emissions from transport by up to 40%.

### Results

The net result for the year, shows a profit of t.DKK 1,243,348 which is above the result for 2022 and above expectations. The reason for the higher result is due to the higher return on investments in Group Enterprises.

The result is considered satisfactory by the Management.

### Investments

In 2023 the Company had investments in Group Enterprises and Associated Companies amounting to t.DKK 760,128.

### Outlook

We expect a competitive market in 2024, with activity levels still impacted by the macroeconomic situation. During the year, we will monitor activity levels closely and adjust capacity when needed. Our target of gaining market shares across geographies remains unchanged.

The Road Way Forward project continues in 2024, where we continue to develop our European groupage services by standardising processes and improving our geographical network coverage as well as our first/last mile distribution services. We also continue to develop and promote our Green Logistics services by implementing CO<sub>2</sub> data on our customer invoices.

The outlook for 2024 assumes that the currency exchange rates, especially the US dollar against DKK, will remain at the current level. The geopolitical and macroeconomic environment remains uncertain, and unforeseen changes may therefore impact our financial results.

It is anticipated that the earnings for 2024 will be lower compared to 2023 and in a range between t.DKK 600,000 - 800,000 due to lower return on investments in Group Enterprises compared to the extraordinarily high return from 2023.



## MANAGEMENT REVIEW (continued)

### 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 Group's strategic goal to secure sufficient financial flexibility.

### Unusual risks

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

### Reporting on corporate social responsibility cf. Section 99a of the Danish Financial Statements Act

DSV Road Holding A/S is a subsidiary of the DSV Group (CVR No.: 58233528). The Group issues a separate report on corporate social responsibility, the DSV Sustainability Report 2023, in accordance with section 99a of the Danish Financial Statements Act.

The report is available at: <https://www.dsv.com/en/sustainability-esg/our-reporting/sustainability-reports>

### Reporting on management gender composition cf. section 99b of the Danish Financial Statements Act

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.

At present, DSV Road 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. Equal gender representation in DSV Road Holding A/S depends on who holds the strategic positions in the Group.

The gender composition of DSV Road Holding A/S' Executive Management, comprising the Executive Board and Executive Vice Presidents, is unchanged from last year, characterised by a low female representation. In 2024 and onwards, the Company will focus on increasing the percentage of female leaders at director level and above.

In 2023, the representation of the underrepresented gender (female) on the Board of Directors and Executive Management for the Company was 0%, and the target has therefore not yet been met.

2023	Board of Directors	Executive Management
Total number	4	4
Share of female	0%	0%
Target	25%	30%
Target year	2030	2030

The Board of Directors of DSV A/S has established a Diversity and Inclusion Policy which describes our standpoint and approach to diversity and inclusion which both applies for the Board of Directors and the Executive Management of DSV Road Holding A/S.

The policy is available at: <https://www.dsv.com/en/sustainability-esg/governance/policies/diversity-policy>

The DSV Group recognize that diversity and inclusion vary from country to country and must be tailored to meet local requirements and align with our global Diversity Policy. Therefore, our entities are responsible for ensuring location-specific initiatives which can include everything from using recruitment agencies that are specialised in minority groups, over veteran programmes, training in eliminating harassment, and leadership programmes for specific population groups, to initiatives at female employees.

During 2023, the DSV Group continued the mandatory diversity and inclusion training for all new managers and HR employees. By increasing awareness about potential biases and stereotyping that may limit our ability to see individual differences and capabilities, the training aims to remove barriers to equal opportunities.

In 2023, the DSV Group also established a Diversity Council to further increase awareness of diversity and inclusion. The Diversity Council was established across the Group's large and mid-size entities to exchange experiences and best practices within diversity and inclusion across our global HR staff. This input will provide guidance and serve as inspiration when implementing new initiatives.

### Reporting on Data Ethics policies cf. section 99d of the Danish Financial Statements Act

The DSV Group (CVR No.: 58233528) report separately on our policies and approach to Data Ethics in accordance with section 99d of the Danish Financial Statements Act.

The report is found in DSV A/S' Statutory Report on Data Ethics, available at: <https://www.dsv.com/en/data-ethics>

### Events after the reporting date

No material events have occurred after the reporting period 31 December 2023, of importance to the financial statements.

## Financial statements 1 January - 31 December

### INCOME STATEMENT

	Note	2023 DKK '000	2022 DKK '000
Revenue	2	23,333	22,224
Cost of operations		-5,075	-6,558
Other external expenses		<u>-76,951</u>	<u>-53,832</u>
<b>Gross margin</b>		<b>-58,693</b>	<b>-38,166</b>
Staff costs	3	-73,828	-63,736
Other operating income		182,608	503,497
Other operating costs		<u>-11,076</u>	<u>-85,918</u>
<b>Operating profit</b>		<b>39,011</b>	<b>315,677</b>
Income from investments in Group enterprises incl. impairment	4	1,271,811	508,461
Financial income	5	33,237	22,627
Financial expenses	6	<u>-115,079</u>	<u>-45,407</u>
<b>Profit before tax</b>		<b>1,228,981</b>	<b>801,358</b>
Tax on profit for the year	7	<u>14,367</u>	<u>2,889</u>
<b>NET PROFIT FOR THE YEAR</b>		<b><u>1,243,348</u></b>	<b><u>804,247</u></b>

**Financial statements 1 January - 31 December**

**BALANCE SHEET**

<b>ASSETS</b>	<b>Note</b>	<b>2023 DKK '000</b>	<b>2022 DKK '000</b>
<b>NON-CURRENT ASSETS</b>			
<b>Financial assets</b>			
Investments in Group enterprises	8	4,635,646	4,009,714
Investment in Associated companies	8	80,008	-
Other investments	8	270	-
Non-current receivables from Group enterprises		<u>252,104</u>	<u>-</u>
<b>Total financial assets</b>		<b><u>4,968,028</u></b>	<b><u>4,009,714</u></b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>4,968,028</u></b>	<b><u>4,009,714</u></b>
<b>CURRENT ASSETS</b>			
Trade receivables		2,076	3,291
Receivables from Group enterprises		80,618	144,363
Tax receivables		12,278	5,264
Deferred tax asset	9	3,287	1,048
Other receivables		<u>9,327</u>	<u>2,945</u>
<b>Total receivables</b>		<b><u>107,586</u></b>	<b><u>156,910</u></b>
Cash and cash equivalents		<u>19</u>	<u>4</u>
<b>TOTAL CURRENT ASSETS</b>		<b><u>107,605</u></b>	<b><u>156,914</u></b>
<b>TOTAL ASSETS</b>		<b><u>5,075,633</u></b>	<b><u>4,166,628</u></b>

**Financial statements 1 January - 31 December**

**BALANCE SHEET**

	Note	2023 DKK '000	2022 DKK '000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	10	100,000	100,000
Proposed dividend	14	1,200,000	800,000
Retained earnings		<u>317,796</u>	<u>288,558</u>
<b>TOTAL EQUITY</b>		<b><u>1,617,796</u></b>	<b><u>1,188,558</u></b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Non-current payables to Group enterprises		<u>223,641</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b><u>223,641</u></b>	<b><u>-</u></b>
<b>CURRENT LIABILITIES</b>			
Suppliers of goods and services		13,008	16,759
Payables to Group enterprises		3,193,294	2,948,655
Other debt		<u>27,893</u>	<u>12,655</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>3,234,195</u></b>	<b><u>2,978,069</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>3,457,836</u></b>	<b><u>2,978,069</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>5,075,633</u></b>	<b><u>4,166,628</u></b>
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**Financial statements 1 January - 31 December**

**STATEMENT OF CHANGES IN EQUITY**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Dividend</b>	<b>Total</b>
<b>Shareholders' Equity at 1/1 2022</b>	<b>100,000</b>	<b>311,331</b>	<b>600,000</b>	<b>1,011,331</b>
Other adjustments	-	-27,020	-	-27,020
Dividend distributed	-	-	-600,000	-600,000
Transfer regarding proposed distribution	-	4,247	800,000	804,247
<b>Shareholders' Equity at 31/12 2022</b>	<b>100,000</b>	<b>288,558</b>	<b>800,000</b>	<b>1,188,558</b>
<b>Shareholders' Equity at 1/1 2023</b>	<b>100,000</b>	<b>288,558</b>	<b>800,000</b>	<b>1,188,558</b>
Other adjustments	-	-14,109	-	-14,109
Dividend distributed	-	-	-800,000	-800,000
Transfer regarding proposed distribution	-	43,348	1,200,000	1,243,348
<b>Shareholders' Equity at 31/12 2023</b>	<b>100,000</b>	<b>317,797</b>	<b>1,200,000</b>	<b>1,617,797</b>

## Financial statements 1 January - 31 December

### Note 1 Accounting policies

The 2023 Annual Report of DSV Road 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 Road 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 has been prepared. The cash flow statement of DSV Road Holding A/S and its subsidiaries is 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

#### Revenue

Revenue comprises services invoiced. All kinds of discounts, including cash discounts, are recognised under revenue. Revenue is measured exclusive of VAT and other taxes collected on behalf of third parties.

#### Cost of operations

Costs of operations comprise costs incurred in order to achieve the year's net revenue. These costs comprise direct costs, including staff costs to own staff used to delivery of the order, operating lease costs and other primary costs.

#### 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 costs

Other operating income includes revenue from all other operating activities which are not related to the principal activities of the company, such as gains/losses from disposals and invoicing of service fees to subsidiaries. Other operating costs are mainly related to restructuring costs.

## Financial statements 1 January - 31 December

### Note 1 Accounting policies - continued

#### 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.

#### Tax on profit/loss for the year

DSV Road Holding A/S is subject to the Danish regulations relating to compulsory joint taxation of the DSV Group. 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

##### Leases

All leases are considered as operating leases. Services in connection with the operating leases and other rental agreements are recognized in the income statement as expenses using the straight-line method over the lease term of the contract. The company's total obligation regarding operating leases and rental agreements are disclosed under contingent liabilities and contractual obligations.

#### 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.

#### 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 investments 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.

## Financial statements 1 January - 31 December

### Note 1 Accounting policies - continued

#### Trade receivables

Trade receivables 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.

#### 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.

#### Current 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

	2023 DKK '000	2022 DKK '000
<b>Note 2. Revenue</b>		
Segmentation of revenue on activity:		
Other	23,333	22,224
	<u>23,333</u>	<u>22,224</u>

### Note 3. Staff costs

Specification of staff costs:

Salaries, wages, share options and warrants	66,950	58,976
Pension costs	5,733	4,357
Other expenses for social security	146	84
Other staff costs	999	319
	<u>73,828</u>	<u>63,736</u>
Average number of employees	<u>83</u>	<u>75</u>

Information regarding remuneration to the Executive Board 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 of DSV Road 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 Road Holding A/S's part of costs regarding the share options and warrants program are included as staff costs on a continuing basis.

	2023 DKK '000	2022 DKK '000
<b>Note 4. Income from investments in Group enterprises incl. impairment</b>		
Dividend received from subsidiaries	1,325,707	508,461
Impairment of investments in subsidiaries	-53,896	-
	<u>1,271,811</u>	<u>508,461</u>

### Note 5. Financial income

Financial income from Group enterprises	12,099	9,157
Foreign currency translation adjustments	20,277	13,470
Other interest income	862	-
	<u>33,237</u>	<u>22,627</u>

### Note 6. Financial expenses

Financial expenses from Group enterprises	103,023	24,702
Foreign currency translation adjustments	11,841	20,656
Other interest expenses and similar charges	215	50
	<u>115,079</u>	<u>45,407</u>

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**NOTES**

	<b>2023</b>	<b>2022</b>
	<b>DKK '000</b>	<b>DKK '000</b>
<b>Note 7. Tax for the year</b>		
Current tax for the year	12,293	5,247
Adjustment of the deferred tax charge for the year	2,239	121
Withholding tax	-154	-1,732
Prior year adjustments	-11	-747
	<u><b>14,367</b></u>	<u><b>2,889</b></u>

**Note 8. Financial assets**

Investments in Group Enterprises, Associated Companies and Other investments:

<b>Cost</b>	Other Investments	Associated Companies	Group Enterprises
<b>Balance at 1/1 2023</b>	-	-	5,559,227
Capital increase	-	-	319,072
Additions from acquisitions	-	80,008	361,048
Transfer for the year	270	-	-270
Disposals	-	-	-22
<b>Cost at 31/12 2023</b>	<u><b>270</b></u>	<u><b>80,008</b></u>	<u><b>6,239,055</b></u>
<b>Write-offs and fair value adjustments</b>			
<b>Write-offs and fair value adjustments at 1/1 2023</b>	-	-	<b>-1,549,513</b>
Write-off and fair value adjustments for the year	-	-	-1,913
Reduction due to dividend received which exceed accumulated earnings after the date of acquisition	-	-	-51,983
<b>Write-offs and fair value adjustments at 31/12 2023</b>	<u>-</u>	<u>-</u>	<u><b>-1,603,409</b></u>
<b>Carrying amount at 31/12 2023</b>	<u><b>270</b></u>	<u><b>80,008</b></u>	<u><b>4,635,646</b></u>

Financial statements 1 January - 31 December

Note 8. Financial assets - continued

Group Enterprises

Company name	Registered office	Ownership	Currency	CUR'000 Share Capital
DSV Road A/S	DENMARK	100%	DKK	42,000
DSV Road Services A/S	DENMARK	100%	DKK	500
DSV Real Estate Glostrup A/S	DENMARK	100%	DKK	500
DSV Real Estate Horsens A/S	DENMARK	100%	DKK	400
DSV Road AS	NORWAY	100%	NOK	554
DSV Group AB	SWEDEN	100%	SEK	50,000
DSV Road Oy	FINLAND	100%	EUR	543
DSV Road Holding Ltd.	UNITED KINGDOM	100%	GBP	21,260
DSV Road Limited	IRELAND	100%	EUR	8,970
DSV Real Estate Novara S.r.l.	ITALY	66%	EUR	200
DSV Road GmbH	GERMANY	100%	EUR	5,113
DSV Holding Spain S.L	SPAIN	100%	EUR	112,391
DSV SGPS Lda	PORTUGAL	99%	EUR	51,514
DSV Road Holding S.A.	FRANCE	100%	EUR	112,215
DSV Logistics S.A.	SWITZERLAND	100%	CHF	1,300
DSV Österreich Spedition GmbH	AUSTRIA	100%	EUR	100
DSV Transport SIA	LATVIA	100%	EUR	285
DSV Transport UAB	LITHUANIA	100%	LTL	301
DSV Transport AS	ESTONIA	100%	EUR	64
DSV Hungaria Kft.	HUNGARY	100%	HUF	3,000
DSV Road & Solutions A.S.	TURKIYE	100%	TRY	8,289
DSV Road EOOD	BULGARIA	100%	BGN	2,020
DSV HELLAS S.A.	GREECE	100%	EUR	1,500
DSV Road Sp. z.o.o.	POLAND	65%	PLN	38,940
DSV Slovakia S.R.O.	SLOVAKIA	100%	EUR	10
DSV Road a.s.	CZECH REPUBLIC	100%	CZK	3,160
DSV Transport d.o.o.	SLOVENIA	100%	EUR	314
DSV Hrvatska d.o.o.	CROATIA	100%	HRK	63
DSV Road d.o.o.	SERBIA	100%	RSD	53,941
DSV Transport Int'l S.A	MOROCCO	100%	MAD	1,598
DSV ROAD DOOEL Skopje	NORTH MACEDONIA	100%	MKD	615
DSV Logistics LLC	UKRAINE	100%	UAH	5,338
DSV Road, Inc.	CANADA	100%	CAD	4,800
DSV Solutions Brasil Serviços de Logística Ltda.	BRAZIL	100%	BRL	18,039
DSV Real Estate Tamworth Ltd.	UNITED KINGDOM	100%	GBP	1
DSV Real Estate Landskrona 2 AB	SWEDEN	100%	SEK	500
DSV Real Estate Helsingborg AB	SWEDEN	100%	SEK	500
DSV Real Estate Modena S.r.l.	ITALY	100%	EUR	100
DSV Real Estate Warsaw II Sp. z o.o.	POLAND	100%	PLN	4,520
DSV Singapore Real Estate Holding Pte. Ltd.	SINGAPORE	100%	SGD	100
DSV Verona S.r.l.	ITALY	100%	EUR	100
DSV Real Estate Oem A/S	DENMARK	100%	DKK	500
DSV Real Estate Ghent NV	BELGIUM	100%	EUR	62
DSV Real Estate Lodz Sp. z o.o.	POLAND	100%	PLN	5
DSV Road S.r.l.	ITALY	100%	EUR	8,000
DSV Road Single Member S.A.	GREECE	100%	EUR	900

Associated Companies

Company name	Registered office	Ownership	Currency	CUR'000 Share Capital
AEP Logistics Properties Venlo B.V.	NETHERLANDS	30%	EUR	1

Other investments

Company name	Registered office	Ownership	Currency	CUR'000 Share Capital
DSV Road S.R.L.	ROMANIA	2%	EUR	2,246
DSV Solutions S. A. de C.V	MEXICO	0%	MXN	59,640
DSV Air & Sea Limited	ZAMBIA	0%	ZMW	345
DSV Air & Sea Brasil Ltda.	BRAZIL	0%	BRL	360,660
DSV Road, S.A. de C.V.	MEXICO	0%	MXN	16,540

## Financial statements 1 January - 31 December

### NOTES

#### Note 9. Deferred tax asset

	2023 DKK '000	2022 DKK '000
Deferred tax asset at 1/1	1,048	926
Deferred tax for the year	<u>2,239</u>	<u>121</u>
<b>Deferred tax asset at 31/12</b>	<b><u>3,287</u></b>	<b><u>1,048</u></b>

Deferred tax asset relates to:

Tangible assets	214	120
Other liabilities	<u>3,073</u>	<u>927</u>
<b>Deferred tax asset</b>	<b><u>3,287</u></b>	<b><u>1,048</u></b>

#### Note 10. Share capital

Contributed capital consist of 1 share to nominal value t.DKK 100,000 and no changes for the last 5 years.

#### Note 11. Contingent liabilities and Contractual obligations

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 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.

DSV A/S has issued letter of support for DSV Road Holding A/S to provide financial support to the extent necessary, allowing the company enterprises to continue their activities and meet their obligations towards third parties.

	2023 DKK '000	2022 DKK '000
Guarantees for rent commitments, indemnification and subordination agreements re. subsidiaries.	<u>903,703</u>	<u>767,815</u>

#### Operating lease obligations

The Company has entered into the following operating lease agreement:

Lease agreement for offices where the company partially conducts its business.

	2023 DKK '000	2022 DKK '000
Expensed leasing fees relating to operating lease	1,020	-
Future minimum lease payments regarding non-cancelable operating leases		
To be paid within 1 year	1,360	-
To be paid later than 1 year but within 5 years	4,421	-

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### NOTES

#### Note 12. Related parties and ownership

DSV Road 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.

	2023	2022
	DKK '000	DKK '000
Transactions with related parties:		
Sale of service fee	148,044	119,387
Sale of administration fee	30,838	23,698
Purchase of service fee	11,546	9,877
Purchase of administration fee	84,375	60,503
Financial income	12,099	9,157
Financial expenses	103,023	24,702

The Company has bought shares from Group companies with a value of t.DKK 317,812 (2022 t.DKK 17,614), and made capital increases of t.DKK 319,072 (2022 t.DKK 389,969), and have sold shares to Group companies with a value of t.DKK 54,386 in 2023 (2022 t.DKK 0).

	2023	2022
	DKK '000	DKK '000
The company has following receivables and payables as of 31, December:		
Non-current receivables from Group enterprises	252,104	-
Current receivables from Group enterprises	80,618	144,363
Non-current payables to Group enterprises	223,641	-
Current liabilities to Group enterprises	3,193,294	2,948,655

##### 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 Road Holding A/S.

#### Note 13. Consolidated financial statement

The financial statements of DSV Road Holding A/S and its subsidiaries are included in the consolidated financial statements of DSV A/S, Hedehusene, Denmark. The consolidated financial statement of DSV A/S can be requested at the following address:

DSV A/S  
Hovedgaden 630  
DK-2640 Hedehusene  
Denmark

or:

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

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**Note 14. Proposed distribution of profit**

	<b>2023</b>	<b>2022</b>
	<b>DKK '000</b>	<b>DKK '000</b>
Dividend	1,200,000	800,000
Retained earnings	<u>43,348</u>	<u>4,247</u>
<b>Total distribution</b>	<b><u><u>1,243,348</u></u></b>	<b><u><u>804,247</u></u></b>