

DSV Road Holding A/S

Hovedgaden 630, 2640 Hedehusene

CVR No. 26 36 63 72

Annual Report

for the year ended 31 December 2020

^{20th} financial year

Approved at the Company's Annual General Meeting on 29 April 2021.

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 2020.

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 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, 29 April 2021

Executive Board:

Søren Schmidt

Board of Directors:

Jens Bjørn Andersen
Chairman

Jens H. Lund

Thomas Plenborg

Rene Falch Olesen

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 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 Road Holding 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 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, 29 April 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kim Tromholt
State Authorised Public Accountant
mne33251

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 Bjørn Andersen, (Chairman) Jens H. Lund Thomas Plenborg Rene Falch Olesen
Executive Board:	Søren Schmidt
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab

MANAGEMENT'S REVIEW

Financial highlights

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Key figures (in thousands):					
Revenue	16.469	20.535	16.970	15.372	13.080
Operating loss/profit	-3.682	-232	-3.049	1.327	4.104
Net financials	-14.476	331	-2.857	-356	2.311
Profit for the year	1.904.932	422.194	567.987	371.338	369.914
Shareholders' equity at year-end	2.395.150	942.504	1.090.637	1.559.403	1.535.130
Total assets	4.599.403	2.535.881	2.351.670	2.140.229	2.098.929
Investments for the year	703.255	200.861	97.970	120.849	389.674
Ratios:					
Net profit ratio	-22,36%	-1,13%	-17,97%	8,63%	31,38%
Return on equity	114,15%	41,53%	42,87%	24,00%	22,73%
Solvency ratio	52,08%	37,17%	46,38%	72,86%	73,14%

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

Net profit ratio	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
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 Panalpina A/S. The Company's financial statements are a part of the consolidated financial statements for DSV Panalpina A/S.

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

Business review

We estimate that market situation and performance for road freight was down by appr. 5-7% in 2020. In the second half of the year, the market gradually recovered and the domestic distribution markets showed year-on-year growth, whereas the market for international transports only partly recovered. Certain industries, especially in the automotive industry and capital goods, remained below normal activity levels.

Geographically, the Southern European and South African markets were more negatively impacted by the COVID-19 crisis than Northern/Eastern Europe and North America.

On top of the challenges in handling the COVID-19 situation, the preparations for Brexit impacted our operations during 2020, both in the UK and the rest of the network. We added capacity for custom clearance and prepared as much as possible in close cooperation with customers.

In 2020 we continued to develop our digital services. We added the DSV ETA module, which allows customers to receive a pre-alert on the day of delivery.

While digital development is crucial, our physical infrastructure – cross-dock terminals – are the backbone of our groupage network, and during 2020 we added two new terminals.

The development of our new transport management system – now called Road Way Forward – progressed in 2020. The comprehensive project is taking shape, and after a final pilot planned during 2021 we expect to start the roll-out at the end of year. Road Way Forward comprises several modules and is expected to facilitate improved productivity in the coming years through standardisation and automation of processes.

The net result for the year, shows a profit of t.DKK 1.904.932, which is above the result for 2019 and higher than the expectations. The reason for the higher result is higher return on investments in subsidiaries.

The result is considered satisfactory by the Management.

Investments

In 2020 the Company had investments in Group Enterprises and Associated Companies amounting to t.DKK 703.255.

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 Panalpina Group. The capital resource is supported by the Group's strategic goal to secure sufficient financial flexibility.

Outlook

In 2021, we hope to see market growth returning and we are ready to service our customers. International groupage is an important part of our product catalogue, and this is an area we plan to prioritise and optimise in 2021.

It is anticipated that the net profit for 2021 will be at same or a little higher level than the result for 2020 due to that it seems to be better control of the Covid 19 virus.

Unusual risks

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

MANAGEMENT REVIEW (continued)

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

DSV Road Holding A/S is a subsidiary of the DSV Panalpina Group. The Group issues a separate report on corporate social responsibility, the DSV Panalpina CSR Report, which is the Group's progress report (COP) under UN's Global Compact.

The report is available at: <http://www.dsv.com/responsibility/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.

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 Panalpina Group's Management Team. Equal gender representation in DSV Road 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:

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

Events after the reporting date

DSV Panalpina have the 27 April 2021 signed an agreement to acquire Global Integrated Logistics (GIL), which is the global logistics division of Kuwait-based Agility.

GIL is one of the world's top freight forwarding and contract logistics providers with annual revenue of USD ~4bn. GIL provides supply chain solutions via air, ocean and road freight forwarding, warehousing, distribution and special services in project logistics, chemical logistics, fairs and events.

GIL has more than 17,000 employees and offers services in more than 100 countries.

Our new company at a glance

- DSV Panalpina revenue will increase by approximately 23%
- DSV Panalpina will rank in the industry top three based on 2020 revenue
- The combined workforce will consist of more than 70,000 employees
- The combined company will have own operations in more than 90 countries
- Air & Sea will be substantially strengthened and consolidate its ranking among the largest providers globally with close to 2.8 million containers (TEUs) and more than 1.6 million tonnes of air freight transported annually.

The agreement is pending approval by the competition authorities. We expect to close the deal sometime during Q3 2021. Until then, it will be business as usual and DSV and GIL will operate separately. No contact with GIL is allowed.

A part from above no material events have occurred after 31 December 2020.

Financial statements 1 January - 31 December

INCOME STATEMENT

	Note	2020 DKK '000	2019 DKK '000
Revenue	2	16.469	20.535
Cost of operations		-11.717	-5.688
Other external expenses		<u>-50.222</u>	<u>-54.128</u>
Gross margin		-45.470	-39.281
Staff costs	3	-39.836	-36.453
Other operating income		<u>81.624</u>	<u>75.502</u>
Operating profit/loss		-3.682	-232
Income from investments in Group enterprises incl. impairment	4	1.919.638	425.571
Financial income	5	18.466	17.309
Financial expenses	6	<u>-32.942</u>	<u>-16.978</u>
Profit before tax		1.901.480	425.670
Tax on profit for the year	7	<u>3.452</u>	<u>-3.476</u>
NET PROFIT FOR THE YEAR		<u>1.904.932</u>	<u>422.194</u>

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BALANCE SHEET

ASSETS	Note	2020 DKK '000	2019 DKK '000
NON-CURRENT ASSETS			
Financial assets			
Investments in Group enterprises	8	2.935.662	2.280.431
Investment in Associated companies	8	-	-
Non-current receivables from Group companies		99.711	231.576
Total fixed assets investments		<u>3.035.373</u>	<u>2.512.007</u>
TOTAL NON-CURRENT ASSETS		<u>3.035.373</u>	<u>2.512.007</u>
CURRENT ASSETS			
Trade receivables		1.282	1.443
Receivables from Group companies		1.554.070	15.222
Tax receivables		5.462	3.059
Deferred tax asset	9	965	752
Other receivables		2.250	3.385
Total receivables		<u>1.564.029</u>	<u>23.861</u>
Cash at bank and in hand		<u>1</u>	<u>13</u>
TOTAL CURRENT ASSETS		<u>1.564.030</u>	<u>23.874</u>
TOTAL ASSETS		<u><u>4.599.403</u></u>	<u><u>2.535.881</u></u>

Financial statements 1 January - 31 December

BALANCE SHEET

EQUITY AND LIABILITIES	Note	2020 DKK '000	2019 DKK '000
EQUITY			
Share capital	10	100.000	100.000
Proposed dividend	14	1.950.000	422.194
Retained earnings		<u>345.150</u>	<u>420.310</u>
TOTAL EQUITY		<u>2.395.150</u>	<u>942.504</u>
LIABILITIES			
Current liabilities			
Suppliers of goods and services		9.166	7.108
Payables to Group companies		2.181.410	1.578.327
Other debt		<u>13.677</u>	<u>7.942</u>
Total current liabilities		<u>2.204.253</u>	<u>1.593.377</u>
TOTAL LIABILITIES		<u>2.204.253</u>	<u>1.593.377</u>
TOTAL EQUITY AND LIABILITIES		<u>4.599.403</u>	<u>2.535.881</u>
Contingent liabilities	11		
Related parties and ownership	12		
Consolidated financial statement	13		
Proposed distribution of profit	14		

Financial statements 1 January - 31 December**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Retained earnings	Dividend	Total
Shareholders' Equity at 1/1 2019	100.000	430.637	560.000	1.090.637
Other adjustments	-	-10.327	-	-10.327
Dividend distributed	-	-	-560.000	-560.000
Transfer regarding proposed distribution	-	-	422.194	422.194
Shareholders' Equity at 31/12 2019	100.000	420.310	422.194	942.504
Shareholders' Equity at 1/1 2020	100.000	420.310	422.194	942.504
Other adjustments	-	-30.092	-	-30.092
Dividend distributed	-	-	-422.194	-422.194
Transfer regarding proposed distribution	-	-45.068	1.950.000	1.904.932
Shareholders' Equity at 31/12 2020	100.000	345.150	1.950.000	2.395.150

Financial statements 1 January - 31 December

Note 1 Accounting policies

The 2020 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 Panalpina 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 Panalpina 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 Panalpina 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 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 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 statements 1 January - 31 December

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 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

Tangible fixed assets

Other plant and operating equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

* Other plant and operating equipment, 3-8 years

The basis of depreciation is determined in consideration of the asset's residual value and is reduced by possible write-downs. The residual value is determined at the time of acquisition. Yearly reassessment of residual values of plant and equipment are carried out.

Depreciation is recognised in the income statement as amortisation and depreciation on tangible fixed assets.

Gains and losses on the disposal of tangible fixed assets are determined as the difference between the selling price less selling costs and the book value on the date of disposal. The gains or losses are recognised in the profit and loss account as depreciation and write-down.

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

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

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 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 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.

Segmental disclosure

The Company has defined its activities as the primary segment. As the Company only has activities within road transportation, the Company only has one primary segment, which is why nothing further has been stated in the notes.

Financial statements 1 January - 31 December

NOTES

	2020 DKK'000	2019 DKK'000
Note 2. Revenue		
Segmentation of revenue on activity:		
Other	16.469	20.535
	<u>16.469</u>	<u>20.535</u>
Note 3. Staff costs		
Specification of staff costs:		
Salaries, wages, share options and warrants	37.208	33.322
Pension costs	2.406	2.983
Other expenses for social security	60	33
Other staff costs	162	115
	<u>39.836</u>	<u>36.453</u>
Average number of employees	<u>43</u>	<u>46</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 Panalpina 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 Panalpina 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.

	2020 DKK'000	2019 DKK'000
Note 4. Income from investments in Group enterprises incl. impairment		
Dividend received from subsidiaries	1.940.472	521.402
Impairment of investments in subsidiaries	-20.834	-91.241
Loss from divestments in Group enterprises and Associated companies	-	-4.590
	<u>1.919.638</u>	<u>425.571</u>
Note 5. Financial income		
Financial income from Group enterprises	5.538	7.008
Foreign currency translation adjustments	12.928	10.268
Other interest income	-	33
	<u>18.466</u>	<u>17.309</u>
Note 6. Financial expenses		
Financial expenses from Group enterprises	9.755	6.736
Foreign currency translation adjustments	23.153	8.147
Other interest expenses and similar charges	34	2.095
	<u>32.942</u>	<u>16.978</u>

Financial statements 1 January - 31 December

NOTES

	2020 DKK'000	2019 DKK'000
Note 7. Tax for the year		
Current tax for the year	6.329	-456
Adjustment of the deferred tax charge for the year	212	7
Withholding tax	-2.175	-3.025
Prior year adjustments	-914	-2
	<u>3.452</u>	<u>-3.476</u>
Note 8. Financial assets		
Investments in Group enterprises and Associated companies:		
Cost	Associated Companies	Group Enterprises
Balance at 1/1 2020	58	3.516.899
Capital increase	-	225.039
Additions	-	478.216
Disposals	-	-
Cost at 31/12 2020	<u>58</u>	<u>4.220.154</u>
Write-offs and fair value adjustments		
Write-offs and fair value adjustments at 1/1 2020	-58	-1.236.468
Write-off and fair value adjustments for the year	-	-20.834
Reduction of dividend received which exceed accumulated earnings after the date of acquisition	-	-27.190
Write-offs and fair value adjustments at 31/12 2020	<u>-58</u>	<u>-1.284.492</u>
Carrying amount at 31/12 2020	<u>0</u>	<u>2.935.662</u>

Financial statements 1 January - 31 December

Note 8. Financial assets - continued

				CUR'000
Company name	Registered office	Ownership	Currency	Share Capital
DSV Road A/S	Denmark	100%	DKK	42.000
DSV Property ApS	Denmark	100%	DKK	50
GP0615 ApS	Denmark	100%	DKK	50
DSV Real Estate Valby A/S	Denmark	100%	DKK	500
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.	UK	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	203
DSV SGPS Lda	Portugal	99%	EUR	125
DSV Road Holding S.A.	France	100%	EUR	1.500
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.	Turkey	100%	TRY	8.289
DSV Road EOOD	Bulgaria	100%	BGN	2.020
DSV HELLAS S.A.	Greece	100%	EUR	2.400
DSV Road OOO	Russia	100%	RUR	35.009
OOO DSV Transport	Russia	100%	RUR	44.231
DSV Road Sp. z.o.o.	Poland	100%	PLZ	25.122
DSV Real Estate Warsaw Sp. z o.o.	Poland	100%	PLZ	4.780
DSV Slovakia S.R.O.	Slovakia	100%	EUR	10
DSV Road a.s.	Czech Republic	100%	CZK	2.520
DSV Transport d.o.o.	Slovenia	100%	EUR	314
DSV Hrvatska d.o.o.	Croatia	100%	HRK	73
DSV Road d.o.o.	Serbia	100%	RSD	54.122
DSV Transport Int'l S.A	Morocco	100%	MAD	1.598
DSV ROAD DOOEL Skopje	Macedonia	100%	MKD	615
DSV Logistics LLC	Ukraine	100%	UAH	5.338
DSV Transport Ltd.	Belarus	100%	BYN	6
DSV Road, Inc.	Canada	100%	CAD	4.800
DSV Group Serviços Unipessoal, Lda	Portugal	100%	EUR	3
DSV Solutions Brasil Serviços de Logística Ltda.	Brazil	99%	BRL	21.100
DSV Real Estate Tamworth Ltd.	UK	100%	GBP	0

Associated companies

DSV Air & Sea Portugal, LDA	Portugal	22%	EUR	1.850
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Note 9. Deferred tax asset

	2020 DKK'000	2019 DKK'000
Deferred tax asset at 1/1	752	736
Deferred tax for the year	213	7
Deferred tax adjustment relating to previous years	-	9
Deferred tax asset at 31/12	965	752

Deferred tax asset relates to:

Tangible assets	43	57
Other liabilities	922	695
Deferred tax asset	965	752

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

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.

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

	2020 DKK'000	2019 DKK'000
Guarantees for rent commitments, letters of comfort, indemnification and subordination agreements re. subsidiaries.	991.865	852.101

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Note 12. Related parties and ownership

DSV Road Holding A/S related parties comprise the following:

Parties exercising control

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

Other

The Company's related parties are the companies in the DSV Panalpina 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.

	2020	2019
	DKK'000	DKK'000
Transactions with related parties:		
Sale of service fee	98.085	96.037
Sale of administration fee	5.651	8.007
Purchase of service fee	8.780	7.776
Purchase of administration fee	43.069	47.068
Financial income	5.538	7.008
Financial expenses	9.755	6.736

The Company has bought shares from group companies with a value of t.DKK 478.216 (2019 t.DKK 110.159), made capital increases of t.DKK 225.039 (2019 t.DKK 90.679) and established companies with t.DKK 0 (2019 t.DKK 23).

	2020	2019
	DKK'000	DKK'000
The company has following receivables and payables as of 31, December:		
Non-current receivables from Group companies	99.711	231.576
Current receivables from Group companies	1.554.070	15.222
Current liabilities to Group companies	2.181.410	1.578.327

Ownership

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

DSV Panalpina 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 Panalpina A/S, Hedehusene, Denmark. The consolidated financial statement 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

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Note 14. Proposed distribution of profit:

	2020	2019
	DKK '000	DKK '000
Dividend	1.950.000	422.194
Retained earnings	<u>-45.068</u>	<u>-</u>
Total distribution	<u><u>1.904.932</u></u>	<u><u>422.194</u></u>