Global Transport and Logistics

DSV A/S
Hovedgaden 630
2640 Hedehusene
Denmark

CVR no. 58 23 35 28

1 January – 31 December 2023

Annual Report 2023

Keeping supply chains flowing

Delivering sustainable growth

DSV is one of the world's leading freight forwarders. We connect companies with the world and ensure smooth and efficient storage and transport of their goods. By air, sea and road.

We keep supply chains flowing – from shipper to customer – and help to deliver sustainable growth. By giving our customers the logistics services they require. By running a profitable operation that delivers return on investment for our shareholders. And by giving our people an inspiring place to work and equal opportunities to develop their talent.

Combining the latest technologies and the talent of our strong global workforce, we make supply chains leaner and more efficient. That is how we will help to shape a sustainable future.

Welcome to our Annual Report 2023.

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Annual Report for the year ending 31 December 2023
(47th financial year). Published 1 February 2024.

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Letter from our new CEO and our departing CEO

Changing of the guards while keeping supply chains flowing

Over the last 12 months, we have witnessed soft demand and a gradual normalisation of global freight markets. Within this environment, we utilised our flexible business model and our dedicated employees delivered solid financial results. 2023 was also a year when we announced an exclusive logistics joint venture with NEOM Company, fine-tuned our organic growth strategy and developed our decarbonisation roadmap. DSV is in good shape for Jens Lund to succeed as Group CEO and continue to deliver on our long-term ambitions.

Solid financial performance
We delivered a solid set of results in a year where global trade volumes and freight rates were in decline and freight markets highly competitive. Our gross profit for the year amounted to DKK 43,818 million (-13.4%), and our operating profit before special items was DKK 17,723 million (-27.4%), in line with our financial guidance for the year.

Our adjusted free cash flow for 2023 totalled DKK 11,471 million (-49.7%) and ROIC 17.8% compared to 25.1% last year. Read more about our Group results on pages 20-23.

The decline in earnings was expected after recent years' extraordinary market conditions. The normalisation had the most significant impact in our Air & Sea division, where a general macroeconomic slowdown and reduction of global inventory impacted activity levels significantly. Across all three divisions we delivered a strong performance. During the year, we have utilised our flexible business model, adjusting capacity when needed, and we maintained our focus on delivering good service and creating value for our customers.

Navigating macroeconomy and geopolitics
We began 2023 under a cloud of uncertainty, amid high inflation and rising interest rates. These macroeconomic factors alongside the normalisation of market conditions had a significant impact on trade volumes. Towards the end of 2023, we saw some improvements in volumes, but a real pick-up in demand did not materialise.

Geopolitical conflicts and regional instabilities impacted our operations and added to existing economic uncertainty. The war in Ukraine and subsequent sanctions on Russia continued to exert pressure on trade flows and impact commodity prices.

More recently, the Israel – Hamas conflict has led to further regional unrest. And as we write this, recent attacks on commercial ships in the Red Sea continue to disrupt access to the Suez Canal. This has caused new unrest and is a clear reminder that global supply chains are fragile and that we must be flexible and do our part to keep supply chains flowing.

Growth strategy
Within this ever-evolving and competitive landscape, it is essential that we have a clearly defined strategy to navigate towards future growth. We have built a strong foundation via several acquisitions – and we continue to have appetite for M&A.

This goes hand in hand with our focus on organic growth and our aim to increase our market share across our divisions. In 2023, we strengthened our network services for the global air and sea markets as well as the European road market. We are already seeing positive results from these efforts, and we will continue to develop these business areas.

Another important component of our growth strategy is a more customer-focused approach. Recent supply chain challenges have reinforced the importance of being able to understand our customers' industries and address their unique challenges. To this end, we are strengthening our commercial approach with even greater emphasis on industry-specific solutions.

It has also been exciting to witness new technologies such as our AI Factory being utilised within our organisation this year. Digitalisation and efficient infrastructure are key enablers for growth in our industry, and we have developed long-term strategies for these areas to support supply chain visibility for our customers and enhance our own productivity.

A new venture
In 2023, we announced a new joint venture with NEOM Company, which is developing the NEOM region in Saudi Arabia. It is a one-of-a-kind project, and our role will be to provide transport and logistics services in the coming years. The NEOM joint venture represents an important strategic growth opportunity for DSV, both in the Middle East and our global network. We are proud of this exclusive agreement and look forward to getting it up and running – which is expected to be in the second quarter of 2024.

As a global organisation, we must ensure that consistent human and labour rights protections are in place across all operations. DSV's policies and values also extend to the NEOM joint venture, which will be operated under the same human rights policy and safe working standards that we have in place across our global network, including our existing subsidiaries in Saudi Arabia.

Roadmap for our sustainability journey
Early in 2023, we updated our 2030 mid-term targets and committed to reaching net-zero carbon emissions across our operations by 2050. In 2023, we developed carbon roadmaps, providing milestones and outlining the main tools, initiatives and technologies required to address our decarbonisation targets. Our roadmaps set a clear framework for each division to align our climate action for scopes 1, 2 & 3.

During the year, we supported several new sustainability initiatives through funding from our internal CO_2 fee programme and introduced DSV Energy, with the aim of utilising our facility rooftops for renewable energy production. To meet our future targets, we must collaborate with our customers and suppliers. Our Green Logistics services continue to evolve, enabling customers to decarbonise their supply chains and get closer to their emissions targets.

Thank you
We have been on a fantastic journey together since 2008 and would like to take this opportunity to thank our customers, suppliers and partners for their support and confidence in DSV during Jens Bjørn's almost 16 years as Group CEO. We would also like to thank our many dedicated DSV colleagues around the world, who have been and continue to be central to DSV's growth and success.

Whatever the market challenges we will encounter in 2024, we have a strong team and have established a solid foundation for DSV's continued growth in the coming years.

Jens Bjørn Andersen
Departing Group CEO, DSV A/S

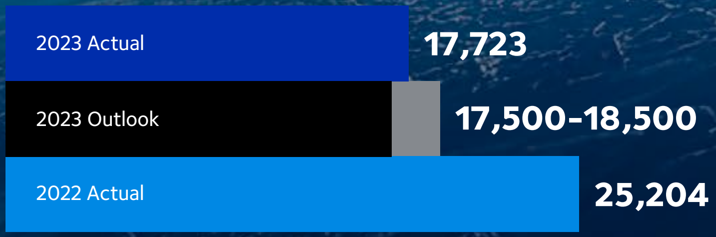
Jens H. Lund
New Group CEO, DSV A/S

Highlights 2023

Group results

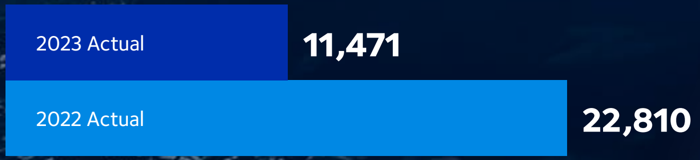
EBIT before special items

EBIT before special items was in line with our latest outlook for the year, and as expected, the financial results for 2023 did not match the record earnings of 2022. During most of 2023, the demand for transport and logistics services was impacted by economic slowdown and destocking. With our classic DSV approach, we utilised our flexible business model to adjust capacity, optimise productivity and project earnings.



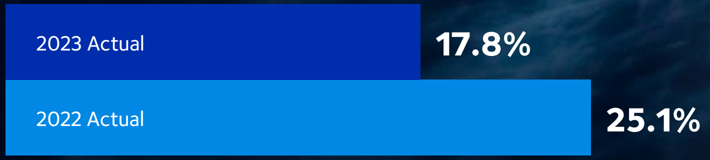
Adjusted free cash flow

Adjusted free cash flow was down compared to last year, primarily due to lower EBITDA. In line with our capital allocation policy, we allocated DKK 15,421 million to shareholders in 2023 through share buyback and dividend.



ROIC before tax

The decline in return on invested capital before tax was due to lower earnings while invested capital was stable. We maintain our 2026 target of a minimum pre-tax ROIC of 20%.



Gross profit

DKK 43,818 million

-13.4%
growth in 2023

Air & Sea
60% of total

Road
18% of total

Solutions
22% of total

Growth in constant currencies.

EBIT before special items

DKK 17,723 million

-27.4%
growth in 2023

Air & Sea
76% of total

Road
11% of total

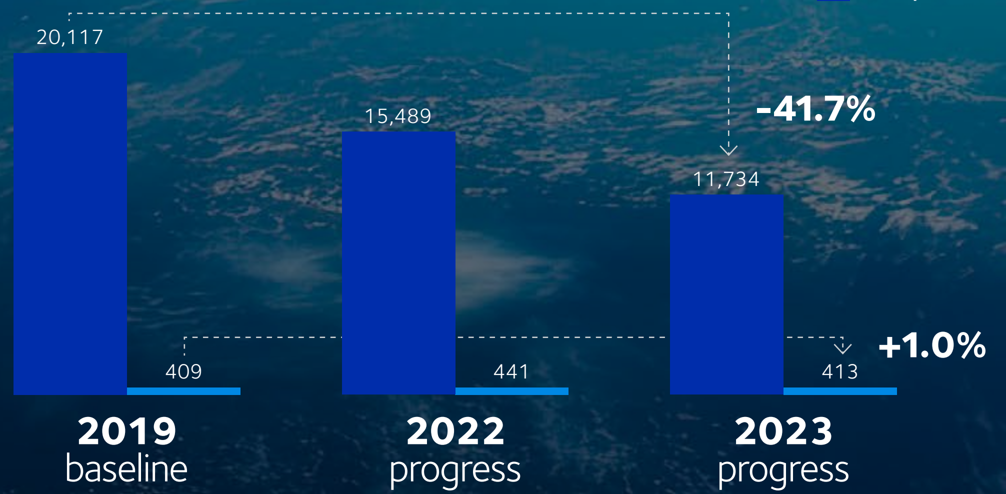
Solutions
13% of total

Growth in constant currencies.

	Gross profit	EBIT before special items
Americas	DKK 11,166 million **25%** of total	DKK 5,073 million **29%** of total
EMEA	DKK 25,300 million **58%** of total	DKK 8,668 million **49%** of total
APAC	DKK 7,352 million **17%** of total	DKK 3,982 million **22%** of total

Decarbonisation progress

SBTi target boundary (CO_2e - '000 tonnes)



Air & Sea

In a market characterised by reduced volumes and a gradual normalisation of both freight rates and gross profit yields, the division saw gross profit down 22.4% and EBIT down 33.1% for the year. The negative volume trend was most significant for air freight, whereas the demand for sea freight was more resilient. With strong focus on capacity management, the division maintained a conversion ratio above 50% for the year.

EBIT before special items: DKK 13,363 million

-33.1%

Road

Despite the soft markets with lower activity and declining freight rates, the division achieved good operational performance and results. Gross profit and EBIT before special items were in line with 2022. We estimate that the division grew across most markets as a result of our strong network and market position.

EBIT before special items: DKK 2,009 million

-0.1%

Solutions

The division reported a 5.0% increase in gross profit but 10.7% decrease in EBIT before special items for 2023. The market was impacted by the general decline in global trade, but with pockets of growth, mainly within the e-commerce segment. The division continued the consolidation into multi-client campuses and the expansion of its global footprint.

EBIT before special items: DKK 2,355 million

-10.7%

Five-year overview

Financials

Financials	2023	2022	2021	2020	2019
Results (DKKm)					
Revenue	150,785	235,665	182,306	115,932	94,701
Gross profit	43,818	52,149	37,615	28,534	23,754
Operating profit before amortisation and depreciation (EBITDA) before special items	22,997	30,275	20,417	13,559	10,292
Operating profit (EBIT) before special items	17,723	25,204	16,223	9,520	6,654
Special items, costs	-	1,117	478	2,164	800
Net financial expenses	1,233	866	841	1,729	858
Profit for the year	12,407	17,671	11,254	4,258	3,706
Adjusted earnings	12,650	18,765	11,847	6,146	4,456
Cash flow (DKKm)					
Operating activities	16,458	26,846	12,202	10,276	6,879
Investing activities	(2,030)	(966)	420	(556)	1,371
Free cash flow	14,428	25,880	12,622	9,720	8,250
Adjusted free cash flow	11,471	22,810	8,659	8,746	3,678
Share buyback	13,997	20,313	17,841	5,031	4,888
Dividends distributed	1,424	1,320	920	588	423
Cash flow for the year	(3,146)	1,635	3,942	2,721	766
Gross investment in property, plant and equipment	2,030	1,514	1,180	1,121	1,000
Financial position (DKKm)					
DSV A/S shareholders' share of equity	68,703	71,519	74,103	47,385	49,430
Non-controlling interests	263	222	175	(88)	(111)
Total assets	147,110	159,045	161,395	96,250	97,557
Net working capital (NWC)	4,742	5,116	8,031	2,701	3,125
Net interest-bearing debt (NIBD)	34,583	29,870	29,245	18,189	18,355
Invested capital	99,973	99,540	101,231	64,285	68,595

Ratios

Ratios	2023	2022	2021	2020	2019
Financial ratios (%)					
Gross margin	29.1	22.1	20.6	24.6	25.1
Operating margin	11.8	10.7	8.9	8.2	7.0
Conversion ratio	40.4	48.3	43.1	33.4	28.0
Effective tax rate	24.8	23.9	24.5	24.3	25.8
ROIC before tax	17.8	25.1	19.6	14.3	13.4
Return on equity	17.6	24.1	18.4	8.8	11.6
Solvency ratio	46.7	45.0	45.9	49.2	50.7
Gearing ratio	1.5	1.0	1.4	1.3	1.8
Share ratios					
Earnings per share of DKK 1	57.7	77.3	49.3	18.7	18.7
Diluted adjusted earnings per share of DKK 1	58.7	81.4	50.9	26.5	22.1
Number of shares issued ('000)	219,000	219,000	240,000	230,000	235,000
Share price at year-end (DKK)	1,185.5	1,096.5	1,527.5	1,020.0	767.8
Proposed dividend per share (DKK)	7.00	6.50	5.50	4.00	2.50

Sustainability

Sustainability	2023	2022	2021	2020	2019
CO_2e (g/tonne-km) - Air transport	627.6	694.4	707.4	704.0	718.2
CO_2e (g/tonne-km) - Sea transport	7.0	6.6	6.5	6.2	6.4
CO_2e (g/tonne-km) - Land transport	94.3	89.4	89.8	86.3	93.2
Lost Time Injury Frequency Rate	3.3	2.8	4.5	6.7	5.0
Lost workdays due to lost time injury	50.7	52.0	61.0	78.8	97.5
Gender diversity (%) (female/male)	38/62	39/61	38/62	38/62	39/61
Employee turnover ratio (adjusted for synergies)	20.7	22.1	21.9	20.5	21.1
Full-time employees (FTE)	73,577	76,283	77,958	56,621	61,216

For a definition of financial key figures and ratios, please refer to page 82.
For a definition of sustainability data, please refer to our Sustainability Report.

Our purpose and strategy

We continue to pursue organic growth complemented by acquisitions to further strengthen our market position. We have in 2023 strengthened our global network, and we have taken the first steps towards an even more customer-focused approach.

Keeping supply chains flowing
Our strategy is anchored in our corporate purpose of keeping supply chains flowing in a world of change, acknowledging our role as part of the global infrastructure enabling world trade.

As one of the world's leading freight forwarders, we move millions of shipments across oceans and continents. We have earned the trust of our customers and partners by ensuring smooth and efficient storage and distribution of our customers' goods, by air, sea, road and rail.

With global supply chains becoming increasingly complex, we are focused on leveraging our leading global network and enhancing our service offerings. All with the ambition of creating long-term value and sustainable growth for our customers, employees, shareholders and society as a whole.

Enabling sustainable growth through operational excellence
Our organic growth target remains unchanged: we pursue profitable above-market growth, and we aim to gain market share across our three divisions and the markets we operate in.

As our global organisation becomes larger, the geographical footprint more diverse and the services we offer to our customers more advanced, our foundation will always be operational excellence.

We do this by creating efficient and sustainable global trade flows for our customers. And by combining the talent of our strong workforce with scalable physical and digital infrastructure facilitating efficient workflows.

By defining and standardising our service offerings across geographies and divisions, we enable digitalisation and automation and high, consistent service levels.

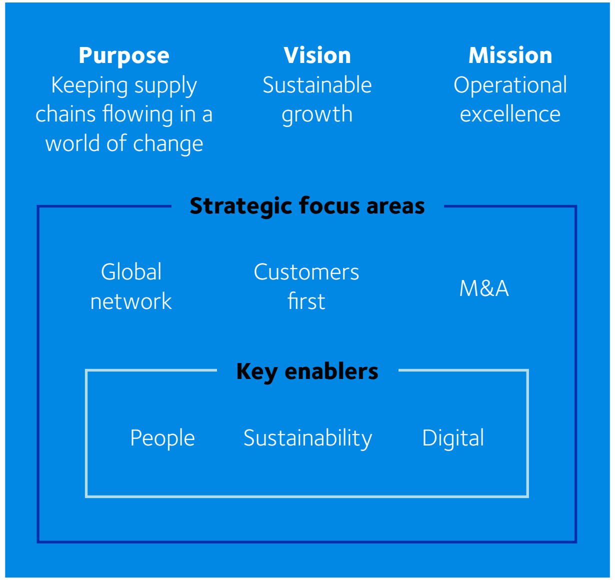
As we pursue the best and most efficient solutions, we remain mindful of the environmental impact of our services, driving down resource consumption as well as providing our customers with options to reduce emissions.

Leveraging our global network
The successful integrations of UTi Worldwide, Panalpina Welttransport and Agility's Global Integrated Logistics (GIL) have turned us into a top three global player in our industry with a worldwide geographical footprint and more advanced and competitive service offerings to our customers.

Being a global corporation, we leverage our extensive scale. We implement enterprise-level solutions and collaborate to ensure uniformity throughout our network, with a focus on centralising relevant operational and back-office functions.

To optimise efficiency, reduce costs and enhance overall supply chain performance for our customers, we offer end-to-end and multimodal services

Our strategy model



across our global network and divisions, managing the entire supply chain process from origin to destination.

During 2023, we have strengthened our network through the strategic development of our network services, and we have seen positive results of these efforts. This includes our air charter network, our LCL (less-than-container load) network, our European groupage network as well as our e-commerce solutions.

Through the establishment of large, automated multi-user warehouses, we offer flexible and modern contract logistics solutions, accommodating changes in global supply chains and distribution channels.

In October 2023, we announced an exclusive logistics joint venture with NEOM, offering a significant long-term growth opportunity, both in Saudi Arabia and for the global DSV network. Completion is subject to incorporation of the entity and issuance of relevant public operating licenses in Saudi Arabia, which are expected in Q2 2024.

Customers first

We are continuously advancing our industry expertise and digital solutions to strengthen our customers' experience. This enables us to take an outside-in approach, understanding our customers' pain points and proactively address topics like supply chain optimisation and sustainability.

Driven by acquisitions, our customer mix has changed in recent years, tipping from small and medium-sized customers towards larger customers. To strengthen our value proposition towards and relationship with this segment, we expand our control towers and centres of excellence setup with the needed industry specific capabilities, e.g. within automotive, industrials, fashion/retail, healthcare and technology. This enables us to offer tailored solutions and one point of contact across our divisions for both commercial, operational and financial inquiries.

We continue to optimise and digitalise our customer facing applications, including our portal myDSV and through API/EDI integrations to improve the customer experience and provide supply chain visibility for our customers.

Acquisition strategy to complement organic growth

We monitor the market for relevant, value-creating acquisitions, as we believe there is room for further consolidation within the fragmented transport and logistics industry. We target both large freight forwarding companies and small companies with specific logistics competences.

In April 2023, we acquired the US-based transport and logistics companies S&M Moving Systems West and Global Diversity Logistics, thereby strengthening our position within the semiconductor industry.

People is our DNA

Our close to 75,000 employees worldwide – from office workers to warehouse operatives – are the heart of our business and pivotal for the long-term success of our company.

We maintain a flat, locally empowered organisation with a high degree of ownership and P&L accountability. We combine this with strong global systems, workflows and policies. The flat organisational structure allows for swift escalation and timely response to issues that impact our customers as well as the Group's earnings and financial and strategic targets.

Diversity makes us a more dynamic place to work, ultimately leading to better business decisions. Representing more than 160 nationalities in over 80 countries, we focus on providing a safe, healthy and nurturing workplace with an inclusive culture, where everyone is provided with the right digital tools, training and conditions to grow and develop their talent.

As for any company, hiring and keeping talented employees is critical for us. To attract, motivate and retain the best, we provide career advancing opportunities through our DSV Academy and our talent management programmes.

Digitalisation is a driving force

Technology and digitalisation are paramount in achieving transparency, productivity and scalability in our business and have always been a key enabler for DSV. We continuously monitor the latest trends and adopt new technologies that benefit our business and our customers.

We ensure transparency across our business by measuring productivity and financial performance, providing our managers with the required insights to inform their decision making. High data quality across systems, activity-based costing and a strong financial organisation are key elements in this.

To support our growth strategy, both our physical and digital infrastructure must be able to scale. Working according to the principle of one main system per business area, we run a consolidated, standardised and scalable IT platform and, where available, we use standard off-the-shelf IT systems with high focus on data quality and security. All planning of our infrastructure and innovation is based on enterprise solutions which can be applied across our network.

Driving decarbonisation in logistics

We are committed to ensuring responsible and sustainable business practices everywhere we operate. Together with customers, industry partners and stakeholders we strive to develop solutions that benefit both our planet and our business.

We have committed to net-zero emissions across our operations by 2050 and have set ambitious mid-term targets for 2030, accompanied by detailed roadmaps. Our sustainability strategy is described in more details in the following chapter.

Fitter for the future

Our skilled people, strong digital infrastructure and a clear sustainability strategy are vital enablers for our continued journey. Based on the strong foundation we have today, our ambitions for the coming years revolve around three areas to drive growth: leveraging our global network, customers first and M&A.

Our commitment remains unchanged: we aim to create value for DSV's stakeholders – not least our shareholders.

Sustainable logistics for a fast-changing world

Sustainability plays a key role in our business strategy and we continue to evolve our strategy and progress towards our ambitious targets.

Sustainability in DSV is anchored at our highest management levels with the Board of Directors and the Executive Board.

In close collaboration with the Executive Board, the Board of Directors is responsible for setting the direction for our sustainability agenda. It shapes the strategy, reviews the performance and further develops our sustainability strategy and targets in close cooperation with the Executive Board.

To help drive strategic direction and progress, we have established a Sustainability Board, which consist of the Executive Board, divisional management and other relevant management representatives.

Our approach to sustainability
Our sustainability strategy and priorities are based on recurrent analyses of materiality, risks and opportunities and on continuous dialogue with our stakeholders. Our sustainability priorities, material topics and main targets are highlighted in the adjacent figure.

Sustainability strategy

	Environment	Social	Governance
Sustainability priorities	**Reducing our impact** We act as a key enabler for decarbonisation across our value chain with the aim of reducing transport and logistics emissions. We are committed to reducing the environmental impact throughout our operations.	**Caring for our employees** We strive to be a safe and inclusive place to work. We work hard to attract and keep talent by giving employees responsibility and growth opportunities. We want to promote diversity, protect rights and improve our employees' well-being. **Engaging with communities** We work with local communities across the globe. We respond to local needs, challenges and emergencies everywhere we do business.	**Doing business with integrity** We operate with honesty and transparency and pay taxes where we generate our profits. We handle data ethically with appropriate safeguards around data privacy. **Running a responsible supply chain** We make sure our suppliers meet our standards and understand our sustainability goals.
Material topics	• Climate change • Waste management and recycling	• Diversity and inclusion • Human capital development • Health and safety • Labour rights & working conditions • Human rights • Community engagement	• Business integrity • Responsible supply chain • Tax transparency • Data ethics and cybersecurity
Highlighted targets	**2024** Total percentage of recycled waste – 53%. 4% reduction of total CO_2 emissions in scopes 1 and 2. **2030** Reduce scopes 1 and 2 absolute emissions by 50% and scope 3* absolute emissions by 30% (2019 baseline).	**2024** Number of fatalities must not exceed 0. Lost Time Injuries Frequence Rate (LTIFR) must not exceed 3.5 per million working hours. An eNPS score in our global engagement survey that is at or above the global benchmark. Increase the percentage of female leaders on director level and above.	**2024** Ensure that all salaried employees receive training on DSV's Code of Conduct every 24 months. Perform 1,000 supplier audits.

* Scope 3 covers transportation and business travel. Target boundary includes land-related emissions and removals from bioenergy feedstocks.

Environment
As one of the world's largest freight forwarding companies, we are committed to reducing our environmental impact and to enable decarbonisation across our value chain.

DSV has committed to achieving net-zero operations in all scopes by 2050. Our near-term 2030 carbon reduction targets were validated by SBTi in 2023.

To ensure that we are on track to reach our carbon reduction targets, we developed a decarbonisation roadmap in 2023, outlining the main decarbonisation levers that are critical to move towards our 2030 targets and set the course towards net zero. We have a strong foundation in place, but it is also clear that the journey will require cooperation across the transport sector, regulation and, not least, the availability of scalable new technologies.

Through our Green Logistics services, we use our extensive knowledge of global supply chain networks to help our customers reduce emissions and eventually decarbonise their supply chains. In 2023, we added several new services to our Green Logistics catalogue. We carried out global training for our commercial organisation on our services, as we are seeing increasing demand for our Green Logistics services.

Across our operations we are working to optimise energy consumption, water usage and responsible natural resource management. In 2023, we updated our Waste management Policy and introduced new global targets for recycling to support a stronger focus on circular resource usage across our organisation.

In 2023, we also added new requirements to our construction tenders to include lifecycle carbon emissions. Furthermore, we carried out a biodiversity impact assessment for our own operations and for key activities in our value chain.

Social
DSV is a people business, and our employees are our most important asset. Approximately 75,000 employees of more than 160 nationalities in more than 80 countries make up DSV. Our employees represent various cultures, backgrounds and religious beliefs.

DSV strives to be a workplace where everyone can thrive, realise their potential and feel respected. We are committed to ensuring a healthy and safe working environment, respecting labour rights, fostering diversity and inclusion and supporting our employees with training and development opportunities across the organisation.

We conduct annual global people surveys for all employees to ensure that we can systematically identify, monitor and address relevant issues.

Human rights are fundamental and must be protected at all times. That is why all people who carry out services for DSV, whether directly as DSV employees or indirectly as employees of our suppliers, must be protected. In 2023, we launched a stand-alone Human Rights Policy to further detail and guide our organisation on our standards and our position towards salient human rights risks in our industry.

Our Human Rights Programme runs an annual cycle to ensure that human rights risks are identified, addressed and mitigated across all DSV entities – including our planned joint venture with NEOM company.

We are committed to supporting the local communities in which we do business and to support local needs as part of our engagement. In 2023, we entered a strategic partnership with UNICEF with a shared vision to leverage our logistics network and expertise to provide children globally access to essential supplies.

This year, we also launched an interactive Sustainability Impact Map on our website. The impact map showcases the many different local initiatives taken across our global operations to reach our sustainability priorities.

Governance
We are committed to doing business with integrity, respecting different cultures and the dignity and rights of individuals. Our strong set of ethical standards governs how we do business and holds our suppliers to the same standards of integrity.

Our ethical behaviour is governed by our business ethics framework, which sets clear standards throughout our operations. The framework consists of our Code of Conduct, including a zero-tolerance approach towards any form of bribery or corruption, as well as a Supplier Code of Conduct and Whistleblower Policy. In 2023, we carried out a global awareness campaign to support awareness of our ethical standards and DSV's Whistleblower system.

As a freight forwarder, our services are generally performed by third-party suppliers. We set the same standards for our suppliers as we do for our employees through our Supplier Code of Conduct.

For more information on developments within each ESG area, please refer to our **Sustainability Report** at: https://www.dsv.com/en/sustainability-reports

Reporting on corporate social responsibility

Reporting on corporate social responsibility cf. section 99a of the Danish Financial Statements Act
We have reported separately on corporate social responsibility in our Sustainability Report 2023, in accordance with section 99a of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Reporting on diversity cf. section 107d of the Danish Financial Statements Act
We have reported separately on diversity in our Sustainability Report 2023, in accordance with section 107d of the Danish Financial Statements Act.

Our business model

We ship freight by land, sea and air and provide contract logistics. Our business model is flexible and asset light, which helps us to keep supply chains flowing efficiently, from shipper to consignee.

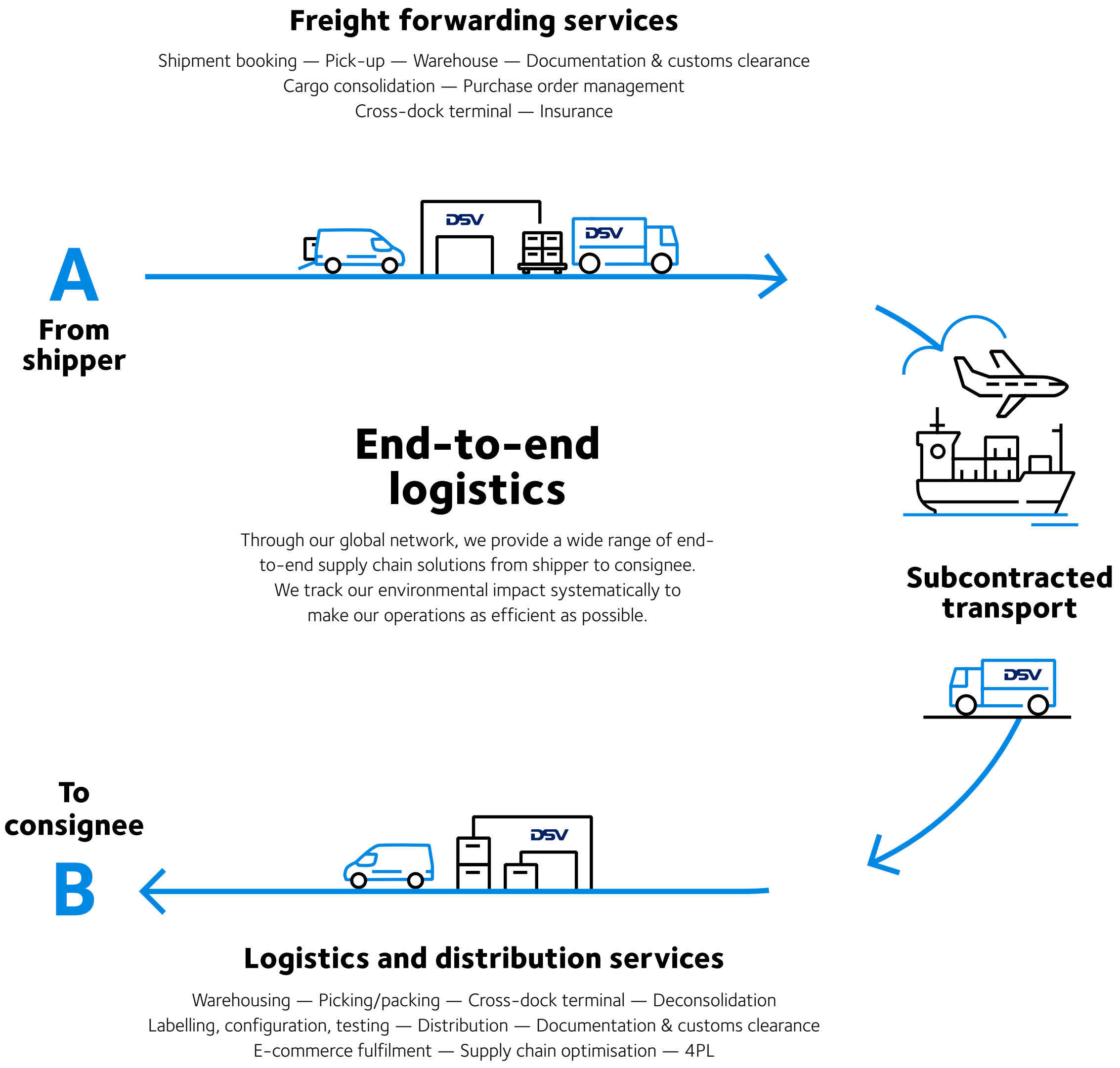
A light model for the right reasons
Our business model allows us to quickly scale activities to match changes in market demand or modes of transport. It also helps us choose the best partners for any service, based on reliability, available capacity, sustainability factors, transit time and price.

Although we are a global business, we are always close to local markets. Working with container carriers, airlines, road hauliers and railway operators, we move goods to wherever they are needed. And being one of the largest buyers globally means that we – and our customers – benefit from keen pricing and strong, long-standing relationships with carriers.

We offer a unique combination of a highly skilled workforce with extensive industry know-how, advanced IT systems, modern warehouses and terminals, strong carrier relationships and a global network across more than 80 countries.

Adding value to complex supply chains
As well as transport, our customers buy a full range of freight forwarding, logistics and distribution services from us, and we offer supply chain control towers where we monitor and optimise supply chains.

Our workflows are highly digitalised and our systems tightly integrated with customers and suppliers. To cut the environmental impact of our business, we work closely with customers and suppliers to track and minimise emissions across our entire supply chain – from shipper to final destination.



Our industry and market trends

The competitive landscape remains fragmented, and several trends are impacting our customers' supply chains – not least the trend towards dual sourcing and regionalisation of production.

A fragmented competitive landscape

With a market share of approximately 4%, we are among the top three global freight forwarders. Together, the top 20 forwarders have an estimated global market share of 30-40%. The rest of the market consists of multiple regional and local freight forwarders.

The highly fragmented market creates a competitive pricing landscape, but because of our scale and logistic competences, large freight forwarders like DSV are in a good position to consolidate the market and gain market share. Our acquisition track record is a strong example of this, and we expect the consolidation trend to continue in the coming years.

GDP sets the pace for market growth

Historically, there has been a correlation between the growth in global trade and the expansion of the global economy. However, in 2023, this correlation diverged due to global recalibration of inventory levels and a notable change in consumer spending post-COVID away from goods towards services. In the coming years, we expect that trade volumes will grow in line with GDP again, with the highest growth rates in emerging markets.

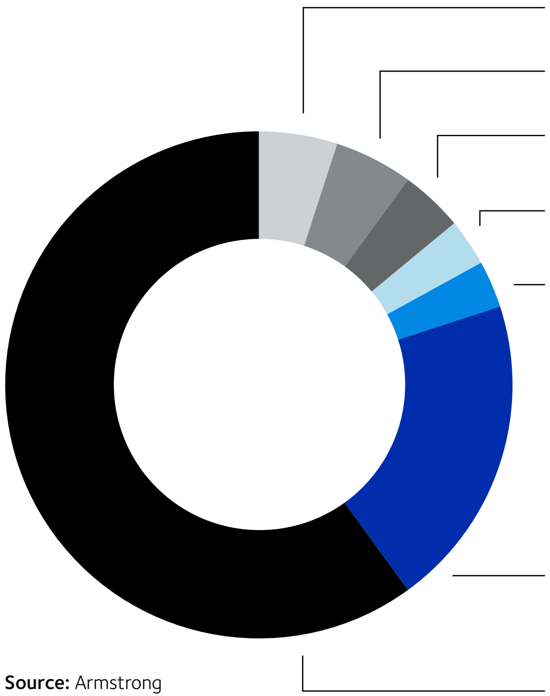
A world of change

Driven by changes to global supply chains, geopolitical events and new technology, several major trends are affecting our customers and the demand for transport and logistics services. We must understand these dynamics so we can act quickly to capitalise on opportunities and mitigate threats.

In the following table we have listed important trends affecting our industry.

Market share

Top five global freight forwarders and market share based on 2022 revenue.



Source: Armstrong & Associates and DSV estimates.

Trends	Their impact	Our response
Dual sourcing and regionalisation *Companies are adjusting their supply chains to reduce dependencies and protect their business against future risks. In recent years, several companies have implemented dual sourcing strategies and moved part of their production out of China.*	While China remains a significant production hub, countries like Viet Nam, South Korea and India have seen significant production sector growth. Sourcing from multiple countries reduces dependencies but creates more complex supply chains. Nearshoring or regionalisation creates new production hubs, with Mexico as the best example. Extra buffer inventory in proximity to the end market can be another way of making supply chains more robust.	We help our customers optimise their supply chains – suggesting efficiency improvements to increase reliability, cut costs or reduce the environmental impact. By providing supply chain visibility through our digital services, we can support planning and monitoring all the way from purchase order to final delivery. More complex supply chains may increase the demand for our services – e.g., purchase order management, cargo consolidation, customs clearance and warehousing.
Geopolitical instability and protectionism *Geopolitical instability causes tension and unrest. Global trade flows and economies are impacted by factors like protectionism, trade wars, and political and military conflicts.*	Across the globe, we continue to see new examples of conflicts, protectionism, changes to tariffs and embargoes. In 2023, the ongoing war in Ukraine and the conflict in the Middle East are examples of this development.	When such changes occur, we and our customers must react quickly to keep supply chains flowing. Short term, we can provide alternative routing and transport modes. Longer term, we help customers to adapt and optimise their supply chains. Additionally, we offer a strong compliance setup to help customers prepare for and adapt to market changes.
Greener supply chains *The demand for more sustainable supply chain solutions is growing – driven by increasing environmental regulations and consumer pressure.*	The transport and logistics industry is a major carbon emitter, and the sector as a whole must make a significant effort to develop environmentally sustainable business practices and reduce emissions from its activities. Having a clear sustainability strategy and service offering is increasingly becoming a “license to operate” for transport and logistics companies.	DSV is committed to the Science Based targets. In 2023, we updated our 2030 targets, which have all been validated by SBTi, and we have committed to being net zero by 2050. In 2023, we continued our efforts to support greener supply chains by implementing an internal carbon fee funding programme. We also launched DSV Energy, an internal function focusing on utilising DSV facilities for green energy production. Most importantly, we prepared roadmaps for our decarbonisation journey, which will be an important foundation for our work and dialogue with customers and vendors over the coming years.
The rise of e-commerce *Consumer behaviour is becoming increasingly digital, sending fulfilment centre and last-mile delivery activities skyward.*	During 2023, e-commerce continued to grow, although it did slow down alongside the global economy. We still expect structurally high growth in this area in the coming years, both for local and cross-border transactions.	We continue to see growth opportunities within the dynamic e-commerce landscape. Our strategic focus involves the establishment of automated e-fulfilment centres and customised solutions for large customers. Our e-commerce “plug & play” warehouse concept supports optimised customer onboarding through standardised rates, integrations and Warehouse Management System (WMS) setup.
Digitalisation and automation *Technology has transformed our industry over the past decades. This development will continue and will impact the way we operate and interact with customers and other stakeholders.*	Across supply chains, the demand for visibility and higher productivity – often in tight labour markets – drives technological development. Customer and vendor interactions are gradually changing from manual and classic EDI based to more modern API connections. And to drive productivity and support the fast-growing e-commerce segment, warehouses are increasingly being fitted with automated storage & retrieval systems.	We aim to combine our strong logistics competences with advanced digital solutions. We work with strategic roadmaps to develop our digital and physical infrastructure, and we implement scalable technology across our organisation. Read more about our approach to technology in the following chapter.
New competition emerging *A high level of competition has always been a part of our industry. In recent years, new competitors have entered our industry. This includes digital forwarders and a few of the established ocean carriers.*	Digital forwarders typically offer a simple, standardised range of services, mainly focused on online price quoting and booking. Digital forwarders have a high level of digital capabilities but a lower level of logistics capabilities, such as operational expertise, global networks, scale, warehouses and carrier relationships. A few of the established ocean carriers have launched door-to-door transport services. This has created scenarios where these carriers are both suppliers and competitors to freight forwarders.	Currently, the new market entrants have not gained material market shares. Leveraging our robust logistics strengths and a clear plan to bolster our digital capabilities, we are confident that DSV will remain highly competitive in the market.

A responsive approach

We monitor the latest trends and adapt technologies that benefit our customers and our business.

Our business operations rely on strong systems and technology. Last year, our scalable, digital platforms handled almost 360 million transactions. These platforms not only support efficient workflows; they also ensure fast and smooth integration of M&As and support our growth strategy. The following are some of the most significant technologies we are working with.

A digital customer journey fuelled by generative AI
A seamless digital customer journey is key to delivering the services and quality expected by our customers. We are already applying generative AI and similar technologies to digitalise the customer journey and eliminate double entry of data, which often leads to low data quality and slow processing. With more than 500,000 monthly transactions through our AI Factory, mainly related to handling of vendor invoices and customs clearance, we are making good progress.

We have a good customer adoption of our myDSV customer platform, and we have more than 10,000 direct integrations to carriers and customers. However, we still receive many e-mails with shipment data, and we see potential in automating the handling of these by implementing generative AI to both uplift data and feed our systems.

Across our network, several manual processes are candidates for automation, using generative AI to assist our employees. Identifying the right use cases and implementing enterprise solutions based on AI technology takes time and a systematic approach. We are taking this seriously by not only empowering our staff, but also encouraging them to drive further digitalisation.

Digital warehouse twins to drive further automation
We are working closely with our customers to increase automation and digitalisation of our warehouses, with the implementation of digital twins being a key enabler. Digital warehouse twins enable us to reduce labour intensive tasks, optimise warehouse utilisation, reduce damages and improve the quality of our services. The technology also paves the way for the implementation of automated guided vehicles. In general, digital twins create a collaboration platform for several different automation solutions and enable further synergies.

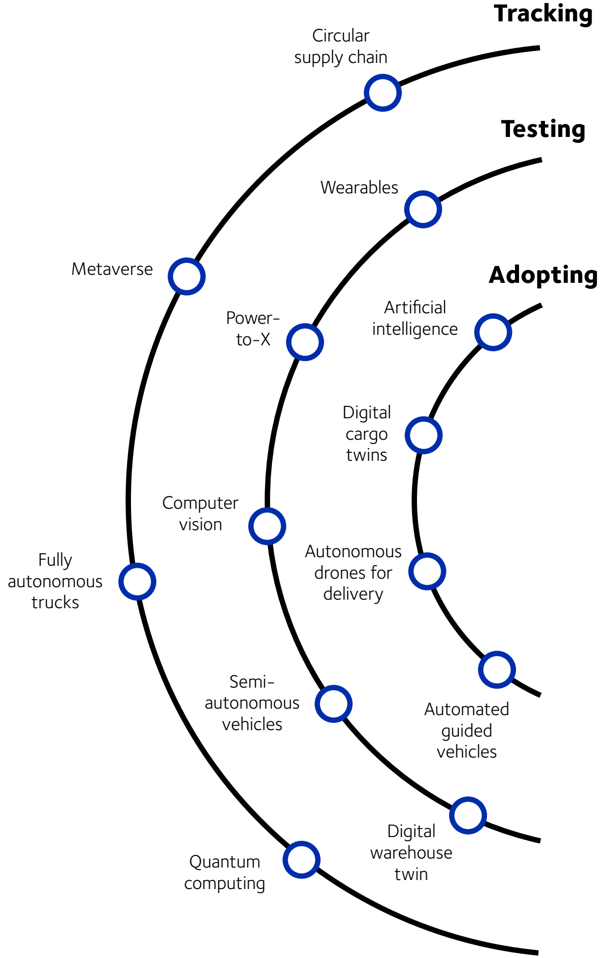
The combination of human labour and robots has historically posed a problem as they can slow each other down. This is to a large degree mitigated with digital twins, as they seamlessly communicate with each other.

Semi-autonomous trucks to mitigate driver shortage
DSV is partnering with leading truck manufacturers and technology companies to test semi-autonomous driving. Advanced Driver Assistance Systems (ADAS) are central to improving the safety and comfort of our drivers. ADAS give drivers extra high awareness of their surroundings with the use of sensors, cameras, radars and lidars. This significantly increases traffic safety as well as the safety and comfort of our drivers, which is key for us to retain them in our industry. ADAS also support our sustainability agenda, as diesel consumption is reduced on trucks using the technology.

Fully autonomous trucks are still a thing of the future, but the technology can already deliver significant benefits, and at DSV we are keen to drive the development and exploit the advantages.

Staying abreast of the latest trends
Our Group Innovation team drives our global innovation efforts, monitoring trends and technologies and prioritising which to explore. Working with internal and external stakeholders, the team tests ideas, establishes financial business cases and implements projects across our global network.

DSV technology trend radar



Outlook for 2024 and 2026 financial targets

For 2024, we expect EBIT before special items of DKK 15,000-17,000 million. We maintain our 2026 financial targets and aim for a 45% conversion ratio for the Group.

Outlook 2024 (DKKm)	2023 actual	**Outlook 2024**
Operating profit (EBIT) before special items	17,723	15,000-17,000
Effective tax rate	24.8%	24%

Assumptions for 2024 financial outlook

For 2024, we expect a decline in earnings and margins compared to 2023. While we expect growth in transport volumes to return, this will be offset by lower average gross profit yields for both air and sea.

The World Bank projects global GDP growth around 3% in 2024, and our financial guidance is based on the assumption that air and sea markets will grow 3-4% in 2024. We continue to target profitable, above market growth, but our strategic growth initiatives may only have a gradual impact in 2024.

For Road we expect a flat or low-growth market, while the Solutions market is expected to achieve higher growth rates in 2024.

We continue to monitor activity closely across our organisation and adjust capacity and cost base accordingly.

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.

Impact from the planned joint venture with NEOM is not included in the financial outlook. 2024 will be a startup year for the joint venture and we do not expect a material impact on profit or loss for the year. This will be addressed further once the joint venture is established.

2026 financial targets

Our 2026 targets are unchanged.

The targets are based on the assumption of stable global economic development during the period 2024-26, with average annual global GDP growth of at least 3% and transport market growth in line with GDP.

Towards 2026, we will continue our focus on achieving organic growth ahead of the market, and we see opportunities to improve productivity across the Group.

Our IT systems, infrastructure and back-office functions are scalable, providing opportunities to leverage operations in all three divisions.

The targets are based on organic growth and do not include the potential impact from larger acquisitions in the period.

The strategic objectives of the Group are translated into the following targets:

2026 targets (%)	2023 actual	**2026 targets**
DSV Group		
Conversion ratio	40.4	>45.0
ROIC (before tax)	17.8	>20.0
Divisional targets for conversion ratio		
Air & Sea	51.5	>50.0
Road	25.6	>30.0
Solutions	24.8	>30.0

Forward-looking statements

This Annual Report includes forward-looking statements on various matters, such as expected earnings and future strategies and expansion plans. Such statements are uncertain and involve various risks, because many factors, some of which are beyond our control, may result in actual developments differing considerably from the expectations set out in the 2023 Annual Report.

Such factors include, but are not limited to, general economic and business conditions, exchange rate and interest rate fluctuations, the demand for our services, competition in the transport sector, operational problems in one or more of DSV's subsidiaries and uncertainty in connection with the acquisition and divestment of enterprises.

Capital structure and allocation

Capital structure
The aim of DSV's target capital structure is to ensure:

- sufficient financial flexibility to meet our strategic objectives; and
- a robust financial structure to maximise the return for our shareholders.

Our target financial gearing ratio is below 2.0x EBITDA before special items. The ratio may exceed this level following significant acquisitions.

Capital allocation policy
Our prioritisation of allocation of the free cash flow remains as follows:

1. We repay net interest-bearing debt in periods when the financial gearing ratio is above target range.
2. We make value-adding investments in the form of acquisitions or development of the existing business.
3. Our distribution to the shareholders takes place through share buybacks and dividends.

Value-adding investments
DSV pursues an active acquisition strategy. Our acquisitions have created substantial value for shareholders over the years and have also contributed to consolidating an otherwise fragmented industry. Acquisitions continue to be an important part of our strategy. Additionally, we have strengthened our focus on achieving organic growth supporting our aim to increase our market share.

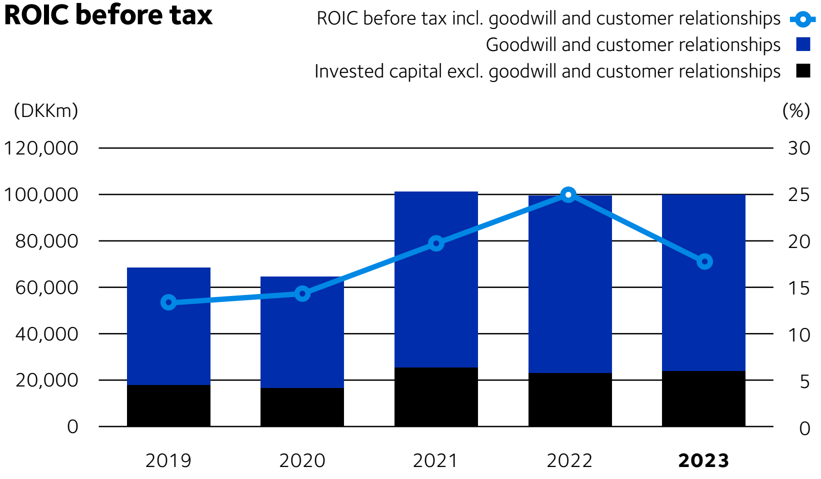
Capital structure
Group Management continuously monitors whether the capital structure is in line with the targets, and excess capital is distributed to shareholders through share buybacks and dividends.

Adjustments to the capital structure are usually announced in connection with the release of quarterly financial reports and are made primarily through share buybacks.

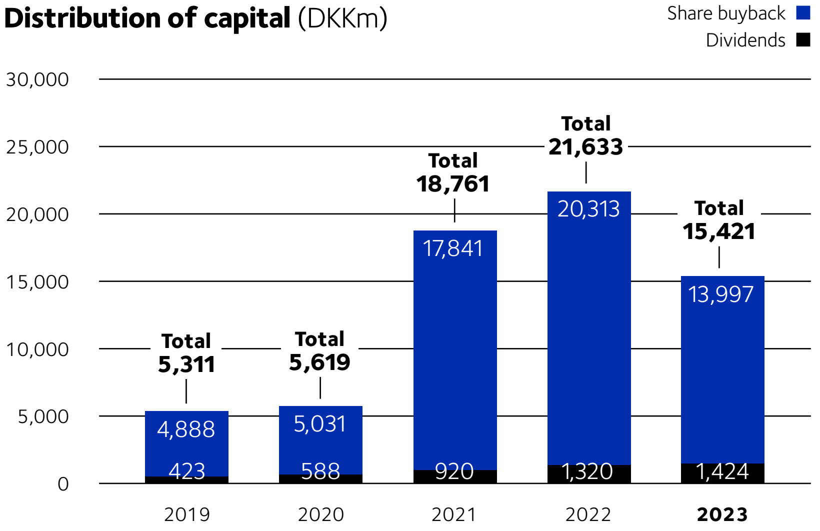
Dividend policy
DSV aims to ensure an annual dividend pay-out ratio of approximately 10-15% of our net profit.

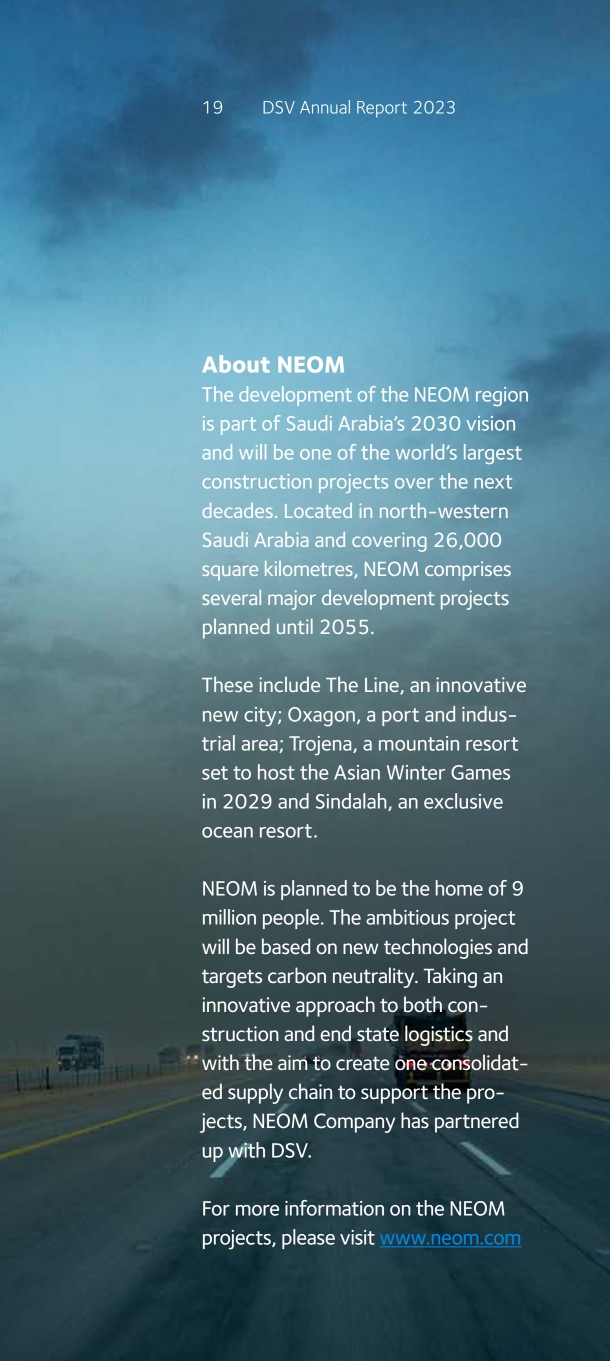
Proposed dividend for 2023 amounts to DKK 7.00 per share (2022: DKK 6.50 per share). The proposed dividend for 2023 is equivalent to 12.4% of net profit.

ROIC before tax



Distribution of capital (DKKm)





Planned NEOM joint venture

In October 2023, NEOM Company and DSV announced an exclusive logistics joint venture to provide logistics services for the projects in the NEOM region. We expect that the joint venture will start operations in the second quarter of 2024.

About NEOM

The development of the NEOM region is part of Saudi Arabia's 2030 vision and will be one of the world's largest construction projects over the next decades. Located in north-western Saudi Arabia and covering 26,000 square kilometres, NEOM comprises several major development projects planned until 2055.

These include The Line, an innovative new city; Oxagon, a port and industrial area; Trojena, a mountain resort set to host the Asian Winter Games in 2029 and Sindalah, an exclusive ocean resort.

NEOM is planned to be the home of 9 million people. The ambitious project will be based on new technologies and targets carbon neutrality. Taking an innovative approach to both construction and end state logistics and with the aim to create one consolidated supply chain to support the projects, NEOM Company has partnered up with DSV.

For more information on the NEOM projects, please visit www.neom.com

About the partnership

The planned joint venture will provide end-to-end supply chain management, development and investments in transport and logistics assets and infrastructure as well as transport and delivery of goods and materials to and within NEOM.

The activities will include construction logistics, end state logistics, development of logistics properties, management and back-office services, based on DSV's infrastructure. NEOM envisions unparalleled demand for construction logistics through to 2031, with sustained growth in non-construction logistics thereafter.

Besides the logistics activities within the joint venture, the partnership is expected to create attractive growth opportunities for the global DSV network.

NEOM will hold 51% of the joint venture with DSV holding the remaining 49%.

Expected financial impact

DSV's maximum funding commitment amounts to USD 2.45 billion of the total commitment of the joint venture partners of USD 5 billion until 31 December 2031.

The joint venture will gradually ramp up over the next years to match the activity in NEOM, and the timing of investments and financial results thus depend on the progress of the different projects.

The funding will come from equity (share capital, shareholder loans), external funding (incl. leasing) and retained earnings in the joint venture.

The return on invested capital (ROIC) is expected to be in line with our existing target. This return includes DSV's share of the profit of the joint venture and the expected growth opportunities for the DSV network.

The tax rate for the joint venture is expected to be approximately 11%.

Governance setup

At DSV, we believe that human rights are fundamental and should be protected at all times. Our commitment to human rights is integrated in our activities across the globe, and the planned joint venture is no exception.

The joint venture is expected to create more than 20,000 job opportunities and will be governed based on DSV's policies and values. This includes our Code of Conduct, Supplier Code of Conduct and Human Rights Policy. DSV will be responsible for the daily operations and appoint the managing director of the joint venture.

DSV has been operating in Saudi Arabia for 20 years, and our existing global reporting and internal control setup will also be applied in the joint venture. Furthermore, internal and external audits will be conducted throughout the duration of the project.

Timeline

Completion of the joint venture is pending incorporation of the entity and issuance of relevant public operating licenses in Saudi Arabia, which are expected to be obtained in the second quarter of 2024.

In 2031 and every five years hereafter, the parties will update and agree on the business plan for the joint venture. In 2055, the exclusivity of the joint venture expires, but the partnership is expected to continue.

Michael Ebbe
CFO

Financial review

The DSV Group achieved solid financial results for 2023 in a gradually normalising market with low volumes. Gross profit came to DKK 43,818 million and EBIT before special items was DKK 17,723 million. This was in line with the expected level of DKK 17,500-18,500 million.

Statement of profit or loss (DKKm)	**2023**	2022	Growth*
Revenue	150,785	235,665	(34.1%)
Direct costs	106,967	183,516	
Gross profit	**43,818**	**52,149**	**(13.4%)**
Gross margin	*29.1%*	*22.1%*	
Other external costs	4,838	5,559	
Staff costs	15,983	16,315	
Operating profit before amortisation and depreciation (EBITDA) before special items	**22,997**	**30,275**	
Amortisation and depreciation	5,274	5,071	
Operating profit (EBIT) before special items	**17,723**	**25,204**	**(27.4%)**
Conversion ratio	*40.4%*	*48.3%*	
Special items, costs	-	1,117	
Net financial expenses	1,233	866	
Profit before tax	**16,490**	**23,221**	
Tax on profit for the year	4,083	5,550	
Profit for the year	**12,407**	**17,671**	

* Growth in constant currencies.

A flexible business model

The DSV Group achieved solid financial results in 2023 in a competitive market characterised by low freight volumes. Compared to the extraordinary conditions in 2022, we saw a gradual normalisation of the market in 2023, and as expected, the financial results for 2023 did not match the record earnings of the previous year.

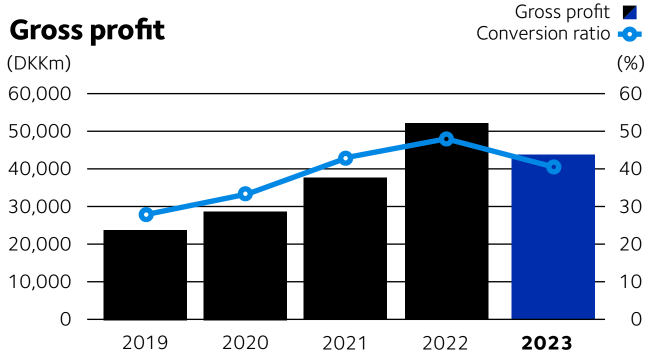
In 2023, the global air and sea freight markets were characterised by low volumes, as a result of the broader macroeconomic slowdown, shift in consumer behaviour (from goods to services) and reduction of inventory levels. In combination with additional capacity, this led to significantly reduced freight rates compared to 2022. The road and contract logistics markets were more resilient during 2023 but were also impacted by the general economic environment and destocking.

The Group's results reflect our flexible business model and not least our dedicated employees, who continued to deliver good customer service and efficiently manage our capacity.

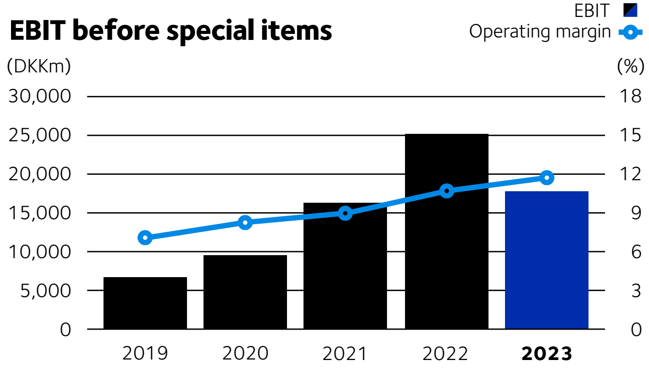
Adjusted free cash flow came to DKK 11,471 million, and in line with our capital allocation policy, we allocated DKK 15,421 million to shareholders through share buyback and dividend.

The performance of each of our divisions is further described in the reviews on pages 25-31.

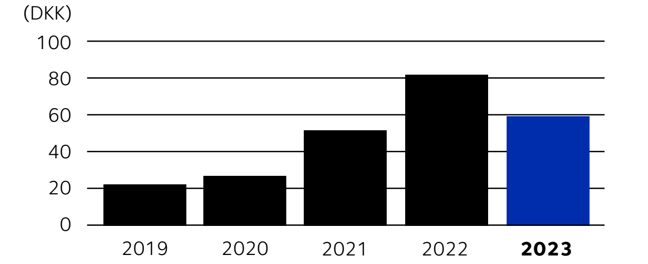
Gross profit



EBIT before special items



Diluted adjusted earnings per share of DKK 1



Results

Revenue

Revenue was down 34.1% in 2023. The Air & Sea division's revenue declined by 44.9% compared to previous year, impacted by the reduced freight rates and lower volumes. For both air and sea freight, the volume declines were most significant at the start of the year, and the trend then improved for sea volumes in the second half of the year, while air volume growth remained negative.

Revenue (DKKm)	**2023**	2022	Growth*
Air & Sea	92,972	174,431	(44.9%)
Road	38,155	41,507	(6.4%)
Solutions	23,140	24,409	(2.4%)
Non-allocated items and eliminations	(3,482)	(4,682)	
Total	**150,785**	**235,665**	**(34.1%)**

* Growth in constant currencies.

The Road division saw a decline in revenue of 6.4%, driven by both lower volumes and lower freight rates, especially in the second half of the year. Solutions reported a 2.4% decline in revenue, mainly owing to lower activity levels in the first half of the year, which then picked up in the second half of 2023.

Gross profit

Gross profit was down 13.4% in 2023. The decline for Air & Sea was driven by lower freight volumes and continued normalisation of gross profit yields, compared to the record-high levels achieved in 2022. Despite the decline, the yield level is still considered satisfactory and reflects the division's focus on more specialised services with a high degree of value-added services.

Gross profit (DKKm)	**2023**	2022	Growth*
Air & Sea	25,970	34,624	(22.4%)
Road	7,860	7,911	1.1%
Solutions	9,510	9,318	5.0%
Non-allocated items and eliminations	478	296	
Total	**43,818**	**52,149**	**(13.4%)**

* Growth in constant currencies.

In a competitive market, Road delivered gross profit levels similar to last year, while Solutions saw an increase of 5.0% in gross profit for the year, driven by the division's continued focus on consolidation in efficient multi-client warehouses and increased automation.

In 2023, gross profit declined across most regions, most significantly in APAC due to declining export volumes and lower yields. The Middle East, on the other hand, stood out as the only region across the network to achieve gross profit growth.

Gross margin for the Group was 29.1%, compared to 22.1% last year. All divisions reported higher gross margin, most significantly the Air & Sea division. This was mainly due to the substantial decline in air and sea freight rates, leading to lower pass-through element of revenue, and furthermore the gross margin was supported by high yield levels.

EBIT before special items

For the Group, EBIT before special items decreased by 27.4%, which was mainly due to lower gross profit in Air & Sea. Also on EBIT level, the APAC region reported the highest decline compared to 2022, while the Middle East delivered EBIT growth.

EBIT before special items (DKKm)	**2023**	2022	Growth*
Air & Sea	13,363	20,658	(33.1%)
Road	2,009	2,040	(0.1%)
Solutions	2,355	2,701	(10.7%)
Non-allocated items and eliminations	(4)	(195)	
Total	**17,723**	**25,204**	**(27.4%)**

* Growth in constant currencies.

The conversion ratio was 40.4%, compared to the extraordinary level of 48.3% last year. In line with our flexible business model, we have implemented cost-saving initiatives to adjust our capacity, mainly in the Air & Sea division. These initiatives were partly offset by inflation.

Total staff costs (excluding hourly workers) were DKK 15,983 million in 2023 (2022: DKK 16,315 million). Staff costs decreased despite inflationary pressure due to cost-saving initiatives.

Other external costs totalled DKK 4,838 million in 2023 (2022: DKK 5,559 million). The cost decreased due to cost-saving initiatives and strong cost discipline.

Depreciations totalled DKK 5,274 million in 2023 (2022: DKK 5,071 million). The increase was due to addition of warehouse capacity in the Solutions division.

Special items totalled DKK 0 million in 2023 (2022: DKK 1,117 million). The costs in 2022 related to the GIL integration.

Net financial expenses totalled DKK 1,233 million in 2023 (2022: DKK 866 million). The higher net financial costs compared to last year mainly related to the increase in FX adjustment losses (on intercompany balances and devaluation of currencies) and an increase in lease liabilities.

Net financial expenses (DKKm)	**2023**	2022
Interest on lease liabilities	851	727
Other interest cost, net	178	396
Interest on pensions	47	19
Currency translation, net	157	(276)
Total	**1,233**	**866**

The effective tax rate was 24.8% in 2023, compared to 23.9% in 2022. The increase in the effective tax rate was primarily due to higher withholding taxes on upstreaming of dividends from subsidiaries and the effect of interest limitation.

Profit for the year

Profit for the year was DKK 12,407 million, compared to DKK 17,671 million for 2022. The decline was mainly due to the lower EBIT for the period. This was partly offset by the absence of special items in 2023.

Diluted adjusted earnings per share

Diluted adjusted earnings per share decreased by 27.9% to DKK 58.7 in 2023 (2022: DKK 81.4). The decline in earnings for 2023 was partly offset by a 6.5% decrease in the number of outstanding shares following the Group's share buyback programmes.

Cash flow statement

Cash flow from operating activities in 2023 fell by 38.7% to DKK 16,458 million. The decline was primarily attributable to lower EBITDA.

On 31 December 2023, NWC was DKK 4,742 million, compared to DKK 5,116 million at the end of 2022. The improvement in NWC can be attributed to a combination of reduced activity and lower average freight rates.

(DKKm)	**2023**	2022
Cash flow from operating activities	16,458	26,846
Cash flow from investing activities	(2,030)	(966)
Free cash flow	**14,428**	**25,880**
Cash flow from financing activities	**(17,574)**	**(24,245)**
Cash flow for the period	**(3,146)**	**1,635**
Free cash flow	14,428	25,880
Net acquisition of subsidiaries and activities	685	-
Special items	263	664
Repayment of lease liabilities	(3,905)	(3,734)
Adjusted free cash flow	**11,471**	**22,810**

Relative to full-year revenue, funds tied up in NWC at year-end were at 3.2% compared to 2.2% in 2022.

Cash flow from investing activities was an outflow of DKK 2,030 million in 2023, compared to an outflow of DKK 966 million in 2022. Investment cash flow was impacted by the acquisition of two US-based transport and logistics companies and by investments in warehouse equipment and automation technology.

Adjusted free cash flow (adjusted for acquisitions, special items and IFRS 16) was DKK 11,471 million, compared to DKK 22,810 million last year. The decline was primarily attributable to lower EBITDA.

Cash flow from financing activities was negative by DKK 17,574 million in 2023 (2022: negative DKK 24,245 million). The development was primarily related to share buyback and dividend.

In line with our capital allocation policy, we allocated DKK 15,421 million to shareholders via share buybacks and dividend in 2023. At year end, the financial gearing ratio was 1.5x EBITDA (2022: 1.0x).

Capital structure
On 31 December 2023, DSV shareholders' share of equity was DKK 68,703 million (2022: DKK 71,519 million). The decrease was mainly driven by allocations to shareholders and currency translation adjustments, offset by profit for the period.

The share capital was nominally DKK 219 million by the end of 2023 (2022: 219 million). The share capital is divided into 219 million shares of DKK 1 each. Each share has one vote.

The solvency ratio excluding non-controlling interests was 46.7% on 31 December 2023, compared to 45.0% on 31 December 2022.

Net interest-bearing debt (including IFRS 16 lease liabilities) was DKK 34,583 million at the end of 2023 (2022: DKK 29,870 million). The increase can mainly be attributed to investment activities and an increase in leasing liabilities.

Weighted average duration of corporate bonds, committed loans and credit facilities was 7.3 years on 31 December 2023, against 8.3 years on 31 December 2022.

Invested capital and ROIC
The invested capital including goodwill and customer relationships amounted to DKK 99,973 million on 31 December 2023 (2022: DKK 99,540 million).

Due to lower earnings compared to previous year, return on invested capital (including goodwill and customer relationships) was 17.8% for 2023 (2022: 25.1%). Excluding goodwill and customer relationships, return on invested capital was 76.3% for 2023 (2022: 105.1%).

6.3%
Reduction of scopes 1-2 in 2023 compared to 2022

24.2%
Reduction of our scope 3 SBTi target boundary emissions in 2023 compared to 2022

20.7%
Employee turnover rate adjusted for synergies in 2023 compared to 22.1% in 2022

100%
Completion rate of all employees assigned to the Code of Conduct training

Sustainability progress

In 2023, we continued our progress towards meeting our environment, social and governance targets, thus driving positive change across our operations.

	2023	2022
CO_2e scope 1, 2 and 3 (SBTi target boundary) ('000 tonnes)		
Total CO_2e scope 1 & 2 emissions	413	441
Total CO_2e scope 3 emissions (SBTi target boundary)	11,734	15,489
Carbon intensity (gram CO_2e per tonne transported one km)		
CO_2e (g/tonne-km) – Air transport	627.6	694.4
CO_2e (g/tonne-km) – Sea transport	7.0	6.6
CO_2e (g/tonne-km) – Land transport	94.3	89.4
Social data		
Lost Time Injury Frequency Rate (LTIFR) (per million working hours)	3.3	2.8
Employee turnover ratio (adjusted for synergies) (%)	20.7	22.1

Reducing our environmental impact
In 2023, we saw a reduction in carbon emissions across all scopes. Our direct emissions in scopes 1-2 fell by 6.3% compared to 2022. The main drivers were a significant drop in scope 2 emissions caused by reductions in energy consumption and higher share of renewable electricity.

Compared to our 2019 baseline, scope 1 and 2 emissions have increased by 1.0%. Our scope 3 target boundary emissions significantly decreased by 24.2% in 2023 compared to 2022.

The main driver was reduced freight demand across our air, sea and land transport modes and a shift from air to sea transport.

Compared to our 2019 baseline, our scope 3 target boundary emissions have declined by 41.7%. As such, our 2030 target has been achieved. We do, however, expect freight demand to pick up again and increase towards 2030.

Continuing with our decarbonisation efforts is necessary to ensure we reach our carbon reduction targets in 2030 and 2050. Calculated carbon intensity was affected by the start of implementing a new industry calculation standard (ISO 14083). Carbon intensity for airfreight fell by 9.6% in 2023, while carbon intensity in sea-freight increased by 6.1%. Carbon intensity for land transport increased by 5.5%.

A business powered by people
Employee turnover rate adjusted for synergies in 2023 was 20.7% compared to 22.1% in 2022. We consider this to be on a par with the level within our industry. Our health and safety indicators remained relatively stable in 2023 compared to 2022. Lost Time Injury Frequency Rate (LTIFR) increased slightly to 3.3 compared to the result in 2022 of 2.8. The result is below our 2023 target of max 4.5 LTIFR.

Operating with integrity
We conduct mandatory training on our Code of Conduct, and in 2023, we achieved a 100% completion rate of all employees assigned to the training. We hold our suppliers to the same standards as we set for ourselves via our Supplier Code of Conduct. In 2023, we conducted more than 750 supplier audits.

Gross profit
DKK 25,970 million

-22.4%

Operating profit
DKK 13,363 million

-33.1%

Geographic segmentation based on gross profit

EMEA
43%

AMERICAS
33%

APAC
24%

The Air & Sea division operates a global network specialising in transportation of cargo by air and sea. The division offers both conventional freight forwarding services and tailored project cargo solutions.

Air & Sea

In a market characterised by reduced volumes and lower freight rates, the division saw a decrease of 22.4% in gross profit and 33.1% in EBIT before special items (both in constant currencies). The decline was in line with expectations, and both profit margins and the absolute level of earnings remained strong.

Condensed statement of profit or loss and key figures (DKKm)	**2023**	2022	Growth*
Revenue	92,972	174,431	(44.9%)
Direct costs	67,002	139,807	
Gross profit	**25,970**	**34,624**	**(22.4%)**
Other external costs	3,574	4,244	
Staff costs	7,877	8,471	
Operating profit before amortisation and depreciation (EBITDA) before special items	**14,519**	**21,909**	
Amortisation and depreciation	1,156	1,251	
Operating profit (EBIT) before special items	**13,363**	**20,658**	**(33.1%)**
Gross margin (%)	27.9	19.8	
Conversion ratio (%)	51.5	59.7	
Operating margin (%)	14.4	11.8	
Number of full-time employees at year end	21,385	23,032	
Total invested capital	63,176	68,813	
Net working capital	1,194	5,849	
ROIC before tax (%)	20.2	29.1	

* Growth in constant currencies.

Market situation

Navigating volatile markets was – once again – a major theme in 2023. Demand for both air and sea freight continued to be impacted by the macroeconomic slowdown and global inventory correction. From the second half of 2022 through most of 2023, supply chain congestion eased up and consumer spending made a shift from material goods towards services. Some companies found themselves with too much inventory, and an ongoing correction lowered global trade and the demand for transportation.

The negative volume trend was most significant for air freight, which generally is a more volatile market, whereas the demand for sea freight was more resilient. The volume trend improved in the latter half of 2023; however, this improvement was primarily a reflection of weak comparative figures from 2022 rather than a real underlying improvement in demand.

The demand for air freight was impacted by improved reliability and lower rates in the sea freight market, which made sea freight a more competitive alternative. Air freight capacity gradually increased with the continued return of belly-space capacity in passenger planes, which together with the soft demand led to a decline in air freight rates in the first nine months of the year. In the last three months of 2023, air rates out of Asia increased, due to growth in cross-border e-commerce.

A number of new vessels ordered during the pandemic started to enter the sea freight market during 2023. The entrance of newbuild vessels resulted in increased available capacity, which further widened the gap between supply and demand. In the coming year, more vessels will be delivered. Sea freight rates declined or remained at low levels during most of 2023; however, disruption in the Red Sea led to a sudden increase at the end of the year. A reminder that global supply chains are vulnerable, and we as freight forwarders constantly have to navigate and adjust to the changes in the market.

For 2023, DSV Air & Sea reported air freight volume decline of 16.2%, and the division's sea freight volume declined 5.5%. While our performance on sea freight was close to market level, we estimate that our performance was below market for air freight. This can partly be attributed to our low exposure to the low-margin perishables market, which was one of the only sectors with volume growth in the air market in 2023.

Air freight (DKKm)	**2023**	2022
Revenue	50,604	90,591
Direct costs	37,184	71,988
Gross profit	**13,420**	**18,603**
Gross margin (%)	26.5	20.5
Volume (tonnes)*	1,305,827	1,557,972
Gross profit per unit (DKK)	10,277	11,941
Sea freight (DKKm)		
Revenue	42,368	83,840
Direct costs	29,818	67,819
Gross profit	**12,550**	**16,021**
Gross margin (%)	29.6	19.1
Volume (TEUs)*	2,519,295	2,665,147
Gross profit per unit (DKK)	4,982	6,011

* Volume is defined as the quantity of export cargo processed within the DSV network. Sea volume is measured in TEUs (twenty-foot equivalent units), while air volume is determined by chargeable weight, quantified in tonnes.

Strategic and operational highlights

Given the challenging market conditions, this year we focused on adapting to an increasingly competitive market with lower rates. While we saw declining TEU and tonnage, the number of shipments was more stable during 2023. This reflects smaller average shipments size and that we have grown in areas like LCL (less-than-container load). Our focus was on maintaining an efficient operation and creating value through our quality services. Cost inflation was more than offset by productivity improvements and cost control measures.

Our acquisitions of two US-based transport and logistics companies, S&M Moving Systems West and Global Diversity Logistics, have strengthened our capabilities and offering within the semiconductor industry and also support DSV's Phoenix-Mesa Gateway operations, growing cross-border services to Latin America.

The Mesa Gateway serves as our newest route into Latin America within our air charter network. This network provides tailor-made air freight solutions to customers on specific routes. We continue to operate the network with a focus on flexibility enabling us to scale capacity as demand changes.

We continued to develop our LCL product in sea freight, focusing on increasing consolidation in our own terminals. This ensures a higher service level towards our customers and higher profitability per container.

In 2023, we continued to develop our digitalisation efforts, focusing on improving digital customer integrations and booking data quality. The improved data quality provides better and faster supply chain visibility and increases our productivity.

Results

DSV Air & Sea revenue was DKK 92,972 million in 2023 (2022: DKK 174,431 million), down 44.9% in constant currencies. The development in revenue was driven by the decline in volumes and lower freight rates.

Gross profit came to DKK 25,970 million for 2023 (2022: DKK 34,624 million), a decrease of 22.4%. Besides the lower volumes, the decline in gross profit originates from lower gross profit yields compared to the record-high levels last year. In a competitive market, the division has maintained its focus on pricing discipline and high-margin business. Furthermore, in line with our procurement strategy, the division continued to balance commitments towards customers with our capacity agreements with carriers.

The division's gross margin was 27.9% for 2023 (2022: 19.8%). The development was mainly due to the decline in freight rates, which led to lower pass-through revenue compared to last year.

EBIT before special items was DKK 13,363 million (2022: DKK 20,658 million), a decline of 33.1% in constant currencies. The decline in EBIT before special items can be attributed to the reduction in gross profit, which to some extent has been offset by a lower cost base. Since Q3 2022, several cost reduction initiatives have been planned and implemented leading to a reduction of staff costs and other external costs.

The conversion ratio came to 51.5%, compared to 59.7% last year. The conversion ratio was negatively affected by lower gross profit yields compared to last year, this was partly offset by cost-saving initiatives.

Net working capital was DKK 1,194 million at the end of the year, compared to DKK 5,849 million at year-end 2022. The significant reduction was due to lower revenue and an improved NWC process.

In 2023, return on invested capital was 20.2%, compared to 29.1% in 2022. The decrease was driven by lower earnings compared to last year.

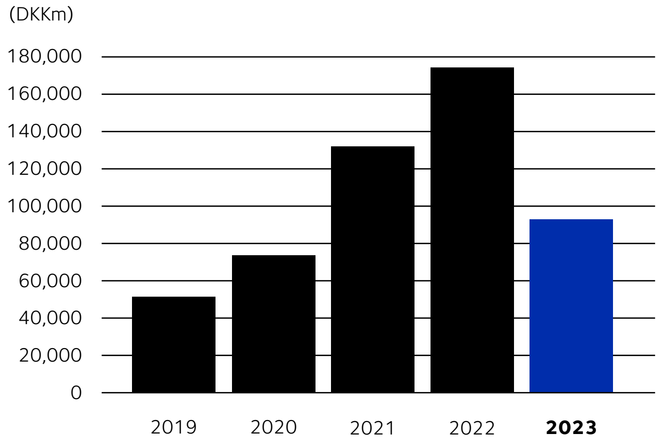
Focus areas for 2024
We expect that transport markets will return to growth in 2024, but macroeconomic and geopolitical uncertainty remains high. Over the years, we have built a strong global market position, and our target of gaining market share across geographies remains unchanged.

Our sustainability efforts will continue to be highly relevant during 2024, especially around carbon footprint transparency and supply chain optimisation. Through our Green Logistics service offerings, we are making sure that our customers have the option to choose lower-emission transports. As a new service, we have introduced carbon emission data from each DSV transport directly on customer invoices. In our interactions with carriers, sustainability will also play a larger role, as more efficient solutions and equipment become available.

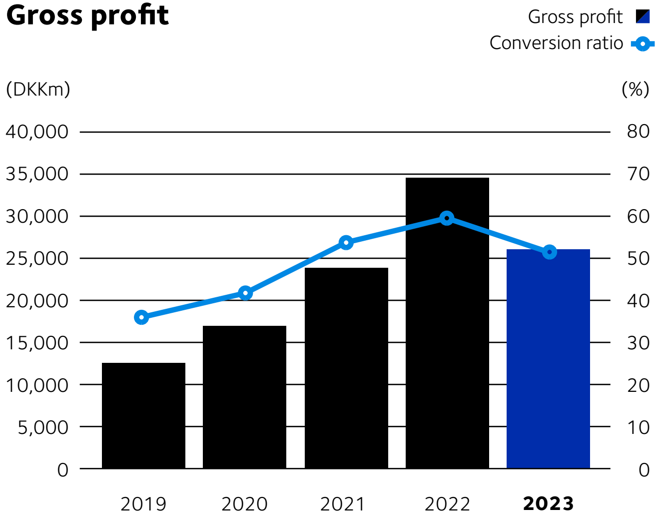
In recent years, we have seen changes in our customer mix towards more large customers, and we will strengthen our focus and value proposition towards this segment. We expand our centres of excellence setup with needed industry specific capabilities, e.g., within automotive, industrials, fashion/retail, healthcare and technology. In 2023, these efforts led to growth within the specialised customer segments; oil & gas, semiconductor and aerospace & defence. In addition to our control tower setup, we offer tailored solutions and proactively address topics like supply chain optimisation and emission reduction.

As volatility and disruption are expected to continue across global supply chains, we will do our best to navigate the markets, adjust capacity and protect our margins while helping our customers to keep their supply chains flowing.

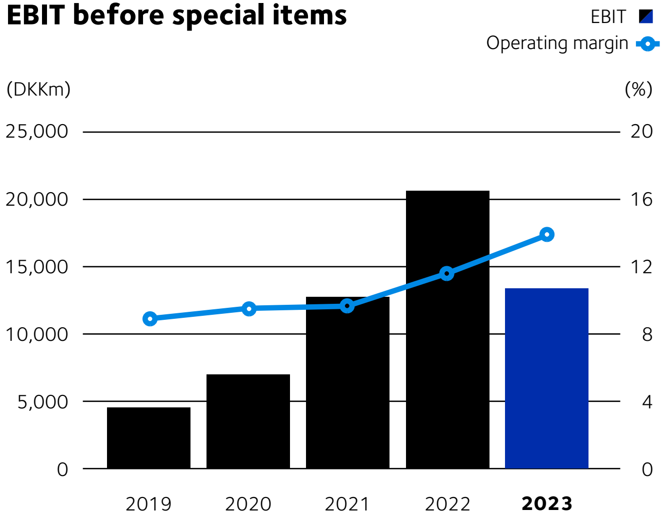
Revenue



Gross profit



EBIT before special items



Gross profit
DKK 7,860 million
+1.1%

Operating profit
DKK 2,009 million
-0.1%

Geographic segmentation based on gross profit

EMEA
93%

AMERICAS
7%

The Road division is among the market leaders in Europe and furthermore has operations in North America, South Africa and in the Middle East. The division offers full load, part load and groupage services through a network of more than 250 terminals.

Road

For 2023, the Road division reported a 1.1% increase in gross profit and EBIT before special items on level with last year. The division delivered good operational results in a soft market with declining activity.

Condensed statement of profit or loss and key figures (DKKm)	**2023**	2022	Growth*
Revenue	38,155	41,507	(6.4%)
Direct costs	30,295	33,596	
Gross profit	**7,860**	**7,911**	**1.1%**
Other external costs	1,428	1,425	
Staff costs	3,574	3,543	
Operating profit before amortisation and depreciation (EBITDA) before special items	**2,858**	**2,943**	
Amortisation and depreciation	849	903	
Operating profit (EBIT) before special items	**2,009**	**2,040**	**(0.1%)**
Gross margin (%)	20.6	19.1	
Conversion ratio (%)	25.6	25.8	
Operating margin (%)	5.3	4.9	
Number of full-time employees at year end	16,235	16,701	
Total invested capital	12,994	10,690	
Net working capital	1,503	(586)	
ROIC before tax (%)	17.0	20.1	

* Growth in constant currencies.

Market situation
We estimate that volumes on the European road freight market decreased in 2023 compared to 2022. The decline accelerated in the second half of the year, due to lower demand and continued destocking across most industries.

While the road market was still characterised by tight capacity and lack of truck drivers in the beginning of 2023, there were signs of overcapacity in the second half of the year. This impacted the overall pricing levels and increased competition. Lower fuel prices also contributed to declining freight rates.

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.

Strategic and operational highlights
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.

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 to help our customers optimise their supply chains and reduce carbon emissions. Promoting our Green Logistics services is one element in this, and we continue to see good interest. In 2023, we formalised the divisional roadmaps for our path towards net zero. For DSV Road, this involves strategic partnerships with truck manufacturers and testing of technologies and equipment. These include electric trailers, which have the potential to reduce CO_2 emissions from road transport by up to 40%.

Results

DSV Road revenue was DKK 38,155 million in 2023 (2022: DKK 41,507 million) – a decline of 6.4%. This was mainly driven by a slight decline in activity and declining freight rates. Based on our flexible, asset-light business model, we have been able to adjust our capacity accordingly.

More than 85% of the division's revenue is generated in Europe, and we saw good performance under challenging market conditions across most countries in this region, especially on international shipments. In 2023, the division had good traction with Automotive and Pharma customers. DSV Road also performed well in Americas and delivered growth in the number of shipments in a soft market. We estimate that the division performed better than the general market.

Gross profit was DKK 7,860 million in 2023 (2022: DKK 7,911 million), an annual increase of 1.1% in constant currencies. The division's gross margin was 20.6% for 2023, compared to 19.1% for 2022. Overcapacity and lower fuel prices led to lower direct freight cost for the division, which had a positive impact on the gross margin. The focus on European groupage operations, which carry a higher gross margin than full-load and domestic shipments, also had a positive impact on the gross margin.

EBIT before special items was DKK 2,009 million in 2023, close to last year's level of DKK 2,040 million. The conversion ratio came to 25.6% for 2023, also on level with 2022. In an environment with inflationary pressure on the cost base, the division has maintained focus on productivity and cost management.

Net working capital was DKK 1,503 million at the end of the year, against a negative DKK 586 million at year-end 2022. This development is mainly a result of an increase in funds tied up in property projects. Return on invested capital was 17.0% in 2023, compared to 20.1% for 2022. This was driven by higher average invested capital compared to 2022, mainly due to the increase in NWC.

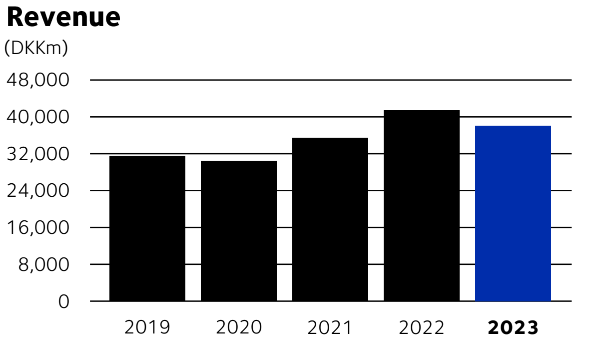
Focus areas in 2024

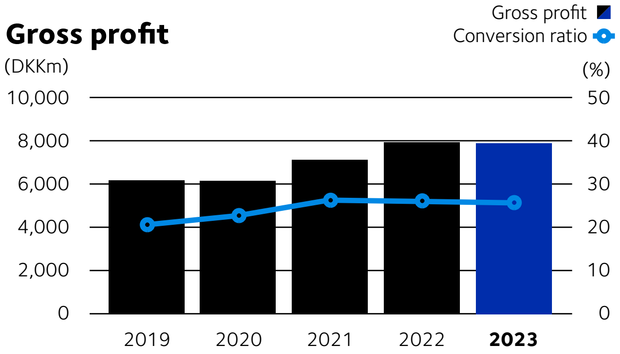
We expect a competitive market in 2024, with activity levels still impacted by the macroeconomic situation. We continue to monitor the activity levels and adjust capacity when needed. Our target of gaining market share across geographies remains unchanged.

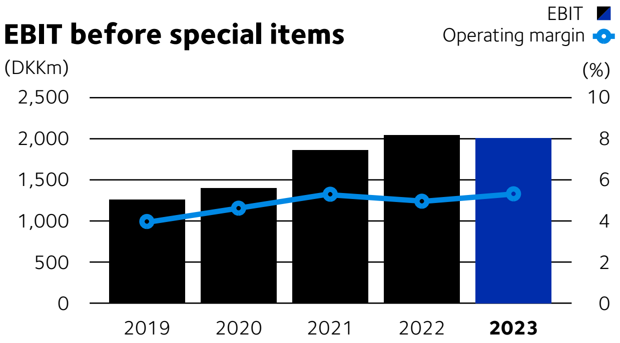
Across our network, we continue developing our services to support the needs of our customers, and in 2024 we will scale our control tower setup to increase visibility in our customers' supply chains. Another strategic focus area is our Road Way Forward programme, where we continue to develop our European groupage services by standardising processes and improving our geographical network coverage as well as our first/last mile distribution services.

We will also continue to develop and promote our Green Logistics services. To increase transparency of the environmental impact of our services, we will implement CO_2 data on our customer invoices.

Digitalisation remains an important focus area, and we continue to work on standardising workflows and improving data quality on digital bookings to improve customer service quality and boost productivity. In 2024, we will redefine our requirements to a new transport management system as part of the ongoing Road Way Forward programme, maintaining our ambition of achieving an effective IT setup for the Road division.







Gross profit
DKK 9,510 million
+5.0%

Operating profit
DKK 2,355 million
-10.7%

Geographic segmentation based on gross profit

EMEA
67%

AMERICAS
21%

APAC
12%

The Solutions division offers warehousing and logistics services globally and controls more than 500 logistics facilities. The service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

Solutions

In a market impacted by lower global trade, the division achieved 5.0% increase in gross profit and 10.7% decrease in EBIT before special items (both in constant currencies). The division continued the consolidation into multi-client campuses and expanding its global footprint.

Condensed statement of profit or loss and key figures (DKKm)	**2023**	2022	Growth*
Revenue	23,140	24,409	(2.4%)
Direct costs	13,630	15,091	
Gross profit	**9,510**	**9,318**	**5.0%**
Other external costs	1,782	1,759	
Staff costs	2,418	2,254	
Operating profit before amortisation and depreciation (EBITDA) before special items	**5,310**	**5,305**	
Amortisation and depreciation	2,955	2,604	
Operating profit (EBIT) before special items	**2,355**	**2,701**	**(10.7%)**
Gross margin (%)	41.1	38.2	
Conversion ratio (%)	24.8	29.0	
Operating margin (%)	10.2	11.1	
Number of full-time employees at year end	31,427	32,077	
Total invested capital	25,196	23,364	
Net working capital	2,407	1,624	
ROIC before tax (%)	9.7	12.4	

* Growth in constant currencies.

Market situation

Throughout 2023, the contract logistics market was impacted by the decline in global trade and a global inventory correction. This led to lower inbound activity and lower inventory levels, especially in the retail and industry sectors. We estimate the market has decreased by low single digits in 2023 compared to the previous year.

The activity levels were weaker in the first half of the year, but stabilised during the second half of the year. For DSV, the average utilisation of warehouses (and inventory levels) was lower in 2023 compared to the previous year.

We estimate that Solutions took market share in all its major markets during the year. This was driven by a strong service offering and addition of new warehouse capacity.

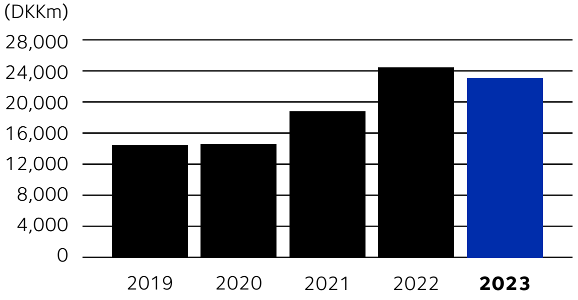
Strategic and operational highlights

We continued executing our long-term strategy for consolidation and developing multi-client warehouse campuses based on roadmaps for each region. In 2023, we added more than 500,000 m^2 new warehouse space. Among other locations, we opened facilities in Dallas, Madrid and Venlo and started property projects in Shanghai, Mumbai and Singapore.

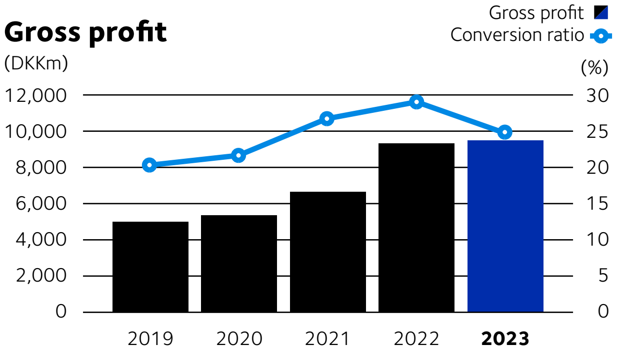
Our expansion also includes new capacity added to our Pharma and Healthcare vertical. In 2023, we opened four new sites for our customers in this segment. The new warehouses are certified in line with leading international standards, and the vertical will remain a strategic focus area going forward.

Our acquisitions of two US-based transport and logistics companies, S&M Moving Systems West and Global Diversity Logistics, have strengthened our semiconductor capabilities and support our growing cross-border operations between the US and Latin America.

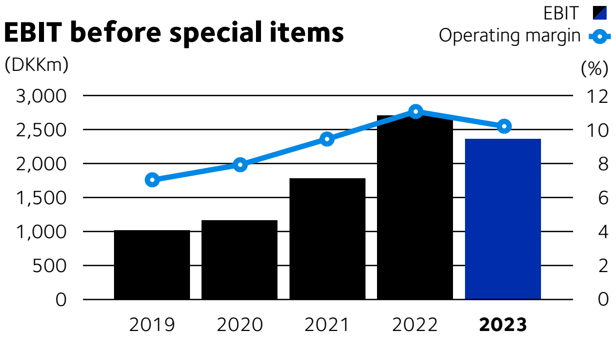
Revenue



Gross profit



EBIT before special items



For our e-commerce segment, we continued rolling out DSV Fulfillment Factory with 8 out of 14 planned sites in operation. DSV Fulfillment Factory offers warehouse automation to all sizes of companies with multiple distribution channels, both B2B and B2C.

We continue to focus on reducing our environmental footprint, and in 2023 we launched DSV Energy to facilitate our strategy to reduce emissions from our energy consumption. DSV Energy is responsible for producing renewable energy from large rooftop solar plants installed on our facilities. The energy produced will first and foremost be used to cover our own energy consumption at our facilities, reducing our environmental impact. Excess power can in certain cases be sold externally.

Results

Solutions revenue was DKK 23,140 million in 2023 (2022: DKK 24,409 million), an annual decline of 2.4%. The Americas region achieved growth in order lines, whereas EMEA and APAC recorded lower activity.

Gross profit was DKK 9,510 million in 2023 (2022: DKK 9,318 million) – an annual growth of 5.0%. The division achieved a gross margin of 41.1%, compared to 38.2% last year. The strategy of consolidation into larger and more efficient warehouses (campuses) and implementation of automation have been key drivers in increasing the gross profit margin.

EBIT before special items was DKK 2,355 million (2022: DKK 2,701 million), down 10.7% compared to 2022. This was a result of an extraordinarily strong first half of 2022 with high warehouse utilisation and activity levels. EBIT for the second half of the year was above the 2022 level in constant currencies.

The conversion ratio was 24.8%, compared to 29.0% last year. The 2023 cost base was impacted by general cost inflation and new addition of warehouses. Expansion of warehouse capacity led to the division operating with a slightly lower warehouse utilisation rate, which had a dilutive effect on the conversion ratio.

Net working capital was DKK 2,407 million for 2023, compared to DKK 1,624 million last year. The development was impacted by an increase in funds tied up in property projects.

Return on invested capital came to 9.7%, compared to 12.4% last year.

Focus areas in 2024

Macroeconomic uncertainty and global destocking are impacting the contract logistics market, and we maintain high focus on managing our cost base to match demand levels. Despite the current environment, we still expect the market to be characterised by growing demand for modern, efficient and automated warehouses in the right locations.

We will continue to develop multi-client, automated warehouses with a high focus on sustainability and energy efficiency. In 2024, we will promote our new Sustainable Warehousing concept, by which we help our customers reduce their carbon footprint. Certified, energy efficient warehouses, automation, remaker services, waste reduction and lean processes are important features in this concept.

We aim to strengthen our footprint across existing countries and focus particularly on growing our presence in Americas and APAC.

Our focus on creating a leading presence in the e-commerce space will continue, and with our new Plug & Play solution we will also target small and medium-sized enterprises. This solution enables a fast setup and easy and cost-effective onboarding.

In 2024, we will begin the operation of our 190.000 m^2 warehouse facility in Horsens, Denmark. Being one of the largest facilities in Europe, the new warehouse will be equipped with a high degree of automation to match the needs of customers in different industries.

Several industries are focusing on creating more robust supply chains. This may lead to relocating production for our customers, more regional production and assembly, higher inventory levels and more stock points or distribution centres closer to the end consumer. We will work closely with our customers to support their entire supply chain.

Risk management

Risk governance structure
As a global transport and logistics company, we are exposed to a variety of risks in our operations. Managing these risks is an integrated part of our management practices. Our approach to managing risks involves identification, analysis and reporting. These processes serve as the foundation for continual risk assessments and the subsequent implementation of relevant mitigating actions.

Our organisational structure facilitates swift escalation and timely response to issues that could significantly impact the Group's earnings, financial status and strategic objectives.

The Board of Directors is responsible for the Group's risk management strategy and oversees the overall framework for identifying and mitigating risks, while the Audit Committee oversees compliance in the risk management process. The Executive Board is responsible for the day-to-day risk management and drives continuous improvements.

Risk management processes
Our risk management process operates along two concurrent tracks: *Operational risk management*, which involves the continuous handling of identified risks arising from our day-to-day operations, and *strategic risk management*, which addresses key risks and other mid- to long-term strategic risks.

Dynamic risk adaptation

Risks are identified using the Group's risk reporting tools.

Identified risks are analysed to determine cause, impact and likelihood of the risk occurring.

Identified risks are recorded and prioritised. Risk owners are allocated to identified key risks.

Risks are reported to the Board of Directors, the Audit Committee, the Executive Board and other stakeholders in the organisation.

Risks are monitored and preventive measures implemented in cooperation with the affected business units. When necessary, mitigation actions are initiated immediately after risk identification.

Operational risk management
In addition to our general financial and operational reporting and controlling, weekly reports on identified risks are submitted to the Executive Board and senior management across the Group. These reports form the basis for the Executive Board's daily risk management activities and serve as input for the regular reporting to the Board of Directors and the Audit Committee. The weekly reports are shared with lower management levels to foster awareness and knowledge sharing.

Strategic risk management
The operational risk management process is followed up by annual high-level strategic risk assessments focusing on identifying and mapping the key risks facing the Group.

These assessments are based on input from the operational risk management process and extensive risk surveys involving a number of key employees across functions, departments and regions. The key risks identified are addressed by the Executive Board and assigned to risk owners within the Group to make sure that relevant preventive measures are implemented. In line with the established framework, the key risks are reported to and addressed by the Audit Committee and the Board of Directors.

Key risk assessment 2023

The latest assessment of the Group's internal and external strategic risks was carried out in Q4 2023. The analysis reaffirmed the existence of seven overarching risk categories identified in previous years, which have the potential to significantly impact the Group's earnings, financial position and strategic objectives if they materialise. The results of the risk analysis are depicted in the accompanying risk map and elaborated upon in the subsequent sections. The key risks are listed in random order. The indicated likelihood of occurrence and annual EBIT impact are based on our best estimates, factoring in mitigation strategies. However, it is important to note that the quantifications in the risk map entail a degree of uncertainty.

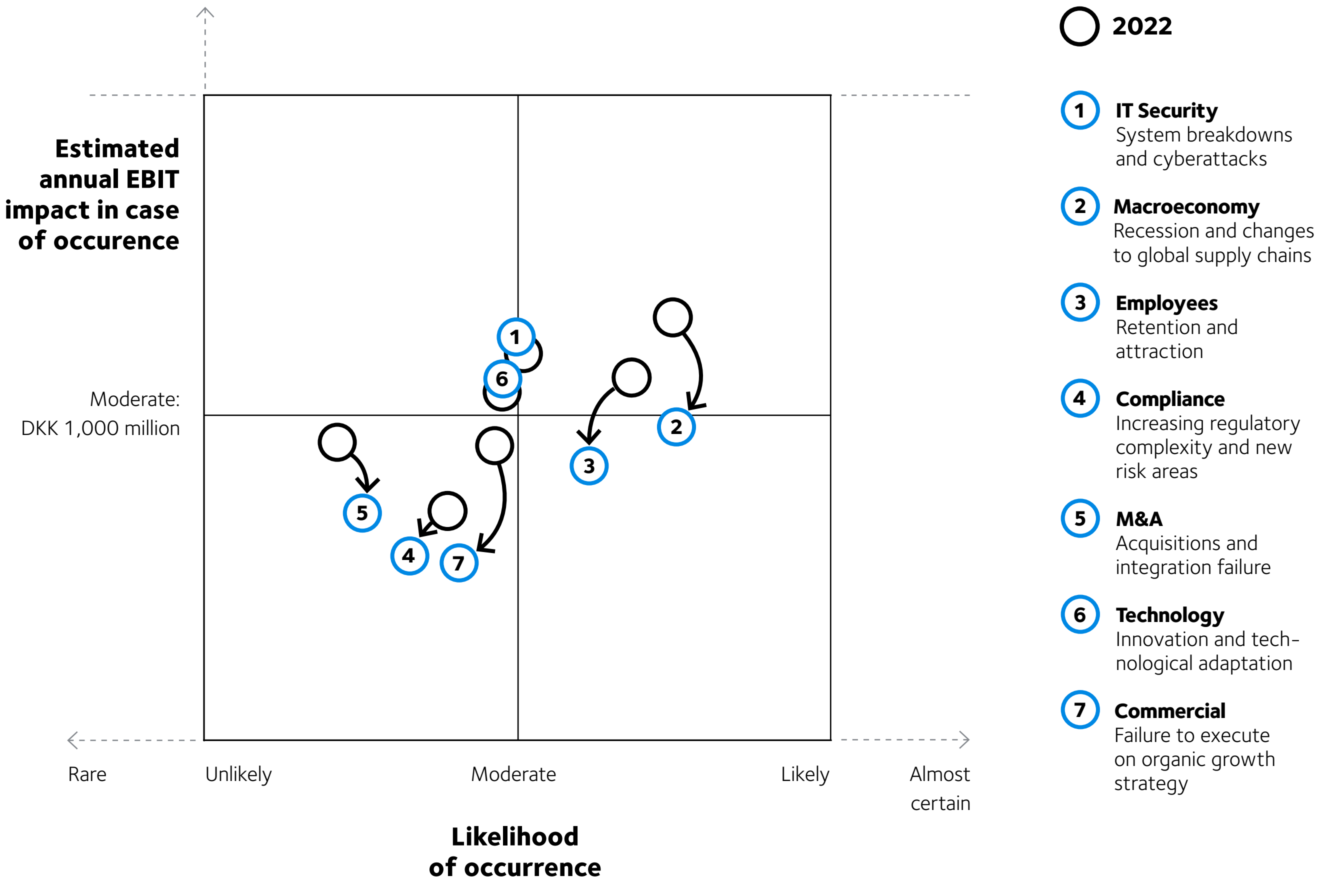
Financial risks

While our daily operations involve various financial risks, they are not considered key risks. Our Group Finance departments actively monitor the financial risks to ensure the efficacy of our hedging strategies. For further details on our financial risks, please refer to Chapter 4 of the notes to the financial statements.

The risk from climate changes

Climate changes impact our industry and we closely monitor the potential impact, but currently do not consider this a key risk for the Group within the time horizon covered by our Enterprise Risk Management framework. As part of our environmental management system, we assess, monitor and manage climate associated risks and opportunities. Long-term climate-related financial risks and opportunities are identified, assessed and managed guided by the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). For more information about our 2023 climate risk assessment, see page 13 of our Sustainability Report 2023.

Key risk map



Risk description	Mitigation strategies	Risk assessment
IT security: System breakdowns and cyberattacks IT systems, networks and related processes are crucial to our day-to-day operations – from the delivery of our core logistics services to our analytical capabilities and reporting to financial markets. This makes us vulnerable to system breakdowns and IT criminal activities, such as malware, hacking and virus attacks. IT failure not immediately solvable or an attempt to adversely impact the confidentiality, integrity or availability of data for DSV, our customers, suppliers or partners could pose a significant risk to financial or operational systems.	Our IT strategy emphasises system consolidation, centralisation, and standardisation and swift integration of acquired companies. We prioritise IT security, cyber awareness training and disaster recovery training, while ensuring robust continuity plans via regular audits and application recovery tests. Risk mitigation includes cloud solutions, patch management, multi-factor authentication and timely security updates. Proactive cyber threat monitoring and thorough incident analysis drive risk reduction. Globally, our IT department oversees risk and infrastructure readiness. The Executive Board and Audit Committee actively supervise cyber risks through regular meetings and reporting, involving IT and compliance teams. This approach ensures resilience and quick adaptation to evolving IT security challenges.	In 2023, our IT systems and infrastructure have maintained stable performance and security standards. Focused IT security campaigns have been conducted. These involved intensified training, mandatory e-learning, internal phishing drills and the introduction of a new user-friendly reporting system for suspected phishing. Rigorous testing of Business Continuity and Disaster Recovery Plans confirmed our resilience towards negative IT incident effects. In 2023, we achieved ISO 27001:2022 certification, emphasising our commitment to security. Overall, our IT security risk slightly increased compared to last year. This development is not related specifically to DSV – rather, it is our assessment that the general risk from cybercrime is increasing.
Macroeconomy: Recession and changes to global supply chains Potential triggers like geopolitical conflicts, inflation, interest rate hikes, market distortions and pandemics may affect our activities and financial results. Protectionist measures by major economies could impact global trade. This would to some degree be balanced by increased regional or domestic activities and the sale of other logistics services. Changes in industry and consumer patterns, like reduced global trade and shorter supply chains due to environmental concerns or localising production, are impacting our customers' supply chains and the demand for logistics services.	Our flexible business model, stringent cost controls and efficiency measures ensure that we optimise financial performance across all business areas and geographies. Operational performance, financial results and cash flows are continuously monitored and necessary adjustments to capacity made. Our asset-light approach with external transport partners (carriers, hauliers) and leased terminals, warehouses and offices provides flexibility and enables us to adapt to market changes. Our global network and diversified customer portfolio mean that we do not depend on the development in single regions or industries. We continuously adapt our network to align with changing global supply chains. We pursue areas with higher growth potential, and as production expands into new markets and dual sourcing strategies emerge, we are ready to support our customers.	In 2023, declining global transport volumes and yields affected our gross profit and EBIT. The market normalisation was expected, and by utilising our flexible business model we maintained strong financial performance. Economic forecasts for 2024 by IMF and others suggest a "soft landing" with 2-3% annual GDP growth and parallel growth in the transport market. However, the geopolitical situation remains uncertain and may in several areas impact global supply chains in 2024. The NEOM joint venture in Saudi Arabia and our investments to support the semiconductor industry in the US are examples of our strategy to support growth in the coming years. With continued focus on cost discipline, net working capital control, robust capital structure and our asset-light model, we are well prepared for the years ahead. Even if several factors point to continued uncertainty, we estimate that the potential financial impact from these risks are lower than last year.

Risk description	Mitigation strategies	Risk assessment
Employees: Retention and attraction Our success relies on employees executing strategies and meeting targets. Skilled technical, operational and managerial key employees are essential for DSV. Failing to retain or attract talent could significantly hamper business performance, hindering strategic projects and goal achievement.	Fostering a positive, inclusive workplace makes DSV an attractive employer. This involves respecting labour rights and ensuring safe and inspiring workplaces in modern offices, terminals and warehouses. Upholding our performance culture is crucial and empowers our employees to take responsibility, make decisions and influence their everyday work life. We continue to invest in initiatives to attract, retain and develop our workforce. These include promoting diversity and inclusion, career advancement pathways, our DSV Academy, leadership training programmes, Young DSV initiatives and attractive remuneration.	Despite economic fluctuations and adjustments to our capacity in 2023, we maintained stability in our workforce, successfully retaining key employees. Our ongoing focus is on retaining talent and preparing for new workforce trends, and we continue to invest in our training and development programmes. There are fewer difficulties in recruiting and retaining essential personnel compared to previous year. This assessment is impacted by the fact that the labour market in the logistics industry has normalised slightly during 2023, due to lower activity across the sector.
Compliance: Increasing regulatory complexity and new risk areas As a result of our global operations, we are subject to extensive national and international regulatory requirements. In particular, regulation relating to tax, customs, VAT, sustainability, data privacy and competition law continue to increase in scope and complexity. Trade embargoes impacting international transports are also changing and increasing in magnitude. In recent years, our network has grown in regions with an increased risk of violation of labour rights. Our upcoming joint venture in NEOM will make these factors even more relevant. Cases of non-compliance may carry a long-term impact on our public reputation and brand, which may in turn have a negative impact on our relationships with customers and other stakeholders. Additionally, non-compliance may lead to significant fines, claims and other repercussions for the Group, members of our Management or our employees.	At all levels of our organisation and in all countries we do business in, we are committed to honest and ethical business practices and to complying with all relevant international and local regulation. These fundamental principles are anchored with our Top Management and are defined to safeguard the company and its employees. We believe this is the right way to run a business. DSV's policies – e.g. our Code of Conduct, Supplier Code of Conduct and Human Rights Policy – are enforced across all subsidiaries and followed up through internal controlling and audits. Our compliance framework is integrated into our business processes, containing clear guidelines on how to identify compliance-related issues and how to act accordingly. In addition, communicating and creating awareness of relevant issues is high on our agenda and activated through regular news updates, global newsletters, webcasts and internal conferences. Significant compliance-related risks are monitored and managed at Group level in close cooperation with our local business units.	In 2023, compliance challenges increased in various areas, e.g., sustainability reporting, value chain adherence and minimum tax regulations. Our compliance framework upholds ethical standards across our organisation, and during the year, we have invested further in strengthening this setup. The planned joint venture in NEOM will over time significantly increase our presence in Saudi Arabia and may eventually impact the risk assessment, especially related to violation of human rights and labour rights. We have engaged with NEOM Company, and the joint venture's compliance setup is based on DSV's standards and policies. DSV will appoint the managing director and will secure a setup to handle daily operations as well as managing the operationally relevant risks. Despite the continued pressure, our assessment shows a lower potential impact than the previous year. This is a testament to our resilient compliance setup, and the continued commitment across our organisation.

Risk description	Mitigation strategies	Risk assessment
M&A: Acquisitions and integration failure Strategic acquisitions are fundamental to our corporate strategy, which we have upheld for years. An erroneous acquisition may incur significant costs and divert resources from other potential candidates or growth strategies. Acquisitions inherently carry integration risks, potentially delaying cost synergies, strategic advantages or economies of scale.	DSV's robust M&A model ensures that acquisition targets align with our business model and growth objectives. We conduct a comprehensive due diligence and develop integration plans covering technology, processes, structure, culture and risk mitigation. Compliance with global regulations and financial readiness underpin our approach. Our many successful integrations, such as UTi (2016), Panalpina (2019), and GIL (2021), underline our record.	In 2023, we have not completed any significant M&A transactions, and as we have no larger ongoing integrations, it is our assessment that the M&A risk has decreased. Our M&A strategy remains intact, and larger acquisitions may change the risk assessment in 2024.
Technology: Innovation and technological adoption As with most industries, freight forwarding undergoes continuous technological developments, while also being exposed to gradual changes in the competitive landscape, driven by both existing players and new entrants to the market. Technologies like machine learning and generative AI will accelerate this development in the coming years. Currently, we see digitalisation and automation of processes (purchase order management, quoting, booking, tracking, reporting and billing) and the increasing focus on sustainability as the most significant developments impacting the freight forwarding industry. Insufficient innovation and failure to keep up with, adapt to and utilise new technological opportunities – as well as tackle the competitive challenges they bring – will lead to gradual loss of market share and earnings.	We are actively monitoring the logistics market, keeping up to date with our customers' needs and anticipating the impact of emerging technologies. To foster innovation within our organisation, we have established a Group Innovation team and we encourage our employees to generate and share ideas. Strategic planning, innovation and continued development of our digital and physical infrastructure are anchored with our Innovation Board, headed by our COO. Based on strategic roadmaps for each business area, we focus on developing our service catalogues, systems and operational procedures. This enables further digitalisation of our business and ensures that we have a robust and competitive service offering that meets customer needs. The aim of our strategy is to ensure that we can continue to benefit from our logistics expertise, scale and global network as a classic freight forwarder, while increasing our digital competences and utilising the benefits of technology.	We believe that we are well positioned in our industry within these areas, and that our current development and strategic plans will ensure that we will remain so in the coming years. In 2023, we have continued to invest in and develop our IT platforms across our service offerings. We have established a dedicated AI team to explore opportunities and implement relevant applications. Furthermore, we have supported our sustainability strategy and Green Logistics services with new technology. Consequently, we assess that our technology risk has remained largely unchanged from last year. For additional descriptions of our current technology focus areas, please see 'A responsive approach' on page 16.
Commercial: Failure to execute on organic growth strategy DSV's acquisitions in recent years have boosted revenue and number of employees. Our network and market position have become stronger, but growth also comes with challenges. While we integrate acquired companies and grow as a business, we must make sure to maintain a strong commercial focus. We must retain our focus on customer needs, know how to adapt to market changes and develop our network and services to ensure that our value proposition is clear. If we fail to deliver in these areas, our ability to execute on our organic growth strategy will be impaired, and this will influence our long-term financial results.	Managing our commercial risk is anchored with the Executive Board and the Group Executive Committee. In this forum, strategic initiatives are aligned and our commercial threats and opportunities are explored. For each of our business areas, we define the overall strategy and purpose, our value proposition and which customer segments we target. Our strategic initiatives to support organic growth include strengthening our network services (LCL, air charter network, European groupage network) and a revised commercial approach to enhance our vertical competences and value proposition. Furthermore, we have commercial initiatives in place to support cross-divisional cooperation and our Green Logistics services. We always pursue profitable growth, and the financial performance of each initiative is tracked, as part of our normal business reviews.	In a low-growth and highly competitive market, we achieved solid financial results in 2023. Measured by development in absolute gross profit and EBIT, we outperformed our large peers, indicating that our value proposition and market position are robust. In 2023, we made good progress on several strategic initiatives which aim to strengthen our network services and our commercial approach to the market. These are long-term initiatives which are expected to have gradual effect over the coming years. Based on this, we estimate that the risk associated with executing our organic growth strategy decreased in 2023.

Corporate governance

The Board of Directors and the Executive Board form the governing body of DSV, the ultimate authority resting with the shareholders at the General Meeting. The allocation of tasks and responsibilities between the two boards is defined by the Rules of Procedure.

Management structure
The Board of Directors outlines and supervises the overall vision, strategy and objectives of the Group's business activities.

The Executive Board is responsible for the execution of these activities and for the day-to-day management of the Group. It also provides input and supports the work done by the Board of Directors.

Divisional Management is responsible for managing the operational activities of the divisions, supported by centralised Group functions.

The Board of Directors
Board composition
The Board of Directors must comprise five to nine members in accordance with the Articles of Association and currently numbers eight members. Directors are elected for a term of one year, and new Directors are elected in accordance with the applicable rules of the Danish Companies Act.

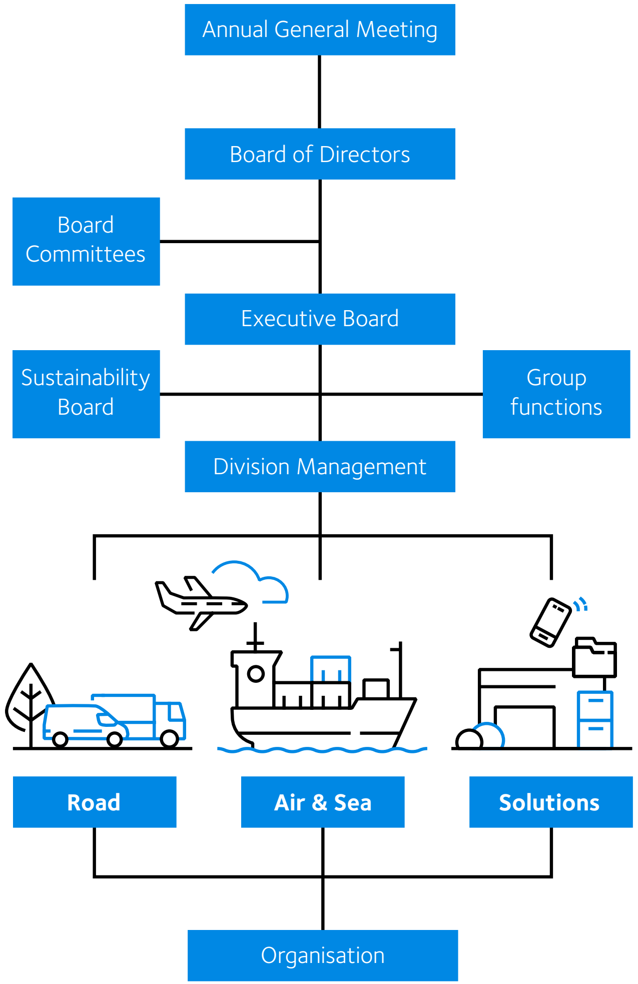
At the ordinary General Meeting in March 2023, Birgit W. Nørgaard resigned from her position after serving 13 years on the Board. Helle Østergaard Kristiansen joined in her place, bringing substantial management experience within finance, regulatory compliance, renewable energy and sustainability.

All members of the Board of Directors are considered independent in accordance with the Danish Recommendation on Corporate Governance with the exception of Thomas Plenborg, who has served more than 12 years on the Board.

Board competencies
The Board is composed so as to ensure that the competences of its members are diverse and business relevant, so it can perform its duties as intended. Overboarding is also taken into consideration when determining the Board's composition.

The current competencies required of Board members are: knowledge of the transport sector, international commercial experience as well as experience in strategy, M&A, risk management, IT, human resources and accounting. See page 40 for a description of the individual members' competencies and experience.

Board self-evaluation
Once a year, the Board of Directors self-evaluates its composition, competencies and performance during the year. Diversity, overboarding, internal management cooperation, succession planning and strategic focus areas for the coming year are some of the topics evaluated.



The Chairman of the Board is responsible for initiating and running the evaluation process, which includes a mix of questionnaires and interviews. When completed, the outcome is presented to and discussed by the Board.

At least every third year, external advisors are brought in to help conduct the annual self-evaluation. The last time external advisors were used was in 2021. Involving external advisors helps give an independent perspective on the performance and composition of the Board of Directors. The Board can then use their input to support the self-evaluation the following years.

The 2023 self-evaluation addressed a number of topics – including Board members' mix of competences and insight in areas like digitalisation and ESG regulation. The summary report had no reservations on these topics and validated the appropriateness of the current Board composition.

Board committees
The Board of Directors is assisted by an audit, nomination and remuneration committee. Each is responsible for carrying out various preparatory tasks around the Board's key areas of responsibility.

The committees also assist the Board by preparing and assessing all managerial and strategic proposals presented to the Board, to ensure a solid and informed basis for decision-making.

The rules of procedure for the committees are available at: https://www.dsv.com/en/board-committees

Board meetings
In 2023, the Board of Directors held nine ordinary and three extraordinary meetings. The agenda for each is defined in accordance with the annual cycle of the Board to make sure the strategic and operational policy framework of the Group is always up to date and in accordance with the emphasis defined by the Board.

Besides the work outlined in the annual cycle, this year the Board mainly focused on growth strategies, the Group's sustainability efforts and the continuous development of our digital freight forwarding platforms.

The Board also addressed various strategic considerations and business adaptations in view of the emerging economic slowdown in a number of major global economies and other macroeconomic impacts brought on by current geopolitical conflicts.

Meeting attendance 2023	Board of Directors	Audit Committee	Nomination Committee	Remuneration Committee
Thomas Plenborg	12/12	3/3	2/2	2/2
Jørgen Møller	12/12	-	1/1	1/1
Marie-Louise Aamund	12/12	3/3	1/1	-
Beat Walti	12/12	-	-	2/2
Niels Smedegaard	12/12	3/3	-	-
Tarek Sultan Al-Essa	12/12	-	-	-
Benedikte Leroy	12/12	1/1	1/1	1/1
Helle Ø. Kristiansen (elected March 2023)	10/10	2/2	-	-
Birgit W. Nørgaard (resigned March 2023)	2/2	-	1/1	-

Remuneration of the Board of Directors and Executive Board

Remuneration policy
Remuneration of the Board of Directors and Executive Board is carried out in accordance with DSV's Remuneration Policy as adopted by the Annual General Meeting.

The purpose of the Remuneration Policy is threefold: to make sure DSV can attract and retain qualified members of the Board of Directors and Executive Board, to align the interests of the Executive Board with those of our investors and other societal stakeholders, and ultimately to create incentive for generating long-term value for shareholders and executing on goals set by the Board of Directors (for example around sustainability or other strategic business initiatives).

The latest DSV Remuneration Policy is available at: https://www.dsv.com/en/remuneration-policy

Remuneration report
We report on the remuneration of members of the Board of Directors and Executive Board separately in the DSV Remuneration Report.

The report is prepared in accordance with section 139b of the Danish Companies Act and the Danish Recommendations on Corporate Governance and is available at: https://www.dsv.com/en/remuneration-reports

Report on Corporate Governance cf. section 107b of the Danish Financial Statements Act

In managing DSV, the Board of Directors applies the latest Recommendations on Corporate Governance issued by the Danish Committee on Corporate Governance.

The Board uses the Recommendations for guidance when setting up management structures, tasks and procedures and checks against them to make sure we are acting in accordance with the principal intentions of the Recommendations. The Board regularly assesses its procedures based on the Recommendations.

DSV fully abided by the Recommendations in 2023.

We report on our adherence to the Recommendations – including internal controls and risk management systems applied as basis for our reporting process – in the Statutory Report on Corporate Governance available at https://www.dsv.com/en/governance-reports

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

We report separately on our policies and approach to Data Ethics in accordance with section 99d of the Danish Financial Statements Act. The reporting is available in our Statutory Report on Data Ethics at: https://www.dsv.com/en/data-ethics-reports

Reporting on Diversity at management levels cf. section 99b of the Danish Financial Statements Act

Our Board of Directors has 8 members where 38% are women and 62% men, which is considered an equal gender composition according to Danish corporate governance rules. Five board members have Danish citizenship while three live in countries other than Denmark and have other citizenships.

To achieve a balanced gender distribution, we are working towards a target of 40% female representation by 2030 at Executive Management levels in our large Danish companies.

Executive Management comprises the Executive Board and the direct management level below (other management levels).

Executive Management in DSV A/S comprises 13 members. At end of 2023, the gender distribution comprised 23% women and 77% men, remaining unchanged from last year.

This target is aligned with our Diversity and Inclusion Policy and is supported by our recruitment and succession planning policies. We continued our mandatory diversity and inclusion training for all new managers and HR staff during 2023. Further development of initiatives to reach this target will continue during 2024.

Executive Board

Jens Bjørn Andersen

Office	CEO
Member since	2008
Born	1966

Jens H. Lund

Office	COO and Vice CEO
Member since	2002
Born	1969

Michael Ebbe

Office	CFO
Member since	2021
Born	1970

Board positions

ME	EET Group Holdings ApS

ME = Member

Board of Directors

CM = Chairman DC = Deputy Chairman ME = Member * = Listed company

Thomas Plenborg

Office	Chairman
Member since	2011
Up for re-election	Yes
Independent	No
Born	1967

Committee	
Audit Committee	Member
Nomination Committee	Member
Remuneration Committee	Member

Skills and experience
- Management experience from directorships and honorary offices
- Strategy and financial management
- Professor of accounting and auditing at Copenhagen Business School

Other Board positions

CM ECIT AS*
ME Menzies Aviation Limited

Jørgen Møller

Office	Deputy Chairman
Member since	2015
Up for re-election	Yes
Independent	Yes
Born	1950

Committee	
Audit Committee	-
Nomination Committee	-
Remuneration Committee	-

Skills and experience
- General international management experience
- Extensive experience in shipping and logistics (industry expert)
- CEO of DSV Air & Sea Holding A/S 2002-2015

Benedikte Leroy

Office	Member
Member since	2022
Up for re-election	Yes
Independent	Yes
Born	1970

Committee	
Audit Committee	-
Nomination Committee	Chairman
Remuneration Committee	Member

Skills and experience
- International board and general management experience
- Extensive experience in technology from international leadership roles in Dell, Symantec, GE and Apple
- Legal compliance, ethics and extensive insight in environmental, social and governance regulation (sustainability expert), latest in Volvo Trucks
- Acquisition and divestment of enterprises

Beat Walti

Office	Member
Member since	2019
Up for re-election	Yes
Independent	Yes
Born	1968

Committee	
Audit Committee	-
Nomination Committee	-
Remuneration Committee	Chairman

Skills and experience
- Professional board and general management experience
- Dr. jur. and legal experience serving as an attorney-at-law
- Acquisition and divestment of enterprises

Other Board positions

CM Ernst Göhner Foundation
CM Rahn AG
ME Siegfried Holding AG*
ME Wenger Vieli AG
ME EGS Beteiligungen Ltd

Marie-Louise Aamund

Office	Member
Member since	2019
Up for re-election	Yes
Independent	Yes
Born	1969

Committee	
Audit Committee	Member
Nomination Committee	Member
Remuneration Committee	-

Skills and experience
- General international management experience
- International tech leadership experience from Microsoft, IBM and Google
- Cybersecurity, digital transformation and sustainability
- Acquisition and divestment of enterprises

Other Board positions

ME The Lego Foundation
ME KIRKBI A/S
ME WS Audiology A/S
ME Matas*

Helle Østergaard Kristiansen

Office	Member
Member since	2023
Up for re-election	Yes
Independent	Yes
Born	1978

Committee	
Audit Committee	Chairman
Nomination Committee	-
Remuneration Committee	-

Skills and experience
- General international management experience
- Extensive experience in finance, renewable energy and sustainability (sustainability expert)
- Corporate strategy, operation and resource advisory

Other Board positions

ME Systematic A/S
CEO Danske Commodities A/S

Niels Smedegaard

Office	Member
Member since	2020
Up for re-election	Yes
Independent	Yes
Born	1962

Committee	
Audit Committee	Member
Nomination Committee	-
Remuneration Committee	-

Skills and experience
- General international management experience
- Extensive experience in shipping, logistics and the airline industry (industry expert)
- Acquisition and divestment of enterprises

Other Board positions

CM ISS A/S*
CM Abacus Medicine A/S
CM Bikubenfonden
CM Falck A/S
CM Nordic Ferry Infrastructure
ME UK P&I
ME TT Club

Tarek Sultan Al-Essa

Office	Member
Member since	2021
Up for re-election	Yes
Independent	Yes
Born	1964

Committee	
Audit Committee	-
Nomination Committee	-
Remuneration Committee	-

Skills and experience
- Extensive experience in shipping and logistics
- Acquisition and divestment of enterprises
- General international management experience
- Extensive insight in environmental, social and governance regulation (sustainability expert)

Other Board positions

CM Sultan Center Food Products Company K.S.C*
DC Agility Public Warehousing Company K.S.C.P.*
ME National Real Estate Company K.P.S.C.*

Shareholder information

Share price performance in 2023
At year-end, the closing price for DSV shares on Nasdaq Copenhagen was DKK 1,185.5 – up 8.1% since year-end 2022. During the same period, the Danish C25 Index increased by 7.1%.

The average daily trading volume of DSV shares on Nasdaq Copenhagen was 329,172 shares in 2023 (0.2% of shares issued).

At year-end, DSV's market capitalisation (excluding treasury shares) was DKK 248 billion against DKK 238 billion at the end of 2022.

Ownership
There is no complete record of all shareholders. Based on the available information as of 31 December 2023, DSV had 94,369 registered shareholders. The registered shares totalled 213 million, corresponding to 97.2% of the share capital. The 25 largest shareholders owned 61.1% of the free-floating share capital.

DSV has no majority shareholders.

Shareholders owning more than 5% of the share capital in DSV A/S according to latest shareholding notifications are:

- Ernst Göhner Stiftung, Switzerland (9.7%)
- Agility Public Warehousing Company K.S.C.P, Kuwait (8.8%)
- BlackRock, Inc., USA (7.8%)
- Capital Group Companies, Inc., USA (5.1%)

Share buyback and treasury shares
In 2023, DSV acquired 11.1 million treasury shares at a total purchase price of DKK 13,997 million (average purchase price DKK 1,264 per share).

On 31 December 2023, DSV held 9.8 million shares as treasury shares, corresponding to 4.5% of the share capital.

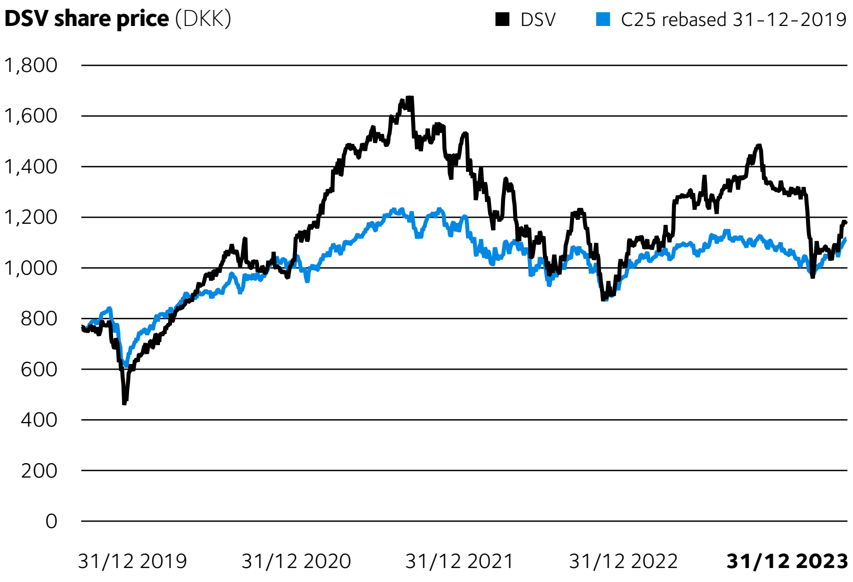
On 31 January 2024, our portfolio of treasury shares amounted to 10.3 million shares.

Throughout 2023, we have engaged in five share buyback programmes. The purpose of these was to accommodate the exercise of share options under incentive schemes and to adjust the capital structure in accordance with the financial targets.

The shares were acquired under the authorisation of the Annual General Meeting and in compliance with the Safe Harbour principles.

Dividends
The Board of Directors proposes an ordinary dividend of DKK 7.00 per share for 2023 (2022: DKK 6.50).

DSV share price (DKK)



Shares issued ('000)	2019	2020	2021	2022	**2023**
Number of shares issued	235,000	230,000	240,000	219,000	219,000
Average number of shares outstanding during the past 12 months	198,273	227,246	227,501	227,317	213,518
Average diluted number of shares outstanding during the past 12 months	201,405	231,576	232,639	230,467	215,519

Capital allocation policy
Our capital allocation principles are described on page 18.

Authorities granted to the Board of Directors
The following authorities have been granted to the Board of Directors:

- to increase DSV's share capital by issuing up to 48 million shares with or without pre-emptive rights for existing shareholders. This authority remains valid until 8 September 2026; and
- to acquire up to 21.9 million own shares, of which 9.1 million were acquired as of 31 December 2023. This authority remains valid until 16 March 2028.

Share capital reduction
Following the acquisition of treasury shares, the Board of Directors intends to propose to the 2024 Annual General Meeting that the Board be authoritsed to reduce the share capital by a nominal value of DKK 5 million.

Communication with shareholders
We wish to provide the basis for fair and efficient pricing of the DSV share by practising open and proactive communication.

To keep investors and other stakeholders up to date with the latest developments, our Executive Management host conference calls following the release of financial results. Throughout the year, Executive Management and Investor Relations stay in close contact with existing and potential investors as well as market analysts, engaging with them through roadshows and conferences hosted by various brokers.

We observe a four-week silent period prior to the publication of annual and interim reports. DSV is covered by more than 20 equity analysts. For more information about analyst coverage, please visit investor.dsv.com

DSV share data

Number of shares of DKK 1 on 31 Dec. 2023	219,000,000
Share classes	1
Restrictions on transferability and voting rights	None
Listed	Nasdaq Copenhagen
Trading symbol	DSV
ISIN code	DK0060079531

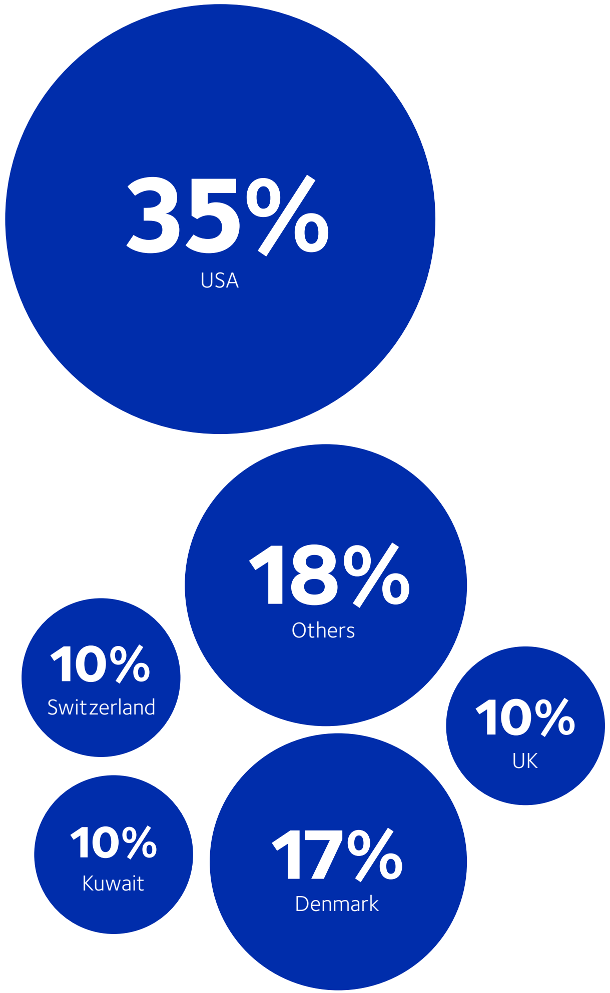
Company announcements
In 2023, we published 73 company announcements (Nos. 1007-1079). The most important of these are listed in the chart below:

02 Feb.	No. 1012	Annual Report 2022
16 Mar.	No. 1022	Annual General Meeting
27 Apr.	No. 1030	Interim Financial Report Q1 2023
25 Jul.	No. 1045	Upgrade of financial outlook for 2023
25 Jul.	No. 1046	Interim Financial Report H1 2023
18 Oct.	No. 1062	DSV announces changes to Executive Board
24 Oct.	No. 1064	NEOM and DSV establish USD 10 billion logistics joint venture
24 Oct.	No. 1065	Interim Financial Report Q3 2023

Financial calendar
The financial calendar for 2024 is as follows:

Annual General Meeting	**14 March**
Q1 2024 Report	**24 April**
H1 2024 Report	**24 July**
Q3 2024 Report	**23 October**

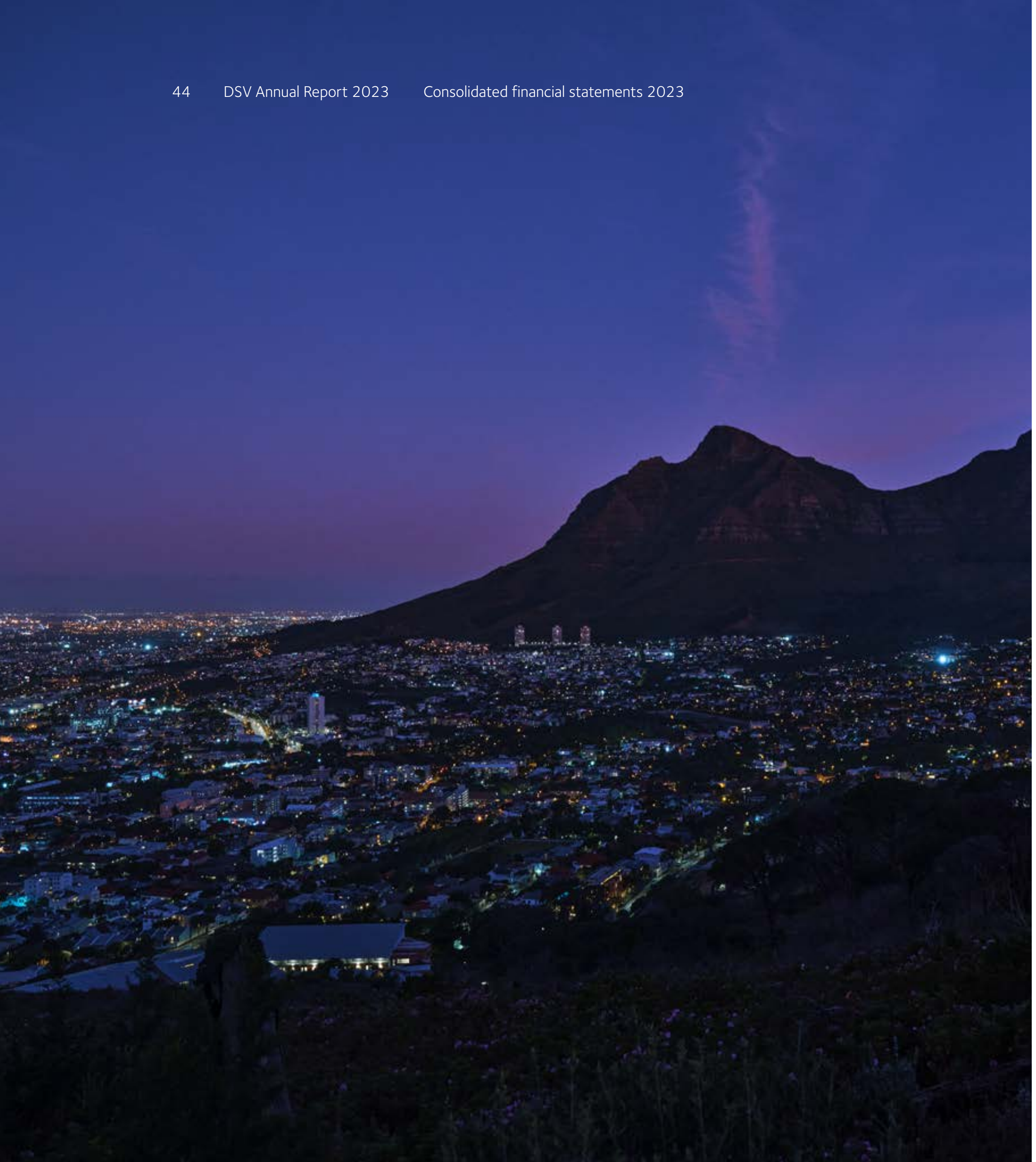
The geographical distribution of our shareholders



Quarterly financial highlights

	2023					2022				
	Q1	Q2	Q3	Q4	**Full year**	Q1	Q2	Q3	Q4	**Full year**
Statement of profit or loss (DKKm)										
Revenue*	40,954	37,727	35,576	36,528	**150,785**	61,125	62,749	60,560	51,231	**235,665**
Gross profit*	11,391	11,331	10,649	10,447	**43,818**	12,877	14,078	13,538	11,656	**52,149**
Operating profit (EBIT) before special items*	4,672	4,705	4,396	3,950	**17,723**	6,496	7,453	6,506	4,749	**25,204**
Operating margin (%)	11.4	12.5	12.4	10.8	**11.8**	10.6	11.9	10.7	9.3	**10.7**
Conversion ratio (%)	41.0	41.5	41.3	37.8	**40.4**	50.4	52.9	48.1	40.7	**48.3**
ROIC before tax (%) (trailing 12 months)	23.2	20.4	17.9	17.8	**17.8**	23.1	27.2	24.7	25.1	**25.1**
Invested capital (YTD)	97,151	97,019	99,791	99,973	**99,973**	103,986	105,596	106,713	99,540	**99,540**
Segment information (DKKm)										
Air & Sea										
Revenue	26,213	22,993	21,912	21,854	**92,972**	45,887	47,282	45,339	35,923	**174,431**
Gross profit	7,027	6,754	6,210	5,979	**25,970**	8,637	9,575	9,135	7,277	**34,624**
Operating profit (EBIT) before special items	3,626	3,574	3,281	2,882	**13,363**	5,224	6,163	5,455	3,816	**20,658**
Operating margin (%)	13.8	15.5	15.0	13.2	**14.4**	11.4	13.0	12.0	10.6	**11.8**
Conversion ratio (%)	51.6	52.9	52.8	48.2	**51.5**	60.5	64.4	59.7	52.4	**59.7**
Road										
Revenue	10,094	9,650	9,036	9,375	**38,155**	10,188	10,835	10,406	10,078	**41,507**
Gross profit	1,976	2,023	1,924	1,937	**7,860**	1,938	2,074	1,989	1,910	**7,911**
Operating profit (EBIT) before special items	495	525	522	467	**2,009**	498	566	525	451	**2,040**
Operating margin (%)	4.9	5.4	5.8	5.0	**5.3**	4.9	5.2	5.0	4.5	**4.9**
Conversion ratio (%)	25.1	26.0	27.1	24.1	**25.6**	25.7	27.3	26.4	23.6	**25.8**
Solutions										
Revenue	5,625	5,898	5,538	6,079	**23,140**	6,162	6,182	5,841	6,224	**24,409**
Gross profit	2,285	2,373	2,381	2,471	**9,510**	2,322	2,324	2,325	2,347	**9,318**
Operating profit (EBIT) before special items	548	613	584	610	**2,355**	789	753	613	546	**2,701**
Operating margin (%)	9.7	10.4	10.5	10.0	**10.2**	12.8	12.2	10.5	8.8	**11.1**
Conversion ratio (%)	24.0	25.8	24.5	24.7	**24.8**	34.0	32.4	26.4	23.3	**29.0**

Please refer to page 82 for a definition of key figures and financial ratios. * Reference is made to note 2.1 Segment information for a reconciliation of revenue, gross profit and operating profit before special items.



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Statement of profit or loss

(DKKm)	Note	2023	2022
Revenue	2.2	150,785	235,665
Direct costs	2.3	106,967	183,516
Gross profit		**43,818**	**52,149**
Other external costs	2.4	4,838	5,559
Staff costs	2.5	15,983	16,315
Operating profit before amortisation and depreciation (EBITDA) before special items		**22,997**	**30,275**
Amortisation and depreciation	2.6	5,274	5,071
Operating profit (EBIT) before special items		**17,723**	**25,204**
Special items, costs	2.7	-	1,117
Financial income	2.8	473	606
Financial expenses	2.8	1,706	1,472
Profit before tax		**16,490**	**23,221**
Tax on profit for the year	5.1	4,083	5,550
Profit for the year		**12,407**	**17,671**
Profit for the year attributable to:			
Shareholders of DSV A/S		12,315	17,568
Non-controlling interests		92	103
Earnings per share:			
Earnings per share of DKK 1	4.6	57.7	77.3
Diluted earnings per share of DKK 1	4.6	57.1	76.2

Statement of comprehensive income

(DKKm)	Note	2023	2022
Profit for the year		**12,407**	**17,671**
Items that may be reclassified to profit or loss when certain conditions are met:			
Net foreign exchange differences recognised in OCI		(1,626)	1,260
Fair value adjustments of hedging instruments		(10)	9
Fair value adjustments of hedging instruments transferred to financial expenses		(5)	9
Tax on items reclassified to profit or loss	5.1	6	(2)
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses)	3.7	(398)	(395)
Tax on items that will not be reclassified	5.1	75	54
Other comprehensive income, net of tax		**(1,958)**	**935**
Total comprehensive income		**10,449**	**18,606**
Total comprehensive income attributable to:			
Shareholders of DSV A/S		10,363	18,500
Non-controlling interests		86	106
Total		**10,449**	**18,606**

Statement of cash flows

(DKKm)	Note	2023	2022
Operating profit before amortisation and depreciation (EBITDA) before special items		**22,997**	**30,275**
Adjustments:			
Share-based payments	6.2	267	202
Change in provisions		(704)	520
Change in working capital		826	2,840
Special items, paid	2.7	(263)	(664)
Interest received	2.8	473	323
Interest paid, lease liabilities	3.6	(851)	(727)
Interest paid, other	2.8	(698)	(745)
Income tax paid	5.1	(5,589)	(5,178)
Cash flow from operating activities		**16,458**	**26,846**
Purchase of intangible assets	3.2	(345)	(280)
Purchase of property, plant and equipment	3.3	(2,030)	(1,514)
Disposal of property, plant and equipment	3.3	1,258	824
Acquisition of subsidiaries and activities	6.1	(685)	-
Change in other financial assets		(228)	4
Cash flow from investing activities		**(2,030)**	**(966)**
Free cash flow		**14,428**	**25,880**
Proceeds from borrowings	4.3	212	4,393
Repayment of borrowings	4.3	(327)	(3,719)
Repayment of lease liabilities	4.3	(3,905)	(3,734)
Other financial liabilities incurred		108	(161)

(DKKm)	Note	2023	2022
Transactions with shareholders:			
Dividends distributed to shareholders of DSV A/S	4.2	(1,424)	(1,320)
Purchase of treasury shares	4.1	(13,997)	(20,313)
Sale of treasury shares	4.1	1,794	618
Other transactions with shareholders and non-controlling interests		(35)	(9)
Cash flow from financing activities		**(17,574)**	**(24,245)**
Cash flow for the year		**(3,146)**	**1,635**
Cash and cash equivalents 1 January		10,160	8,299
Cash flow for the year		(3,146)	1,635
Currency translation		(562)	226
Cash and cash equivalents 31 December	4.2	**6,452**	**10,160**

The statement of cash flows cannot be directly derived from the statement of financial position and statement of profit or loss.

Statement of adjusted free cash flow (DKKm)	Note	2023	2022
Free cash flow		14,428	25,880
Net acquisition of subsidiaries and activities (reversed)	6.1	685	-
Special items (reversed)	2.7	263	664
Repayment of lease liabilities	4.3	(3,905)	(3,734)
Adjusted free cash flow		**11,471**	**22,810**

Statement of financial position

Assets (DKKm)	Note	**2023**	2022
Intangible assets	3.2	77,106	77,674
Right-of-use assets	3.6	15,655	14,694
Property, plant and equipment	3.3	6,214	6,284
Other receivables		2,461	2,461
Deferred tax assets	5.2	3,300	3,494
Total non-current assets		**104,736**	**104,607**
Trade receivables	4.4	22,296	32,387
Contract assets	3.4	4,985	5,785
Inventories	3.5	4,314	1,889
Other receivables		4,283	4,179
Cash and cash equivalents	4.2	6,452	10,160
Assets held for sale		44	38
Total current assets		**42,374**	**54,438**
Total assets		**147,110**	**159,045**

Equity and liabilities (DKKm)	Note	**2023**	2022
Share capital	4.1	219	219
Reserves	4.1	(718)	919
Retained earnings		69,202	70,381
DSV A/S shareholders' share of equity		**68,703**	**71,519**
Non-controlling interests		263	222
Total equity		**68,966**	**71,741**
Lease liabilities	3.6	14,139	13,190
Borrowings	4.3	20,004	21,398
Pensions and other post-employment benefit plans	3.7	1,281	1,183
Provisions	3.8	3,772	4,260
Deferred tax liabilities	5.2	609	504
Total non-current liabilities		**39,805**	**40,535**
Lease liabilities	3.6	3,808	3,577
Borrowings	4.3	2,139	814
Trade payables	4.4	13,111	14,992
Accrued cost of services	3.4	7,920	12,085
Provisions	3.8	1,967	2,407
Other payables		8,138	9,640
Tax payables		1,256	3,254
Total current liabilities		**38,339**	**46,769**
Total liabilities		**78,144**	**87,304**
Total equity and liabilities		**147,110**	**159,045**

Statement of changes in equity

(DKKm)	2023 Share capital	2023 Reserves*	2023 Retained earnings	2023 Total	2023 Non-controlling interests	2023 Total equity	2022 Share capital	2022 Reserves*	2022 Retained earnings	2022 Total	2022 Non-controlling interests	2022 Total equity
	Attributable to shareholders of DSV A/S						Attributable to shareholders of DSV A/S					
Equity at 1 January	**219**	**919**	**70,381**	**71,519**	**222**	**71,741**	**240**	**(356)**	**74,219**	**74,103**	**175**	**74,278**
Profit for the year	-	-	12,315	12,315	92	12,407	-	-	17,568	17,568	103	17,671
Other comprehensive income, net of tax	-	(1,629)	(323)	(1,952)	(6)	(1,958)	-	1,271	(339)	932	3	935
Total comprehensive income for the year	**-**	**(1,629)**	**11,992**	**10,363**	**86**	**10,449**	**-**	**1,271**	**17,229**	**18,500**	**106**	**18,606**
Transactions with shareholders and non-controlling interests:												
Share-based payments	-	-	267	267	-	267	-	-	202	202	-	202
Tax on share-based payments	-	-	171	171	-	171	-	-	(322)	(322)	-	(322)
Dividends distributed	-	-	(1,424)	(1,424)	(50)	(1,474)	-	-	(1,320)	(1,320)	(58)	(1,378)
Purchase of treasury shares	-	(11)	(13,986)	(13,997)	-	(13,997)	-	(19)	(20,294)	(20,313)	-	(20,313)
Sale of treasury shares	-	3	1,791	1,794	-	1,794	-	2	616	618	-	618
Capital reduction	-	-	-	-	-	-	(21)	21	-	-	(1)	(1)
Dividends on treasury shares	-	-	19	19	-	19	-	-	43	43	-	43
Other adjustments	-	-	(9)	(9)	5	(4)	-	-	8	8	-	8
Total equity transactions	**-**	**(8)**	**(13,171)**	**(13,179)**	**(45)**	**(13,224)**	**(21)**	**4**	**(21,067)**	**(21,084)**	**(59)**	**(21,143)**
Equity at 31 December	**219**	**(718)**	**69,202**	**68,703**	**263**	**68,966**	**219**	**919**	**70,381**	**71,519**	**222**	**71,741**

* For a specification of reserves, please refer to note 4.1.

Notes to the consolidated financial statements

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Chapter 1

Basis of preparation

The 2023 Annual Report of DSV A/S is prepared on a going concern basis in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in accordance with IFRS Accounting Standards as adopted by the European Union and further requirements for listed companies in the Danish Financial Statements Act.

The consolidated financial statements are presented in Danish kroner (DKK) and rounded to the nearest million.

Introduction
The Annual Report of DSV A/S comprises the consolidated financial statements of DSV A/S and its subsidiaries.

The Board of Directors and Executive Board considered and approved the 2023 Annual Report of DSV A/S on 1 February 2024. The Annual Report will be submitted to the shareholders of DSV A/S for approval at the Annual General Meeting on 14 March 2024.

Basis of measurement
The Annual Report is prepared under the historical cost convention with the exception of derivative financial instruments and acquisition opening balances, which are measured at fair value. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The accounting policies described in the notes to the consolidated financial statements have been applied consistently for the financial year and for the comparative figures.

Changes in accounting policies
All amendments to the IFRS Accounting Standards effective for the financial year 2023 have been implemented as basis for preparing the consolidated financial statements and notes to the financial statements.

None of the implementations have had any material impact on the statements or notes presented.

Management judgements and estimates
In preparing the consolidated financial statements, Management makes various accounting judgements and estimates that affect the reported amounts and disclosures in the financial statements and notes to the statements.

These are based on professional experience, historical data and other factors available to Management.

By nature, a degree of uncertainty is involved when carrying out these judgements and estimates, hence actual results may deviate from the assessments made at the reporting date. Judgements and estimates are continuously evaluated, and the effects of any changes are recognised in the relevant period.

The primary financial statements items for which significant accounting judgements and estimates are applied are listed below:
- Contract assets and accrued cost of services (note 3.4)
- Provisions (note 3.8)
- Tax on profit for the year and deferred tax (note 5.1 and note 5.2)

Additional description of management judgements and estimates made are provided in the relevant notes.

Climate-related risks in the financial statements
In preparing the consolidated financial statements, Management assesses how climate-related risks may affect the consolidated financial statements and the measures that have been, or will be, put in place to mitigate them. Management assesses that climate-related risks do not have a significant impact on the 2023 primary financial statements.

While climate-related risks do not currently impact the primary financial statements significantly, we are closely monitoring changes and developments in these risks. Our assessment of climate-related risks is included in the notes to the financial statements regarding the primary financial statement items that are assessed to be potentially exposed to climate-related risks in the future. These are:
- Impairment testing (note 3.1)
- Property, plant and equipment (note 3.3)

Basis of consolidation

The consolidated financial statements include the Parent Company (DSV A/S) and all subsidiaries over which DSV A/S exercises control. Entities over which the Group has direct or indirect significant influence are accounted for as associates and measured using the equity method. Investments with negative net asset values are recognised at DKK 0.

The consolidated financial statements are prepared based on uniform accounting policies in all Group entities. Consolidation of Group entities is performed after elimination of all intra-group transactions, balances, income and expenses.

Group composition

The Group holds interests in 455 entities and was composed as follows at 31 December 2023:

Entities (Number)	Region EMEA	Americas	APAC	Total
Subsidiaries	288	59	99	446
Associates	6	1	2	9

Foreign currency

Functional currency

A functional currency is determined for each Group entity. The functional currency is the currency used in the primary financial environment in which the individual Group entity operates.

Foreign currency translation

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate at the transaction dates. Foreign currency translation differences between the exchange rates at the transaction date and the date of payment are recognised in the statement of profit or loss under financials.

Monetary items denominated in a foreign currency are translated at the exchange rate at the reporting date. The difference between the exchange rate at the reporting date and the transaction date or the exchange rate used in the latest annual report is recognised in the statement of profit or loss under financials.

Foreign currency translation differences arising on the translation of non-monetary items, such as investments in associates, are recognised directly in other comprehensive income.

Recognition in the consolidated financial statements

When preparing the consolidated financial statements, the statement of profit or loss of entities with a functional currency other than DKK are translated at the average exchange rate for the period, and statement of financial position items are translated at the closing rate at the end of the reporting period.

Foreign exchange differences arising on translation of the equity of foreign entities and on translation of receivables considered part of net investment are recognised directly in other comprehensive income.

Foreign exchange differences arising on the translation of statement of profit or loss from the average exchange rate for the period to the exchange rate at the reporting date are recognised in other comprehensive income. Adjustments are presented within the translation reserve in equity.

Presentation of the Annual Report

Statement of cash flows

The statement of cash flows is prepared using the indirect method based on operating profit before depreciation and amortisation (EBITDA) before special items. The statement of cash flows cannot be derived directly from the statement of financial position and the statement of profit or loss.

Applying materiality in financial reporting

In preparing the Annual Report, Management seeks to achieve a high information value by presenting the information in a way that supports the understanding of the Group's performance in the reporting period.

This objective is achieved by presenting fair transactional aggregation levels on items and other financial information, emphasising information that is considered of material importance to the user.

Disclosures that are considered immaterial to the decision making of the primary users of these financial statements are omitted.

Presentation of financial statement items and subtotals

The presentation of financial statement items and subtotals is based on separate classification of material groups of similar items. In the statement of profit or loss, income and expense items are classified based on the 'nature of expense' method in accordance with IAS 1. Furthermore, the use of special items is applied to improve the transparency and understanding of the Group's financial statements by separating the core performance of the Group from exceptional items. For a definition and reconciliation of Group results before and after special items, please refer to note 2.7 Special items.

New accounting regulations

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2023 consolidated financial statements. DSV expects to implement the standards and amendments when they take effect.

None of the new standards issued are currently expected to have significant impact on the Group's financial statements when implemented.

Chapter 2

Profit for the year

This chapter includes disclosures on components of consolidated profit for the year. The consolidated profit is based on the combined results of our three operating segments – Air & Sea, Road and Solutions – as described in the following.

Reference is also made to the comments on the financial performance of the Group and the divisions in Management's commentary.

2.1 Segment information

Accounting policies

Operating segments are defined by the operational and management structure of DSV, which is derived from the types of services we deliver and our geographical presence on the global market. As such, our operating segments reflect our Divisional and Group reporting used for management decision making.

Operating segments

Our business operations are carried out by three divisions, forming the basis of our segment reporting.

Air & Sea

The Air & Sea division operates a global network specialising in transportation of cargo by air and sea. The division offers both conventional freight forwarding services and tailored project cargo solutions.

Road

The Road division offers road freight services, including full load, part load and groupage. The division operates a European network and furthermore has operations in North America, South Africa and in the Middle East.

Solutions

The Solutions division offers warehousing and logistics services globally. The service portfolio includes freight management, customs clearance, order management and e-commerce solutions.

Measurement of earnings by segment

Our operating segments are measured and reported down to operating profit before special items. This reporting adheres to the accounting policies disclosed in these consolidated financial statements.

Segment income and costs, as well as assets and liabilities, comprise items directly attributable to the segment as well as items that may be allocated to the segment on a reliable basis.

Income and costs relating to Group functions, investing activities, etc., are managed at Group level. These items are not included in the statement of segment information, but are presented under 'non-allocated items and eliminations'.

Financial position of operating segments

Assets and liabilities are included in the segmental reporting to the extent they are used for the operation of the segment.

Assets and liabilities that cannot be attributed to any of the three segments on a reliable basis are presented under 'non-allocated items and eliminations'.

Geographical information

DSV operates in most parts of the world and has activities in more than 80 countries, which are divided into the following geographical regions:

- EMEA: Europe, Middle East and Africa
- Americas: North and South America
- APAC: Asia, Australia and the Pacific

Revenue and non-current assets are allocated to the geographical areas according to the country in which the individual consolidated entity is based. Please refer to note 2.2 for regional segmentation of revenue. The corporate headquarters of DSV is located in Denmark, which is in the EMEA region. Our business is based on transactions in our global network rather than in individual countries or regions.

Intersegment transactions are made on an arm's length basis.

Major customers

DSV is not reliant on any major customers. No single customer exceeds 5% of the consolidated Group revenue.

2.1 Segment information – continued

Segment information – divisions (DKKm)	Air & Sea		Road		Solutions		Non-allocated items and eliminations		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
Condensed statement of profit or loss										
Revenue	92,438	172,868	35,509	38,746	22,482	23,826	356	225	150,785	235,665
Intersegment revenue	534	1,563	2,646	2,761	658	583	(3,838)	(4,907)	-	-
Divisional revenue	**92,972**	**174,431**	**38,155**	**41,507**	**23,140**	**24,409**	**(3,482)**	**(4,682)**	**150,785**	**235,665**
Direct costs	67,002	139,807	30,295	33,596	13,630	15,091	(3,960)	(4,978)	106,967	183,516
Gross profit	**25,970**	**34,624**	**7,860**	**7,911**	**9,510**	**9,318**	**478**	**296**	**43,818**	**52,149**
Other external costs	3,574	4,244	1,428	1,425	1,782	1,759	(1,946)	(1,869)	4,838	5,559
Staff costs	7,877	8,471	3,574	3,543	2,418	2,254	2,114	2,047	15,983	16,315
Operating profit before amortisation and depreciation (EBITDA) before special items	**14,519**	**21,909**	**2,858**	**2,943**	**5,310**	**5,305**	**310**	**118**	**22,997**	**30,275**
Amortisation and depreciation	1,156	1,251	849	903	2,955	2,604	314	313	5,274	5,071
Operating profit (EBIT) before special items*	**13,363**	**20,658**	**2,009**	**2,040**	**2,355**	**2,701**	**(4)**	**(195)**	**17,723**	**25,204**
Condensed statement of financial position										
Total gross investments	1,776	1,797	1,057	501	5,229	4,338	475	165	8,537	6,801
Total assets	80,257	93,821	25,702	24,437	30,730	29,347	10,421	11,440	147,110	159,045
Total liabilities	50,336	67,546	19,057	17,547	24,658	23,357	(15,907)	(21,146)	78,144	87,304

* Reference is made to the statement of profit or loss for reconciliation of operating profit (EBIT) before special items to profit for the year.

Geographical information – major countries (DKKm)	Revenue		Non-current assets**	
	2023	2022	**2023**	2022
USA	26,399	52,826	3,184	2,431
Germany	12,187	17,684	1,786	1,526
Denmark	11,534	17,071	4,297	4,159
China	6,714	10,415	469	465
United Kingdom	5,845	9,761	1,054	896
Other	88,106	127,908	14,456	14,750
Total	**150,785**	**235,665**	**25,246**	**24,227**

Geographical information – regions (DKKm)	Non-current assets**	
	2023	2022
EMEA	18,416	18,179
Americas	4,625	3,593
APAC	2,205	2,455
Total	**25,246**	**24,227**

** Non-current assets less tax assets, customer relationships and goodwill.

2.2 Revenue

Accounting policies
Revenue comprises sale of services and other operating income. Sale of services comprises freight forwarding services, contract logistics, sale of property projects and other related services rendered. Other operating income includes rental income from terminal and building leases, gains from disposal of non-current assets and income from insurance contracts.

Revenue from services rendered is recognised in accordance with the over-time recognition principle following the satisfaction of various milestones as the performance obligations are fulfilled towards the customer. Our main services comprise the following:

Air services
Air services comprise air freight logistics. Air services are reported within the Air & Sea operating segment. Air services are characterised by short delivery times, as most air transports are completed within a few days.

Sea services
Sea services comprise sea freight logistics. Sea services are reported within the Air & Sea operating segment. Sea services are characterised by longer delivery times, averaging one month depending on destination.

Road services
Road services comprise road freight logistics. Road services are reported within the Road operating segment. Road services are characterised by short delivery times, as most road transports are completed within a few days.

Solutions services
Solutions services comprise contract logistics, incl. warehousing and inventory management. Solutions services are reported within the Solutions operating segment. Solutions services are characterised by very short delivery times, happening almost instantaneously.

Recognition principles
Revenue from services rendered are recognised based on the price specified in the contract with the customer. Revenue is measured excluding VAT and other taxes collected on behalf of third parties, and any discounts are offset against the revenue. Incremental costs of obtaining a contract with a customer are not recognised as an asset but as a cost when incurred, due to the short delivery times.

Trade receivables are recognised as services invoiced to the customer. Trade receivables are not adjusted for financing components due to short credit terms, typically ranging from 14 to 60 days, rendering the financing component insignificant. Where services rendered have yet to be invoiced and invoices on services received from hauliers still have to be received, contract assets and accrued cost of services are recognised at the reporting date.

Revenue allocated to remaining performance obligations are not disclosed following the practical expedient of IFRS 15. Revenue also comprises income from sale of property projects in the form of sale of land and buildings acquired, constructed and held for sale in the ordinary course of business.

Revenue from property projects is recognised at a point in time in the operating segment to which it relates. Revenue is recognised based on the price and performance obligations specified in the contract with the customer. Delivery times on property projects are typically 8-18 months.

If the property is leased back after completion, the right-of-use asset arising from the leaseback is recognised at the proportion of the previous carrying amount of the asset that relates to the right of use retained by DSV.

Services and geographical segmentation of revenue is specified as follows:

Services and geographical segmentation of revenue (DKKm)	EMEA		Americas		APAC		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Air services	20,793	30,258	15,189	28,083	14,622	32,250	50,604	90,591
Sea services	20,607	41,386	14,243	28,494	7,518	13,960	42,368	83,840
Road services	34,624	37,453	3,531	4,054	-	-	38,155	41,507
Solutions services	15,062	16,537	4,803	4,382	3,275	3,490	23,140	24,409
Total	**91,086**	**125,634**	**37,766**	**65,013**	**25,415**	**49,700**	**154,267**	**240,347**
Non-allocated items and eliminations							(3,482)	(4,682)
Total revenue							**150,785**	**235,665**

2.2 Revenue – continued

Revenue is specified as follows:

Revenue (DKKm)	**2023**	2022
Sale of services	149,916	234,669
Other operating income	869	996
Total	**150,785**	**235,665**

Sale of property projects presented within sale of services constitutes less than 1% of total revenue (2022: less than 1%). Income from insurance contracts presented within other operating income constitutes less than 1% of total revenue (2022: less than 1%).

2.3 Direct costs

Accounting policies
Direct costs comprise costs paid to generate the revenue. Direct costs include settlement of accounts with haulage contractors, shipping companies, airlines, etc. Direct costs also include staff costs relating to hourly workers used for fulfilling orders and other direct costs of operation, such as rental of logistics facilities and costs relating to property projects.

Direct costs (DKKm)	**2023**	2022
Cost of carriers	92,286	169,068
Staff costs, hourly workers	7,669	7,647
Other costs of operation	7,012	6,801
Total	**106,967**	**183,516**

2.4 Other external costs

Accounting policies
Other external costs comprise costs relating to IT, marketing, consultants, other rent, training and education, office premises, travelling, communications as well as other selling and administrative costs, less costs transferred to direct costs.

Other external costs (DKKm)	**2023**	2022
Other external costs	11,850	12,360
Transferred to direct costs	(7,012)	(6,801)
Total	**4,838**	**5,559**

2.5 Staff costs

Accounting policies
Staff costs comprise salaries and wages, pension costs, social security costs, costs relating to share options schemes and other staff costs for salaried employees. Staff costs for hourly workers, recognised as direct costs, are excluded.

Staff costs are recognised in the financial year in which the employee renders the related service. Costs related to long-term employee benefits, e.g. share-based payments, are recognised in the periods in which they are earned.

Reference is made to note 3.7 for detailed information regarding pensions and other post-employment benefit plans, note 6.3 for information on remuneration of the Executive Board and the Board of Directors and note 6.2 for detailed information on the Group's share option schemes.

Staff costs (DKKm)	**2023**	2022
Salaries and wages, etc.	19,590	20,111
Defined contribution pension plans	728	745
Defined benefit pension plans	54	84
Other social security costs	3,013	2,820
Share-based payments	267	202
Total	**23,652**	**23,962**
Classification in the statement of profit or loss:		
Hourly workers – recognised as direct costs	7,669	7,647
Salaried employees – recognised as staff costs	15,983	16,315
Total	**23,652**	**23,962**
Weighted average number of FTEs	74,839	76,583
Number of FTEs at year-end	73,577	76,283

2.6 Amortisation and depreciation

Accounting policies
Amortisation and depreciation for the year are recognised based on the amortisation and depreciation profiles of the underlying assets (reference is made to notes 3.2, 3.3 and 3.6).

Amortisation and depreciation (DKKm)	**2023**	2022
Customer relationships	178	254
Software	154	185
Buildings	341	341
Other plant and operating equipment	610	530
ROU assets – land and buildings	3,888	3,549
ROU assets – other plant and operating equipment	140	212
Net gain on sale of assets	(37)	-
Total	**5,274**	**5,071**

2.7 Special items

Accounting policies
Special items are used in connection with the presentation of profit or loss for the year to distinguish consolidated operating profit from exceptional items, which by their nature are not related to the Group's ordinary operations or investment in future activities.

Special items in these financial statements comprise restructuring costs, impairment costs, etc., relating to material structural, procedural or managerial reorganisations as well as any related gains or losses on disposals.

Management judgements and estimates
In the classification of special items, judgement is applied in ensuring that only exceptional items not associated with the ordinary operations of the Group are included.

Special items (DKKm)	**2023**	2022
Settlement of defined benefit plans relating to previous acquisitions	(227)	-
Restructuring and integration costs	160	1,117
Termination benefits to the Executive Board	67	-
Special items, costs	**-**	**1,117**

	2023			2022		
Special items bridge (DKKm)	Reported statement of profit or loss	Special items	Adjusted statement of profit or loss	Reported statement of profit or loss	Special items	Adjusted statement of profit or loss
Revenue	150,785	-	150,785	235,665	-	235,665
Direct costs	106,967	-	106,967	183,516	19	183,535
Gross profit	**43,818**	**-**	**43,818**	**52,149**	**(19)**	**52,130**
Other external costs	4,838	-	4,838	5,559	237	5,796
Staff costs	15,983	(18)	15,965	16,315	653	16,968
Operating profit before amortisation and depreciation	**22,997**	**18**	**23,015**	**30,275**	**(909)**	**29,366**
Amortisation and depreciation	5,274	18	5,292	5,071	213	5,284
Operating profit	**17,723**	**-**	**17,723**	**25,204**	**(1,122)**	**24,082**
Special items, costs	-	-	-	1,117	(1,117)	-
Financial income	473	-	473	606	-	606
Financial expenses	1,706	-	1,706	1,472	(5)	1,467
Profit before tax	**16,490**	**-**	**16,490**	**23,221**	**-**	**23,221**

2.8 Financial income and expenses

Accounting policies
Financial income and expenses include interest, share of associates' net result, foreign exchange gains and losses, bank charges as well as amortisation of financial assets and liabilities, including lease liabilities. Furthermore, realised and unrealised gains and losses on derivative financial instruments that cannot be classified as hedging contracts are included.

Financial income (DKKm)	**2023**	2022
Interest income	469	323
Share of associates' profit, net of tax	4	7
Foreign exchange gain, net	-	276
Total	**473**	**606**

Interest income includes interest on financial assets of DKK 469 million (2022: DKK 323 million).

Financial expenses (DKKm)	**2023**	2022
Interest expenses on lease liabilities	851	727
Interest expenses on borrowings	229	236
Interest expenses, bank	349	397
Financial expenses on pension obligations, refer to note 3.7	47	19
Foreign exchange loss, net	157	-
Other financial expenses	73	93
Total	**1,706**	**1,472**

Interest expenses include interest on financial liabilities measured at amortised cost of DKK 1,502 million (2022: DKK 1,453 million).

Chapter 3

Operating assets and liabilities

This chapter includes disclosures on the Group's invested capital that forms the basis of our business activities. Invested capital represents the Group's property, plant and equipment, intangible assets and net working capital in the form of operating assets and liabilities.

Invested capital is structured based on our asset-light business model, including our focus on minimising funds tied up in working capital to optimise the generation of available free cash flow. Invested capital also comprises significant intangible assets mainly relating to acquired goodwill from business combinations carried out over the years.

3.1 Impairment test

Goodwill
The carrying amount of goodwill is tested for impairment at least annually together with other non-current assets of the Group.

Impairment testing is performed for the lowest cash-generating unit to which consolidated goodwill is allocated, as defined by our divisional management and operational structure. The cash-generating units thereby follow our divisional structure: Air & Sea, Road and Solutions.

Goodwill is written down to its recoverable amount through the statement of profit or loss if lower than the carrying amount.

The recoverable amount is determined as the present value of the discounted future net cash flow from the cash-generating unit to which the goodwill relates. In calculating the present value, discount rates are applied reflecting the risk-free interest rate with the addition of risks relating to the individual cash-generating units, such as geographical and financial exposure.

Other non-current intangible assets and property, plant and equipment
The carrying amount of other non-current assets is tested for impairment at least once a year in connection with the impairment test of goodwill. If the tests show evidence of impairment, the asset is written down to the recoverable amount through the statement of profit or loss. The recoverable amount is the higher of the fair value of the asset less the expected costs to sell and its value in use.

The value in use is calculated as the present value of expected future cash flows from the asset or the division of which the asset forms part.

Management judgements and estimates
For goodwill impairment testing, a number of estimates are made on the development in revenues, gross profits, conversion ratios, future capital expenditures, discount rates and growth expectations in the terminal period. These are based on an assessment of current and future developments in the three cash-generating units and on historical data and assumptions of future expected market developments, including expected long-term average market growth rates. Data includes both internal and external data sources.

Material value drivers affecting the future net cash flows of the three cash-generating units are:

Air & Sea
The Air & Sea division operates globally, so developments in the global economy and world trade therefore have a material impact on the division's future net cash flow. Developments in gross profit per shipment, cost development and management initiatives in internal productivity (number of shipments per employee) also affect the division's cash flow.

Road
The Road division mainly operates on the EMEA and US markets, which means that the division's future net cash flow is affected by the growth rate in these regions. Developments in gross profit per shipment, including truck and terminal utilisation rates, cost development and management initiatives in internal productivity (number of shipments per employee) also affect the division's cash flow.

Solutions
The Solutions division operates globally, so developments in the global economy and world trade therefore have a material impact on the division's future net cash flow. Developments in warehouse lease costs and costs of related services, utilisation of warehouse facilities, cost development and management initiatives in internal productivity (number of order lines per employee) also affect the division's cash flows.

3.1 Impairment testing — continued

Climate-related risks
Management has assessed that no climate-related assumptions are key assumptions for the 2023 impairment test of goodwill. Investments associated with our climate change initiatives, including our commitment to achieve net-zero carbon emissions, are considered when determining the recoverable amount of each cash-generating unit.

Impairment test 2023
Goodwill was tested for impairment at 31 December 2023. The tests did not result in any impairment of carrying amounts.

The expected future net cash flow is based on budgets and business plans approved by Management for the year 2024 and projections for subsequent years up to and including 2028. These projections are based on the assumption of stable global economic development during 2024-26, with average annual GDP growth of at least 3% and transport market growth in line with GDP. From 2026 onwards, DSV expects the growth rate to remain in line with the expected long-term average growth rate for the industry. The budget for 2024 assumes a global GDP growth around 3% and a growth in the global transport markets of 3-4%.

In the 2023 impairment test, conversion ratios have replaced operating margins as a key assumption to reflect how the division's performance is measured. The conversion ratios applied in the impairment test reflect the Group's communicated long-term targets for 2026. The pre-tax discount rate is calculated in accordance with IAS 36.

Sensitivity analysis
The sensitivity analysis assesses the impact of changes in cash flows and discount rates on the impairment test results. The analysis concluded that even negative changes, which are unlikely to occur, will not result in impairment of goodwill in any of the three cash-generating units.
The sensitivity analysis shows the lowest possible growth rate or highest possible discount rate in percentage points by which the assumptions used can change before goodwill becomes impaired.

Other non-current intangible assets and property, plant and equipment
Other non-current assets were also tested for impairment indications together with goodwill at 31 December 2023. No indication of impairment was identified in connection with these tests.

	2023			2022		
Goodwill impairment test at 31 December	Air & Sea	Road	Solutions	Air & Sea	Road	Solutions
Carrying amount of goodwill (DKKm)	58,198	8,008	9,568	58,877	7,964	9,452
Budget period						
Annual revenue growth	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Conversion ratio	50.0%	30.0%	30.0%	n.a.	n.a.	n.a.
Operating margin	n.a.	n.a.	n.a.	9.1%	5.6%	11.0%
Terminal period						
Growth	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Pre-tax discount rate	11.3%	7.9%	9.5%	11.0%	9.7%	11.1%
Sensitivity analysis						
Growth in budget period – allowed decline (percentage points)	15.8%	29.0%	11.1%	23.1%	28.2%	9.0%
Discount rate – allowed increase (percentage points)	5.3%	10.7%	2.7%	9.9%	11.0%	2.5%

3.2 Intangible assets

Accounting policies

Goodwill

Only goodwill arising from business combinations is recognised in the financial statements. Goodwill is measured as the difference between the total of the fair value of the consideration transferred, the value of non-controlling interests and any equity investments previously held in the acquiree, compared to the fair value of identifiable net assets on the date of acquisition.

Goodwill is not amortised, but is tested for impairment at least annually.

Customer relationships

On initial recognition, customer relationships identified from business combinations are recognised in the statement of financial position at fair value. Subsequently, customer relationships are measured at cost less accumulated amortisation and impairment losses.

Customer relationships are amortised over a period of eight years using the diminishing balance method.

Software and software in progress

Software bought or developed for internal use is measured at the lower of cost less accumulated amortisation and impairment losses and the recoverable amount. Cost comprises payments for the software and other directly attributable costs of preparing the software for its intended use.

After commissioning, software is amortised on a straight-line basis over its expected useful life. The amortisation period is 1-8 years.

	2023					2022				
Intangible assets (DKKm)	Goodwill	Customer relationships	Software	Software in progress	Total	Goodwill	Customer relationships	Software	Software in progress	Total
Cost at 1 January	76,293	2,574	1,180	342	80,389	75,063	2,565	1,212	280	79,120
Additions from business combinations/previous period adjustments	640	-	-	-	640	370	-	-	-	370
Additions	-	-	18	327	345	-	-	42	238	280
Disposals	-	(10)	(82)	-	(92)	-	(27)	(250)	(2)	(279)
Reclassifications	-	-	302	(302)	0	-	-	174	(174)	-
Currency translation	(1,159)	-	(7)	(3)	(1,169)	860	36	2	-	898
Total cost at 31 December	**75,774**	**2,564**	**1,411**	**364**	**80,113**	**76,293**	**2,574**	**1,180**	**342**	**80,389**
Total amortisation and impairment at 1 January	-	1,981	734	-	2,715	-	1,719	740	-	2,459
Amortisation and impairments for the year	-	178	154	-	332	-	254	185	-	439
Disposals	-	(10)	(30)	-	(40)	-	(27)	(191)	-	(218)
Reclassification	-	-	-	-	-	-	-	-	-	-
Currency translation	-	-	-	-	-	-	35	-	-	35
Total amortisation and impairment at 31 December	**-**	**2,149**	**858**	**-**	**3,007**	**-**	**1,981**	**734**	**-**	**2,715**
Carrying amount at 31 December	**75,774**	**415**	**553**	**364**	**77,106**	**76,293**	**593**	**446**	**342**	**77,674**

3.3 Property, plant and equipment

Accounting policies
Land and buildings and other plant and operating equipment are measured at cost less accumulated depreciation and impairment losses.

The cost comprises the acquisition price and other costs directly attributable to preparing the asset for its intended use. The present value of estimated costs for dismantling and disposing of assets as well as restoration costs are added to the cost if such costs are recognised as provisions. Material borrowing costs directly attributable to the construction of the individual asset are also added to cost.

If the individual components of an asset have different useful lives, each component will be depreciated separately.

The cost of self-constructed assets comprises direct and indirect costs for materials, components, subcontractors, wages and salaries. Costs for self-constructed assets are recognised as property, plant and equipment in progress on an ongoing basis until the assets are ready for use.

Subsequent costs, such as partial replacement of property, plant and equipment (PPE), are included in the carrying amount of the asset in question when it is probable that such costs will result in future economic benefits.

The carrying amount of the replaced parts is disposed from the statement of financial position and recognised in the statement of profit or loss.

	2023				2022			
Property, plant and equipment (DKKm)	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total	Land and buildings	Other plant and operating equipment	Property, plant and equipment in progress	Total
Cost at 1 January	4,461	4,425	414	9,300	4,907	3,838	282	9,027
Additions from business combinations/previous period adjustments	-	1	7	8	(408)	-	-	(408)
Additions	430	1,120	480	2,030	393	963	158	1,514
Disposals	(1,023)	(205)	(30)	(1,258)	(533)	(402)	-	(935)
Reclassification	226	63	(289)	-	19	22	(26)	15
Currency translation	(132)	(148)	(2)	(282)	83	4	-	87
Total cost at 31 December	**3,962**	**5,256**	**580**	**9,798**	**4,461**	**4,425**	**414**	**9,300**
Total depreciation and impairment at 1 January	1,212	1,804	-	3,016	1,111	1,654	-	2,765
Depreciation for the year	341	610	-	951	341	530	-	871
Disposals	(125)	(212)	-	(337)	(226)	(402)	-	(628)
Reclassification	-	-	-	-	(21)	21	-	-
Currency translation	(26)	(20)	-	(46)	7	1	-	8
Total depreciation and impairment at 31 December	**1,402**	**2,182**	**-**	**3,584**	**1,212**	**1,804**	**-**	**3,016**
Carrying amount at 31 December	**2,560**	**3,074**	**580**	**6,214**	**3,249**	**2,621**	**414**	**6,284**

3.3 Property, plant and equipment — continued

Depreciation is carried out on a straight-line basis over the expected useful lives of the assets. The expected useful lives of the overall asset categories are as follows:

- Terminals and administration buildings: 50-60 years
- Other buildings and building elements: 10-30 years
- Technical plant and machinery: 6-10 years
- Other plant and operating equipment: 3-8 years
- Land is not depreciated

The basis of depreciation takes into account the residual value of assets and is reduced by any impairment losses. The residual value is calculated on the date of acquisition and reassessed once a year. Depreciation will be halted if the residual value exceeds the carrying amount of the asset.

Assets are transferred to assets held for sale if it is highly probable that their carrying amount will be recovered primarily through sale rather than through continuing use.

Management judgements and estimates
Judgement is applied in determining the depreciation period and future residual value of the assets recognised and is generally based on historical experience. Reassessment is done annually to ascertain that the depreciation basis applied is still representative and reflects the expected life and future residual value of the assets.

Climate-related risks
Management has considered the influence of climate-related risks on property, plant and equipment, including inherent impact on useful lives of underlying asset groups. Climate-related risks assessed encompass accellerated technological deterioration of assets due to climate-related innovations, regulatory requirements, and customer demand, as well as increased demolition and restoration cost on premises vacated, due to stricter environmental regulations.

3.4 Contract assets and accrued cost of services

Accounting policies
Contract assets and accrued costs of services include accrued revenue and accrued costs from freight forwarding services, contract logistics and other related services in progress.

Contract assets are recognised when a sales transaction fulfils the criteria for revenue recognition, but the final invoice has yet to be issued to the customer for the services delivered. Please refer to note 4.4 for disclosure of credit risk, as trade receivables carry substantially the same characteristics as contract assets.

Accrued costs of services are estimated and recognised when supplier invoices relating to recognised revenue for the reporting period have yet to be received.

Management judgements and estimates
In the preparation of the consolidated financial statements, significant estimates are applied in assessing services in progress, including accrual of income and pertaining direct costs. These estimates are based on experience and continuous follow-up on services in progress relative to subsequent invoicing.

3.5 Inventories

Accounting policies
Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, processing and other costs incurred in bringing the inventories to their present condition. Write-downs of inventories to net realisable value are recognised as direct costs in the statement of profit or loss.

Inventories (DKKm)	**2023**	2022
Property projects under construction	4,247	1,796
Stocks	67	93
Total	**4,314**	**1,889**

Inventories consists of property projects under construction held for the purpose of sale in the ordinary course of business and stocks. In total, DKK 417 million relating to property projects was recognised as a cost in 2023 (2022: DKK 1,231 million).

3.6 Leases

Accounting policies
Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use (ROU) asset and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the ROU asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental DSV borrowing rate is used. In determining the lease period extension, options are only included if it is reasonably certain they will be utilised.

At subsequent measurement, the ROU asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability. Depreciation follows the straight-line method over the lease term or the useful life of the ROU asset, whichever is shortest.

3.6 Leases — continued

The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

ROU assets and lease liabilities are not recognised for low value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease contract are accounted for following the same principle.

Extension options are only included in the lease term if extension of the lease is reasonably certain. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

ROU assets classified as land and buildings mainly relate to leases of warehouses, terminals and office buildings, whereas assets recognised as other plant and operating equipment mainly relate to leases of trailers, trucks, company cars, forklifts, IT hardware and other office equipment.

Land and building leases normally have a lease term of up to ten years, whereas leases of other plant and operating equipment normally have a lease term of up to five years. The leases may include extension options with the intention of securing flexibility in the lease – however, any leasing period beyond the normal ten years expected at the initiation of the lease will normally be reflected in the contractual lease term agreed.

Management judgements and estimates

In accounting for lease contracts, various judgements are applied in determining ROU assets and lease liabilities. Judgements include assessment of lease periods, utilisation of extension and termination options and applicable discount rates.

	2023			2022		
Right-of-use assets (DKKm)	Land and buildings	Other plant and operating equipment	Total	Land and buildings	Other plant and operating equipment	Total
Carrying amount at 1 January	14,285	409	14,694	13,121	588	13,709
Additions	5,453	61	5,514	4,970	75	5,045
Disposals	(308)	(9)	(317)	(252)	(40)	(292)
Depreciation for the year	(3,888)	(140)	(4,028)	(3,549)	(212)	(3,761)
Currency translation	(186)	(22)	(208)	(5)	(2)	(7)
Carrying amount at 31 December	**15,356**	**299**	**15,655**	**14,285**	**409**	**14,694**

Analysis of lease liabilities showing the remaining contractual maturities is provided in the table:

Contractual maturity of lease liabilities (DKKm)	**2023**	2022
0-1 year	4,599	4,302
1-5 years	12,056	11,059
> 5 years	5,055	5,917
Total undiscounted lease liabilities at 31 December	**21,710**	**21,278**
Non-current/current classification (discounted)		
Non-current	14,139	13,190
Current	3,808	3,577

The profit or loss and cash flow impact of leases recognised for the year are specified below:

Lease effects recognised in profit or loss and cash flow (DKKm)	**2023**	2022
Profit or loss		
Income from subleasing of ROU assets	79	14
Gain on sale and leaseback transactions	101	109
Expenses relating to short-term leases	(591)	(563)
Expenses relating to leases of low-value assets	(655)	(635)
Expenses relating to variable lease payments not included in the measurement of lease liabilities	(70)	(97)
Depreciation of ROU assets	(4,028)	(3,761)
Interest expenses on lease liabilities	(851)	(727)
Total profit or loss for leases	(6,015)	(5,660)
Cash flow		
Total cash outflow for leases	4,756	4,461

3.7 Pensions and other post-employment benefit plans

Accounting policies

Pension obligations relating to defined contribution plans, under which the Group pays regular pension contributions to independent pension funds, are recognised in the statement of profit or loss for the period in which they are earned. Contributions payable are recognised in the statement of financial position under other current liabilities.

In regards to defined benefit plans, an actuarial valuation of the present value of future benefits payable under the plan is made once a year. The present value is calculated based on various assumptions, including the future development in wage/salary levels, interest rates, inflation and mortality. The present value is only calculated for benefits to which the employees have become entitled during their employment with the Group. The actuarial calculation of the present value less the fair value of assets under the plan is recognised in the statement of financial position under pensions and other post-employment benefit plans. Pension costs for the year are recognised in the statement of profit or loss based on actuarial estimates and the financial outlook at the beginning of the year.

Differences between the calculated development in pension plan assets and liabilities and the realised values are recognised in other comprehensive income as actuarial gains or losses.

Changes in benefits payable for employees' past services to the company result in an adjustment of the actuarial calculation of the present value, which is classified as past service costs. Past service costs are charged to the statement of profit or loss immediately if the employees have already earned the right to the adjusted benefits. Otherwise, they will be recognised in the statement of profit or loss over the period in which the employees earn the right to the adjusted benefits.

Management judgements and estimates

In determining pension obligations, Management makes use of valuations from external and independent actuaries as basis for the estimates applied. The actuarial assumptions used in the valuations vary from country to country owing to national, economic and social conditions.

Pension obligations

Pension obligations at 31 December are specified as follows:

Pension obligations (DKKm)	**2023**	2022
Present value of defined benefit plans	4,983	4,112
Fair value of pension plan assets	3,702	2,929
Pension obligations, net	**1,281**	**1,183**

Of these obligations, DKK 873 million relates to unfunded pension obligations (2022: DKK 856 million) and DKK 408 million relates to partly funded obligations (2022: DKK 327 million). The latter is primarily due to the Swiss plans being overfunded.

Total pension costs for the year

In 2023, net costs of DKK 602 million relating to the Group's pension plans were recognised in the statement of profit or loss (2022: DKK 848 million) and specify as follows:

Pension cost 2023 (DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff costs	728	54	782
Special items	-	(227)	(227)
Financial expenses	-	47	47
Total costs recognised	**728**	**(126)**	**602**

Pension cost 2022 (DKKm)	Defined contribution plans	Defined benefit plans	Total
Staff costs	745	84	829
Financial expenses	-	19	19
Total costs recognised	**745**	**103**	**848**

Defined benefit pension obligations

Development in the present value of defined benefit pension obligations is specified as follows:

Defined benefit pension obligations (DKKm)	**2023**	2022
Obligations at 1 January	4,112	5,693
Current service cost	86	135
Past service cost from plan amendments, curtailments and gains/losses on settlements	(259)	9
Calculated interest on obligations	174	75
Actuarial gains/losses arising from changes in financial assumptions	243	(1,283)
Actuarial gains/losses arising from changes in demographic assumptions	3	(23)
Actuarial gains/losses arising from experience adjustments	(14)	39
Payments from the plan	(87)	(521)
Settlement payments from the plan	596	-
Additions from business combinations	4	-
Currency translation	125	(12)
Obligations at 31 December	**4,983**	**4,112**

Settlement payments from the plan, DKK 596 million relate to DSV taking over pensioners from the pension fund formerly used by the acquired GIL entities. The expected average duration of the obligations is 13 years.

Expected maturity of pension obligations (DKKm)	**2023**	2022
0-1 year	581	501
1-5 years	1,115	933
> 5 years	3,287	2,678
Total obligations recognised	**4,983**	**4,112**

3.7 Pensions and other post-employment benefit plans — continued

Pension plan assets
Development in the fair value of pension plan assets is specified as follows:

Pension plan assets (DKKm)	**2023**	2022
Pension plan assets at 1 January	2,929	4,785
Calculated interest on plan assets	126	56
Return on plan assets excluding calculated interest	102	(1,288)
Contributions to the plan	121	163
Payments from the plan	(254)	(411)
Settlement payments from the plan	819	-
Asset ceiling	(268)	(374)
Currency translation	127	(2)
Pension plan assets at 31 December	**3,702**	**2,929**

Actuarial loss included in statement of comprehensive income amounts to DKK 398 million. DSV expects to contribute DKK 67 million to defined benefit plan assets in 2024 (2023: DKK 61 million). The pension plan assets are composed as follows:

Composition of pension plan assets (%)	**2023**	2022
Shares	42%	47%
Bonds	51%	44%
Insurance contracts	7%	9%
Total	**100%**	**100%**

Sensitivity analysis
The following table illustrates the change in the gross obligation relating to defined benefit plans from a change in the key actuarial assumptions. The analysis is based on reasonably probable changes, provided that the other parameters remain unchanged.

Sensitivity analysis (DKKm)	**2023**	2022
Defined benefit pension obligations	4,983	4,112
Discount rate		
Increase of 0.5 percentage point	4,698	3,888
Decrease of 0.5 percentage point	5,276	4,346
Future wage/salary increase		
Increase of 0.5 percentage point	5,013	4,148
Decrease of 0.5 percentage point	4,937	4,071
Inflation		
Increase of 0.5 percentage point	5,104	4,223
Decrease of 0.5 percentage point	4,848	3,987
Life expectancy		
Life expectancy increase of 1 year	5,122	4,218
Life expectancy decrease of 1 year	4,842	3,986

Significant pension plans
The most significant defined benefit plans of the Group relate to Europe, with Germany representing 60% (2022: 62%) and Sweden representing 13% (2022: 13%) of the total net obligation. No other countries have individual significant net pension obligations. The plan in Sweden is a final pay scheme, which covers all salaried employees born in or before 1978 and is based on a collective labour agreement. Salaried employees born in or after 1979 are covered by a defined contribution plan.

The plan in Germany covers both salaried and hourly workers. Under this plan, employees earn a fixed amount for each year in service. The plan has been closed for new employees since 1994.

We continuously work to change our defined benefit plans in DSV into defined contribution plans for the benefit of the Group and the employees.

The key assumptions applied for the most significant pension plans are as follows:

Key assumptions 2023 (%)	Discount rate	Future wage/salary increase	Future rate of inflation
Sweden	3.5%	2.4%	1.9%
Germany	3.5%	2.7%	2.2%
Other	0-7.3%	0-10.0%	0-3.8%
Weighted average	3.6%	2.6%	1.7%

Mortality prognosis tables	
Sweden	DUS21 (w-c)
Germany	RT Heubeck 2018 G

Key assumptions 2022 (%)	Discount rate	Future wage/salary increase	Future rate of inflation
Sweden	3.9%	2.6%	2.1%
Germany	4.1%	3.0%	2.4%
Other	0.7-7.3%	0-10.0%	0-3.5%
Weighted average	4.2%	3.0%	1.8%

Mortality prognosis tables	
Sweden	DUS21 (w-c)
Germany	RT Heubeck 2018 G

3.8 Provisions

Accounting policies
Provisions are recognised when, due to an event occurring on or before the reporting date, the Group has a legal or constructive obligation and it is probable that the Group will have to give up future economic benefits to meet the obligation.

Provisions are measured on the basis of Management's best estimate of the anticipated expenditure for settlement of the relevant obligation and are discounted if deemed material.

Management judgements and estimates
Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain.

When considering provisions involving significant estimates, opinions and estimates by external legal experts as well as existing case law are applied in assessing the probable outcome of material legal proceedings, etc.

Provisions
Provisions have not been discounted, as the effect thereof is immaterial. Provisions are expected to be settled within two years in all material respects.

Restructuring costs
Restructuring costs relate mainly to the integration of acquirees and the restructuring plans previously announced, which consist mainly of termination benefits and costs under terminated leases.

Disputes and legal actions
Provisions for disputes and legal actions relate mainly to ongoing disputes and legal proceedings.

Indemnification liabilities
Indemnification liabilities totalling DKK 1,742 million (2022: DKK 1,843 million) relating to various company- and value-added taxes from the GIL acquisition. A corresponding indemnification asset has been recognised as other receivables.

Other provisions
Other provisions relate mainly to restoration obligations in connection with property leases and onerous contracts.

Provisions — 2023 (DKKm)	Restructuring costs	Disputes and legal actions	Indemnification liabilities	Other provisions	Total
Provisions at 1 January	966	975	1,843	2,883	6,667
Additions for the year	254	506	-	876	1,636
Additions from business combinations	3	-	-	5	8
Used for the year	(546)	(134)	-	(1,598)	(2,278)
Reversal of provisions made in previous years	(68)	(74)	-	-	(142)
Currency translation	(2)	(13)	(101)	(36)	(152)
Provisions at 31 December	**607**	**1,260**	**1,742**	**2,130**	**5,739**
Non-current/current classification:					
Non-current liabilities	261	534	1,742	1,235	3,772
Current liabilities	346	726	-	895	1,967
Provisions at 31 December	**607**	**1,260**	**1,742**	**2,130**	**5,739**

Chapter 4

Capital structure and finances

This chapter includes disclosures on the financial basis and exposures of the Group's activities derived by our capital structure and net working capital.

The capital structure is linked to our long-term financial target of a gearing ratio below 2.0x EBITDA before special items and our principles for capital allocation.

In order of priority, the free cash flow is used to reduce the Group's net interest-bearing debt in periods when the gearing ratio exceeds the target, for investments and business combinations, and for share buybacks or distribution to the Company's shareholders.

4.1 Equity

Accounting policies

Share capital

At year end, the share capital of DSV A/S amounted to 219 million shares (2022: 219 million shares) with a nominal value of DKK 1 each.

Shares consist of only one share class and include no special rights, preferences or restrictions. All shares are fully paid up.

Reserves specification – 2023 (DKKm)	Treasury share reserve	Hedging reserve	Foreign currency translation reserve	Total reserves
Reserves at 1 January	(2)	5	916	919
Other comprehensive income, net of tax	-	(9)	(1,620)	(1,629)
Transactions with shareholders:				
Purchase of treasury shares	(11)	-	-	(11)
Sale of treasury shares	3	-	-	3
Reserves at 31 December	**(10)**	**(4)**	**(704)**	**(718)**

Reserves specification – 2022 (DKKm)	Treasury share reserve	Hedging reserve	Foreign currency translation reserve	Total reserves
Reserves at 1 January	(6)	(9)	(341)	(356)
Other comprehensive income, net of tax	-	14	1,257	1,271
Transactions with shareholders:				
Purchase of treasury shares	(19)	-	-	(19)
Sale of treasury shares	2	-	-	2
Capital reduction	21	-	-	21
Reserves at 31 December	**(2)**	**5**	**916**	**919**

4.1 Equity — continued

Reserves
Reserves as presented in the statement of changes in equity comprise treasury share reserve, hedging reserve and translation reserve, as specified on the previous page.

Treasury share reserve
The reserve comprises the nominal value of treasury shares. The difference between the market price paid and the nominal value plus dividends on treasury shares is recognised directly as retained earnings in equity. Treasury shares are bought to meet obligations under the Company's incentive schemes and to adapt the capital structure. The reserve is a distributable reserve.

Hedging reserve
The reserve comprises the fair value of hedging instruments qualifying for hedge accounting. Hedge accounting ceases when the hedging instrument matures or if a hedge is no longer effective.

Foreign currency translation reserve
The reserve comprises foreign currency translation arising on the translation of net investments and related hedging in entities with a functional currency other than DKK. The reserve is dissolved upon disposal of entities.

	2023			2022		
Treasury shares	Market value (DKKm)	% of share capital at 31 December	Nominal value (DKKm)	Market value (DKKm)	% of share capital at 31 December	Nominal value (DKKm)
Portfolio at 1 January	2,339	1.0%	2.1	8,921	2.4%	5.8
Cancellation of treasury shares	-	-	-	(24,474)	(9.6%)	(21.0)
Portfolio, adjusted for number of shares	2,339	1.0%	2.1	(15,553)	(6.9%)	(15.2)
Purchased during the year	13,997	5.1%	11.1	20,313	8.5%	18.6
Sold during the year	(3,983)	(1.6%)	(3.4)	(1,601)	(0.6%)	(1.3)
Value adjustment	(689)	-	-	(820)	-	-
Portfolio at 31 December	**11,664**	**4.5%**	**9.8**	**2,339**	**1.0%**	**2.1**

4.2 Capital structure and capital allocation

Capital structure
The capital structure of DSV is intended to maintain financial stability, optimise cost of capital and to ensure financial readiness allowing to act on business opportunities as they present themselves. The gearing ratio was 1.5 at 31 December 2023 (2022: 1.0). The target gearing ratio is below 2.0x EBITDA, but may exceed this level following significant acquisitions.

Capital allocation
The Group aims to spend its free cash flow in the following order of priority:
1. Repayment of net interest-bearing debt in periods when the financial gearing ratio is above target;
2. Value-adding investments in the form of acquisitions or development of the existing business;
3. Distribution to the Company's shareholders by means of share buybacks and dividends.

Net interest-bearing debt
The Group increased its net interest-bearing debt in 2023 by DKK 4,713 million (2022: increased by DKK 625 million).

Net interest-bearing debt can be specified as follows:

Net interest-bearing debt (DKKm)	**2023**	2022
Lease liabilities	17,947	16,767
Interest-bearing borrowings	22,127	22,206
Pensions and other post-employment benefit plans	1,281	1,183
Other receivables	(320)	(126)
Cash and cash equivalents	(6,452)	(10,160)
Total	**34,583**	**29,870**

4.2 Capital structure and capital allocation — continued

Distribution to the Company's shareholders

In 2023, the Group spent DKK 13,997 million on the purchase of treasury shares and DKK 1,424 million on dividends distributed (2022: DKK 20,313 million and DKK 1,320 million, respectively). It is proposed to distribute a dividend of DKK 7.00 per share for 2023 (2022: DKK 6.50).

Cash and capital restrictions

Cash and cash equivalents comprise cash on hand and short-term liquid assets that are readily convertible to cash. Of total cash and cash equivalents, DKK 1,918 million (2022: DKK 1,777 million) are subject to restrictions implying that the cash may not be readily available for general use or distribution by the Group.

Specification of major types of cash and capital restrictions is provided below:

Cash and capital restrictions (DKKm)	**2023**	2022
Exchange control restrictions	1,581	1,498
Insurance collaterals	330	273
Other collaterals	7	6
Total	**1,918**	**1,777**

Exchange control restrictions

Exchange control restrictions comprise cash balances in countries where various forms of foreign exchange controls or other legal restrictions apply. While the cash balances are available for the daily operations of the local entities, the balances cannot be immediately repatriated to the ultimate parent company.

Insurance collaterals

Insurance collaterals constitute security for outstanding insurance contracts sold to customers by DSV Insurance. The amount is regulated and measured in accordance with laws and regulations issued by the Danish Financial Supervisory Authority.

4.3 Financial liabilities

Accounting policies

The financial liabilities of the Group are divided into four financing categories: overdraft and credit facilities, issued bonds, lease liabilities and other non-current financial liabilities.

Overdraft and credit facilities are initially recognised at fair value net of transaction expenses.

Subsequently, the financial liability is measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the statement of profit or loss over the term of the loan. Lease liabilities are described in further detail in note 3.6.

Other liabilities are measured at amortised cost, which does not differ significantly from the net realisable value.

Financial liabilities (DKKm)	**2023**	2022
Non-current liabilities	34,143	34,588
Current liabilities	5,947	4,391
Total	**40,090**	**38,979**

			Non-cash change		
Financing activities 2023 (DKKm)	Beginning of year	Cash flow	Foreign currency exchange rate adjustments	Other*	End of year
Overdraft and credit facilities	829	(115)	(20)	(17)	677
Issued bonds	21,377	-	36	37	21,450
Lease liabilities	16,767	(3,905)	(234)	5,319	17,947
Total liabilities from financing activities	**38,973**	**(4,020)**	**(218)**	**5,339**	**40,074**
Other non-current financial liabilities	6	-	-	10	16
Total financial liabilities	**38,979**	**(4,020)**	**(218)**	**5,349**	**40,090**

Financing activities 2022 (DKKm)					
Overdraft and credit facilities	1,896	(1,159)	92	-	829
Issued bonds	19,557	1,833	53	(66)	21,377
Lease liabilities	15,288	(3,734)	(33)	5,246	16,767
Total liabilities from financing activities	**36,741**	**(3,060)**	**112**	**5,180**	**38,973**
Other non-current financial liabilities	12	-	-	(6)	6
Total financial liabilities	**36,753**	**(3,060)**	**112**	**5,174**	**38,979**

* Other includes additions and remeasurement of financial liabilities.

4.4 Financial risks

Liquidity risk
The cash readiness of the Group is ensured through short and long-term credit facilities from the main banks of the Group and through the issuance of bonds. The purpose of issuing bond loans is to diversify the Group's long-term debt, making the Group less dependent on bank loans.

The Group's bond loans, credit and overdraft facilities are subject to standard clauses, according to which the Group's debt must be repaid in case of a change of control.

The total duration of the Group's long-term loan commitments and the undrawn amounts on our credit lines at 31 December 2023 are presented in the accompanying table. The weighted duration of the Group's drawn long-term loan facilities is 7.8 years at 31 December 2023. Furthermore, a maturity analysis has been provided based on contractual cash flows, including estimated interest payments. The amounts have not been discounted and as such do not reconcile directly to the statement of financial position.

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

The Group's foreign subsidiaries are not affected where trading income and costs are denominated in the local functional currency. This applies to a large part of the Group's subsidiaries. Furthermore, a large proportion of the income and expenses of the Group are denominated in EUR, and the total foreign currency risk is therefore limited.

The Group is exposed to foreign currency risks relating to the translation of debt denominated in foreign currency other than the functional currency and the translation of net investments in entities with a functional

Commitments and amounts drawn on long-term loan facilities at 31 December 2023:

Loan facilities	Principal amount (EURm)	Principal amount (DKKm)	Fixed/floating interest rate	Expiry of commitments	Duration (years)	Undrawn (DKKm)
Bond loan - ISIN XS2387735470	500	3,727	Fixed	17-09-2036	12.7	-
Bond loan - ISIN XS2360881549	600	4,472	Fixed	05-07-2033	9.5	-
Bond loan - ISIN XS2308616841	500	3,727	Fixed	03-03-2031	7.2	-
Bond loan - ISIN XS2458285355	600	4,472	Fixed	16-03-2030	6.2	-
Bond loan - ISIN 212542679	500	3,727	Fixed	26-02-2027	3.2	-
Revolving credit facility I	200	1,491	Floating	03-10-2027	3.8	1,491
Revolving credit facility II	75	559	Floating	31-12-2025	2.0	559
Revolving credit facility III	200	1,491	Floating	16-12-2028	5.0	1,491
Revolving credit facility IV	200	1,491	Floating	14-12-2028	5.0	1,491
Revolving credit facility V	75	559	Floating	31-01-2029	5.1	559
Revolving credit facility VI	100	745	Floating	15-01-2026	2.0	745
Overdraft facility I	75	559	Floating	31-01-2029	5.1	559
Total	**3,625**	**27,020**				**6,895**

The Group's financial liabilities fall due as follows:

Financial liabilities – 2023 (DKKm)	Carrying amount	Total cash flow, including interest	0-1 year	1-5 years	6-10 years	>10 years
Overdraft and credit facilities	677	700	700	-	-	-
Issued bonds	21,450	22,927	1,670	4,342	8,578	8,337
Lease liabilities	17,947	21,710	4,599	12,056	4,622	433
Trade payables	13,111	13,111	13,111	-	-	-
Total	**53,185**	**58,448**	**20,080**	**16,398**	**13,200**	**8,770**

Financial liabilities – 2022 (DKKm)	Carrying amount	Total cash flow, including interest	0-1 year	1-5 years	6-10 years	>10 years
Overdraft and credit facilities	829	859	859	-	-	-
Issued bonds	21,377	23,062	186	5,852	8,705	8,319
Lease liabilities	16,767	21,278	4,302	11,059	5,322	595
Trade payables	14,992	14,992	14,992	-	-	-
Total	**53,965**	**60,191**	**20,339**	**16,911**	**14,027**	**8,914**

4.4 Financial risks — continued

currency other than DKK. The former risk affects profit before tax. On recognition of net investments in foreign subsidiaries, the Group is exposed to a translation risk when the profit or loss and equity of foreign subsidiaries are translated into DKK at the reporting date based on the average rates of exchange and the closing rates. The need to hedge the Parent's net investments in subsidiaries is assessed on a regular basis. It is Group policy to reduce net investments in Group subsidiaries on an ongoing basis by distributing the subsidiaries' profits as dividends.

The Group hedges booked external net currency positions and currencies with large expected short-term operational cash flows for up to six months. At year-end 2023, 79% of expected six-month cash flows in USD were hedged.

As hedge accounting is only applied to a limited extent and we do not hedge currency exposure related to intra-group balances with no underlying cash flow impact, significant changes in currency rates, especially EUR/DKK, USD/DKK and CNY/DKK, will result in more fluctuations in reported financial items. Unhedged intra-group balances at 31 December are outlined in the main currency exposures table to the right.

Sensitivity analysis

The Group does not hedge EUR positions, as it expects that the official Danish fixed exchange-rate policy against the EUR will continue. The sensitivity analysis of EUR/DKK exposure shows the effect of a 2% increase in average exchange rates for the year on profit/loss (EBIT) and the effect of a 2% increase in year-end closing rates on other comprehensive income. The sensitivity analysis of other significant currency exposures shows the effect of a 5% increase in average exchange rates for the year on profit/loss (EBIT) and the effect of a 5% increase change in year-end closing rates on other comprehensive income. The Group is not significantly exposed to foreign currency transaction risk. The calculation method applied in the sensitivity analysis is unchanged compared to previous years.

	Unhedged intra-group balances				Foreign currency translation risk – sensitivity analysis			
	2023		2022		**2023**		2022	
Main currency exposures (DKKm)	Net position	Impact on profit/loss	Net position	Impact on profit/loss	Impact on profit/loss	Impact on OCI	Impact on profit/loss	Impact on OCI
EUR/DKK	(27,945)	(559)	(26,927)	(539)	(89)	154	(103)	130
USD/DKK	(2,781)	(139)	(7,076)	(354)	(179)	780	(275)	552
CNY/DKK	(1,776)	(89)	(2,558)	(128)	(68)	44	(134)	74
SGD/DKK	(1,352)	(68)	(845)	(42)	(16)	18	(18)	16
PLN/DKK	(1,074)	(54)	(873)	(44)	(15)	53	(28)	38
CHF/DKK	(688)	(34)	(1,798)	(90)	(17)	78	(18)	24
SEK/DKK	351	18	(551)	(28)	(20)	38	(42)	33
Total	**n.a.**	**(925)**	**n.a.**	**(1,225)**	**(404)**	**1,165**	**(618)**	**867**

	2023			2022		
Loan facilities (DKKm)	Carrying amount	Fixed/floating interest rate	Expiry	Carrying amount	Fixed/floating interest rate	Expiry
Bond loans	21,450	Fixed	2024-2036	21,377	Fixed	2024-2036
Overdraft facilities	677	Floating	2024	829	Floating	2023
Loan facilities at 31 December	**22,127**			**22,206**		
Current/non-current classification:						
Non-current liabilities	19,988			21,392		
Current liabilities	2,139			814		

4.4 Financial risks — continued

Interest rate risk
At 31 December 2023, 97% (2022: 96%) of Group borrowings were secured through fixed-rate loans. The weighted duration of the fixed-rate loans is 7.3 years at 31 December 2023 (2022: 8.3 years).

The weighted average interest rate on the Group's loans, credit and overdraft facilities and interest rate hedging was 0.9% at the end of 2023 (2022: 1.0%).

A 1 percentage point increase in interest rates would not have a significant impact on the statement of profit or loss or other comprehensive income, based on average net interest-bearing debt for 2023. The calculation method applied in the sensitivity analysis is unchanged compared to previous years. The Group does not hedge the interest rate risk.

Credit risk
The Group's credit risk mainly relates to trade receivables.

The Group is not dependent on particular customer segments or any specific customers, and all customers are subjected to individual credit assessments and credit limits in accordance with the Group's Credit Policy. As a result, the credit risk of the Group is generally considered insignificant.

The Group mainly hedges credit risks through the use of credit insurance.

For a number of customers, the Group uses non-recourse factoring. At 31 December 2023, non-recourse factoring amounted to DKK 2,030 million (2022: DKK 2,288 million).

DSV is exposed to counterparty credit risk when entering into derivative financial instruments. In order to reduce this risk, DSV only enters into derivative financial instruments with the existing banks of the Group whose credit ratings from Standard & Poor's are long-term A or higher.

As a general rule, the Group only makes short-term deposits with banks rated short-term A-2 or higher by Standard & Poor's and/or P-2 or higher by Moody's.

Impairment of trade receivables
Impairment of trade receivables is assessed on an ongoing basis and insurance policies are taken out for the majority of these.

At 31 December 2023, credit insurance amounted to DKK 17,598 million, corresponding to 79% of total trade receivables (2022: DKK 26,628 million or 82%).

Loss allowances for impaired trade receivables are provided for following an expected credit loss model. The model includes uninsured trade receivables and contract assets. The model also factors in any own risk on insured receivables. Expected credit loss at 31 December 2023 and 31 December 2022 is presented in the following tables:

Expected credit loss 2023 (DKKm)	Carrying amount	Expected loss rate (%)	Loss allowance
Current	23,139	0.1%	32
Overdue 1-30 days	2,687	1.2%	32
Overdue 31-60 days	730	3.8%	28
Overdue 61-90 days	289	8.3%	24
Overdue 91-120 days	167	15.6%	26
Overdue >121 days	600	31.5%	189
Total	**27,612**		**331**

Expected credit loss 2022 (DKKm)	Carrying amount	Expected loss rate (%)	Loss allowance
Current	31,530	0.2%	76
Overdue 1-30 days	4,319	2.2%	94
Overdue 31-60 days	1,331	7.1%	95
Overdue 61-90 days	615	15.0%	92
Overdue 91-120 days	368	26.9%	99
Overdue >121 days	882	47.3%	417
Total	**39,045**		**873**

Current receivables are considered to have high creditworthiness with a low risk of loss.

The loss allowance provision for the year is specified below:

Loss allowance provision (DKKm)	**2023**	2022
Provision at 1 January	873	757
Additions for the year	6	713
Losses recognised	(159)	(155)
Reversal of provisions from previous years	(375)	(443)
Currency translation	(14)	1
Provision at 31 December	**331**	**873**

Impairment losses on trade receivables for 2023 amounted to DKK 159 million, corresponding to 0.11% of consolidated revenue (2022: DKK 155 million, or 0.07%).

4.5 Derivative financial instruments

Accounting policies

Derivative financial instruments are recognised on the trade date and are measured at fair value. Positive and negative fair values are included in other current receivables or other current payables in the statement of financial position. Positive and negative fair values are only offset if the Group has a right and an intention to settle several financial instruments net (by means of settlement of differences). Fair value is determined based on generally accepted valuation methods using available observable market data.

When entering into contracts for financial instruments, an assessment is made of whether the instrument qualifies for hedge accounting, including whether the instrument hedges recognised assets and liabilities or net investments in foreign entities. The effectiveness of recognised financial instruments is assessed on a monthly basis, and any ineffectiveness is recognised in the statement of profit or loss.

Fair value changes classified as and fulfilling the criteria for recognition as a fair value hedge are recognised in the statement of profit or loss together with changes in the value of the specific portion of the asset or liability that has been hedged.

Fair value changes in the part of the derivative which is classified as and qualifies for recognition as a future cash flow hedge and which effectively hedges against changes in the value of the hedged item are recognised in other comprehensive income as a separate hedging reserve.

When the underlying hedged item is realised, any gain or loss on the hedging transaction is transferred from equity and recognised together with the hedged item.

Fair value changes that do not meet the criteria for treatment as hedging instruments are recognised on an ongoing basis in the statement of profit or loss under financial items.

Foreign currency risk hedging

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

A gain on hedging instruments of DKK 181 million was recognised in the statement of profit or loss for 2023 (2022: a loss of DKK 184 million). In the same period, a loss of DKK 338 million was recognised relating to assets and liabilities (2022: a gain of DKK 460 million).

Currency instrument (DKKm)	**2023**	2022
Contractual value	4,131	5,589
Maturity (year)	2024	2023
Fair value	37	93
Of which recognised in profit or loss	40	97
Of which recognised in OCI	(3)	(4)

4.6 Earnings per share

Earnings per share (DKKm)	**2023**	2022
Profit for the year	12,407	17,671
Non-controlling interests' share of consolidated profit for the year	92	103
DSV A/S shareholders' share of profit for the year	**12,315**	**17,568**
Amortisation of customer relationships	178	254
Share-based payment	267	202
Special items, costs	-	1,117
Related tax effect	(110)	(376)
Adjusted profit for the year	**12,650**	**18,765**
('000 shares)		
Total average number of shares issued	219,000	235,438
Average number of treasury shares	(5,482)	(8,121)
Average number of shares outstanding	213,518	227,317
Average dilutive effect of outstanding share options under incentive schemes	2,000	3,150
Diluted average number of shares outstanding	**215,518**	**230,467**
Earnings per share of DKK 1	57.7	77.3
Diluted earnings per share of DKK 1	57.1	76.2
Adjusted earnings per share of DKK 1	59.2	82.5
Diluted adjusted earnings per share of DKK 1	58.7	81.4

Diluted average number of shares

Diluted earnings per share and diluted adjusted earnings per share have been calculated excluding out-of-the money share options. The number of non-vested out-of-the money share options was 6,870,263 in 2023 (2022: 4,325,750).

4.7 Financial instruments — fair value hierarchy

Fair value hierarchy by category

Derivative financial instruments
DSV has no financial instruments measured at fair value based on level 1 input (quoted active market prices) or level 3 input (non-observable market data). Financial instruments are measured based on level 2 input (input other than quoted prices that are observable either directly or indirectly). The fair value of currency derivatives is determined based on generally accepted valuation methods using available observable market data. Calculated fair values are verified against comparable external market quotes on a monthly basis.

Issued bonds
The fair value of issued bonds measured at amortised cost is within level 1 of the fair value hierarchy.

Overdraft and credit facilities
The carrying amount of overdraft and credit facilities measured at amortised cost is not considered to differ significantly from the fair value.

Trade receivables, trade payables and other receivables
Receivables and payables pertaining to operating activities with short churn ratios are considered to have a carrying amount equal to fair value.

Cash and cash equivalents
The carrying amount of cash and cash equivalents is not considered to differ significantly from the fair value.

	2023		2022	
Financial instruments by category (DKKm)	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets:				
Currency derivatives	37	37	93	93
Trade receivables	22,296	22,296	32,387	32,387
Other receivables	6,744	6,744	6,640	6,640
Cash and cash equivalents	6,452	6,452	10,160	10,160
Financial assets measured at amortised cost	35,492	35,492	49,187	49,187
Financial liabilities:				
Issued bonds measured at amortised cost	21,450	18,364	21,377	16,615
Overdraft and credit facilities	677	677	829	829
Trade payables	13,111	13,111	14,992	14,992
Financial liabilities measured at amortised cost	35,238	32,152	37,198	32,436

Chapter 5

Tax

In 2023, we contributed with direct and indirect taxes such as corporate taxes, VAT, GST, duties, etc., in more than 80 countries. Our corporate tax payments amounted to DKK 5,589 million.

We believe in contributing to the societies and communities we do business in. One of the ways we do that is through our global tax payments. In all tax matters, we act in a fair, compliant and responsible way.

5.1 Income tax

Accounting policies

Current tax payables and receivables are recognised in the statement of financial position as tax calculated on the taxable income for the year adjusted for tax on taxable income for previous years and for prepaid tax.

Tax for the year comprises current and deferred tax on profit or loss for the year, penalties related to pending tax disputes and adjustments to previous years, including adjustments due to tax rulings. Tax for the year is recognised in the statement of profit or loss, unless the tax expense relates directly to items included in other comprehensive income or equity.

Income tax for the year (DKKm)	**2023**	2022
Tax on profit for the year	4,083	5,550
Tax on other changes in equity	(171)	322
Tax on other comprehensive income	(81)	(52)
Total tax for the year	**3,831**	**5,820**
Current tax	3,961	5,704
Deferred tax	245	(302)
Tax adjustment relating to previous years	(123)	148
Total tax on profit for the year	**4,083**	**5,550**
Fair value adjustment of hedging instruments	6	(2)
Actuarial gains/(losses)	75	54
Total tax on other comprehensive income	**81**	**52**

Tax rate (%)	**2023**	2022
Calculated tax on profit for the year before tax	22.0%	22.0%
Adjustment of calculated tax in foreign Group entities relative to 22.0%	2.0%	2.5%
Change in deferred tax based on change in income tax rate	0.0%	0.0%
Tax effect of:		
Non-deductible expenses/non-taxable income	1.9%	0.5%
Non-deductible losses/non-taxable gains on shares	(0.4%)	(0.1%)
Tax adjustment relating to previous years	(0.7%)	0.6%
Tax asset valuation adjustments, net	(0.8%)	(2.3%)
Other taxes and adjustments	0.8%	0.7%
Effective tax rate	**24.8%**	**23.9%**

5.1 Income tax — continued

Global minimum top-up tax
In March 2022, the Organisation for Economic Co-operation and Development (OECD) issued technical guidance and overview of the potential impact of the OECD Pillar Two expansion on the financial statements in accordance with IAS 12 Income Taxes.

The expansion of Pillar Two aims to address Base Erosion and Profit Shifting (BEPS) by introducing a global minimum tax rate of 15% and implementing tax legislation for the allocation of taxing rights.

The Group's ultimate parent is in Denmark, which has enacted new tax legislation to implement the global minimum top-up tax, which may consequently be applied with respect to all subsidiaries of the Group.

As the newly enacted tax legislation in Denmark is only effective from 1 January 2024, there is no current tax impact for the year ended 31 December 2023.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax as it is incurred.

The Group has prepared a preliminary Transitional Country-by-Country Reporting (CbCR) Safe Harbour assessment concluding on fiscal year 2023, based on which it expects to be eligible for the Transitional CbCR Safe Harbour in the majority of jurisdictions in which the Group is present during fiscal year 2024. The top-up tax would not have had a material impact to the Group if it had been applicable in 2023. At 31 December 2023, there are no indications that the top-up tax will have material impact to the Group in 2024.

5.2 Deferred tax

Accounting policies
Deferred tax is recognised based on temporary differences between the carrying amount and the tax value of assets and liabilities. No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, properties and other items if disallowed for tax purposes, except at the acquisition of entities, if 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 taxation 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 as other non-current assets 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 and jurisdiction.

Deferred tax assets and tax liabilities are offset 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 is adjusted for elimination of unrealised intra-group gains and losses. Deferred tax is measured on the basis of the tax rules and tax rates of the relevant countries that will be effective under current legislation at the reporting date on which the deferred tax is expected to materialise as current tax.

Management judgements and estimates
Management applies significant estimates when recognising and measuring deferred tax assets and uncertain tax positions.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised if it is assessed that there will be sufficient future taxable income against which the temporary differences and unutilised tax losses can be utilised. This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognised if it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Uncertain tax positions include ongoing disputes with tax authorities and have been provided for in accordance with the accounting policies. Management believes that the provisions made are adequate. The actual obligations may deviate as they depend on the result of litigations and settlements with the relevant tax authorities.

Deferred tax recognised in the Statement of financial positions (DKKm)	**2023**	2022
Deferred tax at 1 January	2,990	3,097
Deferred tax for the year	(245)	302
Tax adjustment relating to previous years	101	(74)
Tax on changes in equity	(139)	(430)
Additions from business combinations	(24)	79
Other adjustments	40	(20)
Currency translation	(32)	36
Deferred tax at 31 December	**2,691**	**2,990**

Deferred tax not recognised in the Statement of financial positions (DKKm)	**2023**	2022
Temporary differences	4	29
Tax loss carryforwards	515	853
Total tax assets not recognised	**519**	**882**

Of not recognised tax loss carryforwards, DKK 354 million (2022: DKK 574 million) may be carried forward indefinitely.

5.2 Deferred tax — continued

The deferred tax assets and liabilities recognised are allocated to the following items:

Deferred tax allocation 2023 (DKKm)	Intangible assets	PPE, ROU assets, lease liabilities	Provisions	Other liabilities	Tax base of tax loss carry-forwards	Total
Deferred tax at 1 January	(11)	112	953	994	942	2,990
Recognised in profit or loss	49	(20)	(176)	(201)	204	(144)
Recognised in equity	-	-	81	(220)	-	(139)
Additions from business combinations	(24)	-	-	-	-	(24)
Other adjustments	-	2	13	12	13	40
Currency translation	(3)	5	(16)	(15)	(3)	(32)
Deferred tax at 31 December	**11**	**99**	**855**	**570**	**1,156**	**2,691**
Recognised as follows:						
Deferred tax assets	155	209	1,084	768	1,084	3,300
Deferred tax liabilities	(144)	(110)	(229)	(198)	72	(609)

Deferred tax allocation 2022 (DKKm)	Intangible assets	PPE, ROU assets, lease liabilities	Provisions	Other liabilities	Tax base of tax loss carry-forwards	Total
Deferred tax at 1 January	(290)	(166)	889	1,758	906	3,097
Recognised in profit or loss	277	170	111	(298)	(32)	228
Recognised in equity	-	-	52	(482)	-	(430)
Additions from business combinations	-	90	(95)	-	84	79
Other adjustments	-	-	(2)	13	(31)	(20)
Currency translation	2	18	(2)	3	15	36
Deferred tax at 31 December	**(11)**	**112**	**953**	**994**	**942**	**2,990**
Recognised as follows:						
Deferred tax assets	162	273	1,034	1,074	951	3,494
Deferred tax liabilities	(173)	(161)	(81)	(80)	(9)	(504)

Chapter 6

Other notes

This chapter includes disclosures on other statutory information not directly related to the operating activities of the Group.

The chapter describes the acquisition and disposal of entities during the year, contingent liabilities and security for debt as well as transactions with Group Management, auditors and other related parties.

6.1 Acquisition and disposal of entities

Accounting policies
When accounting for business combinations, the acquisition method is applied in accordance with IFRS 3.

Acquirees are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date on which DSV obtains control of the company. Entities disposed of are recognised in the consolidated financial statements until the date of disposal. The date of disposal is the date on which DSV surrenders control of the company.

Management judgements and estimates
In applying the acquisition method of accounting, estimates are an integral part of assessing fair values of several identifiable assets acquired and liabilities assumed, as observable market prices are typically not available.

Valuation techniques where estimates are applied typically relate to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition.

More significant estimates are typically applied in accounting for property, plant and equipment, customer relationships, trade receivables, deferred tax, debt and contingent liabilities. As a result of the uncertainties inherent in fair value estimation, measurement period adjustments may be applied.

Acquisitions and disposals
No material entities, non-controlling interests or activities were acquired or divested in 2023.

6.2 Share option schemes

Accounting policies

DSV's share option schemes are equity-settled, measured at the grant date and recognised in the statement of profit or loss as staff costs over the vesting period. The offsetting item is recognised directly in equity.

The value of employee services received during the vesting period in exchange for share options granted corresponds to the fair value of the share options at the date of granting.

The fair value of the options granted is determined based on the Black & Scholes valuation model. The assumptions used in the valuation takes into account the terms and conditions applicable to the options granted and Management's expectations of the various parameters on which the valuation model is based.

Upon initial recognition, an estimate is made of the number of share options that the employees are expected to earn. The estimated number of share options is adjusted subsequently to reflect the actual number of share options earned.

The estimated volatility is based on historical data over the preceding three years adjusted for any unusual circumstances during the period. The valuation of the share options granted in 2023 and 2022 is based on the following assumptions:

Assumptions	**2023**	2022
Exercise price (DKK)	1,485.0	1,485.0
Volatility	18.0%	18.0%
Risk-free interest rate	3.4%	1.2%
Expected dividends	0.8%	0.8%
Expected remaining life (years)	3.5	3.5

Current share option schemes

Scheme	Options granted	Exercise period	Exercise price (DKK)	Number of employees	Fair value at date of granting (DKKm)
2019	2,735,000	29.03.2022 - 27.03.2024	545.0	1,624	141.7
2020	3,080,750	31.03.2023 - 31.03.2025	560.0	2,000	155.5
2021	2,438,300	01.04.2024 - 31.03.2026	1,325.0	2,202	205.3
2022	2,640,900	01.04.2025 - 31.03.2027	1,485.0	2,524	279.8
2023	2,664,000	01.04.2026 - 31.03.2028	1,485.0	2,516	368.1

Share option schemes at 31 December 2023

Scheme	Executive Board	Key employees	Total	Average exercise price per option (DKK)
2019*	-	783,000	783,000	545.0
2020*	-	1,653,250	1,653,250	560.0
2021	168,750	2,155,300	2,324,050	1,325.0
2022	198,250	2,334,875	2,533,125	1,485.0
2023	198,750	2,424,950	2,623,700	1,485.0
Outstanding at 31 December 2023	**565,750**	**9,351,375**	**9,917,125**	**1,219.1**
Open for exercise at 31 December 2023	-	2,436,250	2,436,250	555.2
Life (years)	3.3	2.7	2.7	n.a.
Fair value (DKKm)	26	1,864	1,890	n.a.

* Share options granted in 2019 and 2020 are currently exercisable.

6.2 Share option schemes — continued

Share option schemes

DSV has launched share-based incentive schemes with the purpose of motivating and retaining key employees across the organisation. Share options are awarded at all levels in the organisation, e.g. from team leads, specialists, branch managers, country managers, up to Executive Management.

Retention is motivated by requiring continued service for a period covering the vesting period as a minimum. The schemes are also intended to align the interests of employees and shareholders.

All active schemes entail a three-year vesting period and a two-year exercise period. In case of a change of control, all outstanding share options will vest. Exercise prices are set based on the quoted market prices leading up to the date of granting. The share options can be exercised by cash purchase of shares only. The obligation relating to the schemes is partly covered by the Company's treasury shares.

Share options are granted in accordance with the procedures outlined in the Group's Remuneration Policy for the respective year.

A total of 3,117 employees held share options at 31 December 2023 (2022: 2,988 employees).

Total costs recognised in 2023 for services received but not recognised as an asset amounted to DKK 267 million (2022: DKK 202 million).

The average share price for options exercised in the financial year was DKK 1,263.6 per share at the date of exercise (2022: DKK 1,093.4 per share).

Outstanding share options	Executive Board	Key employees	Total	Average exercise price per option (DKK)
Outstanding at 1 January 2023	949,000	9,812,800	10,761,800	940.6
Granted	198,750	2,465,250	2,664,000	1,485.0
Exercised	(582,000)	(2,784,500)	(3,366,500)	533.1
Options waived/expired	-	(142,175)	(142,175)	1,365.5
Outstanding at 31 December 2023	**565,750**	**9,351,375**	**9,917,125**	**1,219.1**
Outstanding at 1 January 2022	762,750	8,814,648	9,577,398	730.9
Granted	198,250	2,442,650	2,640,900	1,485.0
Exercised	(12,000)	(1,279,573)	(1,291,573)	479.1
Options waived/expired	-	(164,925)	(164,925)	1,091.6
Outstanding at 31 December 2022	**949,000**	**9,812,800**	**10,761,800**	**940.6**

6.3 Remuneration of the Executive Board and the Board of Directors

Executive Board
The members of the Executive Board are subject to a notice period of up to 24 months. Remuneration of the members of the Executive Board and the Board of Directors complies with the principles of the Company's Remuneration Policy and is described in detail in the Remuneration Report.

Ordinary remuneration to the members of the Executive Board for 2023 was DKK 63.6 million (2022: DKK 54.8 million). Additional DKK 67 million (2022: DKK 0 million) has been included related to termination benefits. Total aggregate remuneration of the members of the Executive Board for 2023 was DKK 130.6 million (2022: DKK 54.8 million). The termination benefits relate to the CEO change that will take effect in 2024. Termination benefits relating to share-based payments consists of share-options to be granted under the Executive Board share options programme in 2024 and 2025. In measuring the cost for share options up for grant, the Black-Scholes value determined at the grant of the latest share options programme has been applied. Termination benefits are presented as special items costs in the statement of profit or loss.

Executive Board remuneration

(DKKm)	**2023**	2022
Fixed salary	39.1	36.1
Pension	3.1	2.9
Share-based payment	21.4	15.8
Total ordinary remuneration	**63.6**	**54.8**
Share-based payment - termination benefits	30.9	-
Termination benefits	36.1	-
Total aggregate remuneration	**130.6**	**54.8**

Board of Directors
The aggregate remuneration to the Board of Directors of DSV A/S for 2023 was DKK 8.4 million (2022: DKK 6.9 million).

6.4 Fees to auditors appointed at the Annual General Meeting

Audit fees and services

(DKKm)	**2023**	2022
Statutory audit fees	47	45
Other assurance services	3	3
Tax and VAT advisory services	1	1
Other services	4	5
Total fees to auditors appointed at the Annual General Meeting	**55**	**54**
Statutory audit fees	4	6
Tax and VAT advisory services	1	2
Total fees, other	**5**	**8**
Total	**60**	**62**

Non-audit services provided by PwC Denmark amounted to DKK 5 million in 2023, relating to advisory services in relation to legal disputes and IT compliance, assurance and advisory in relation to ESG, various tax advisory services, due diligence services and other advisory services. Non-audit services provided by PwC Denmark did not exceed 70% of the audit fees in accordance with EU audit legislation.

6.5 Related parties

DSV has no related parties with control of the Group and no related parties with significant influence other than key management personnel – mainly in the form of the Board of Directors and the Executive Board.

Related-party transactions
Board of Directors and Executive Board
No transactions with the Board of Directors and Executive Board were made in 2023 other than ordinary remuneration and termination benefits, as described in notes 6.2 and 6.3.

Associated companies
DSV holds ownership interests in 9 associates (2022: 8 associates). The Group's share of associates' profit for the year amounted to DKK 4 million (2022: DKK 7 million). The carrying amount of the investment was DKK 47 million at 31 December 2023 (2022: DKK 50 million).

The Group had the following transactions with associates:

Associated companies transactions

(DKKm)	**2023**	2022
Sale of services	79	128
Purchase of services	14	14

The Group had the following outstanding balances with associates at 31 December:

Associated companies balances

(DKKm)	**2023**	2022
Receivables	199	19
Payables	-	-

6.6 Contingent liabilities and security for debt

Contingent liabilities

Accounting policies

Contingent liabilities comprise possible obligations which have not yet been confirmed, are uncertain or cannot be measured reliably, but which, if realised, may result in a drain on the Group's resources. Obligations are recognised in the financial statements only to the extent that the criteria for recognising a provision are met.

Management judgements and estimates

Management applies judgements in assessing the existence of contingent liabilities on an ongoing basis and in this regard considers if the criteria for recognising a provision are met.

These judgements may involve advice from external experts, legal advisors, etc.

As an international transport service provider, the Group is regularly involved in tax and VAT disputes, legal proceedings or inquiries from competition authorities. Management believes that the cases currently identified will have no material impact on the financial position of the Group.

A detailed disclosure of individual contingent liabilities is considered impracticable and is therefore not included in the notes to the financial statements.

Commitments

Joint ventures

The Group has a funding commitment towards joint ventures of USD 2,450 million corresponding to DKK 16,522 million (2022: DKK 0 million). The commitment is callable until 31 December 2031. At 31 December 2023, the Group had a remaining commitment of USD 2,450 million, corresponding to DKK 16,522 million (2022: DKK 0 million) if called.

Contracts

DSV has concluded IT service contracts. Costs related to these contracts are recognised as the services are provided.

Security for debt

Bank guarantees

As part of its ordinary operations, DSV has provided bank guarantees to authorities, suppliers, etc.

The counterparties may claim appropriation of collateral if DSV fails to pay any amount due.

Pledges

At 31 December 2023, property, plant and equipment and other financial assets with a carrying amount of DKK 2 million were pledged as security (2022: DKK 30.9 million). The carrying amount of debt secured by pledges amounted to DKK 0 million (2022: DKK 0 million).

Definition of key figures and ratios

Key figures and ratios are disclosed in accordance with 'Recommendations & Ratios' published by the Danish Finance Society, except for financial ratios marked with (*), as these are either derived or not included in the Recommendations. Earnings per share and diluted earnings per share are disclosed in accordance with IAS 33. Environmental, social and governmental key figures and ratios are defined in the DSV Sustainability Report 2023 to which reference is made.

Key figures

Net interest-bearing debt (NIBD)	=	Interest-bearing debt less interest-bearing assets and cash and cash equivalents
Net working capital (NWC)	=	Receivables and other current operating assets less trade payables and other payables and other current operating liabilities
Invested capital	=	NWC + property, plant and equipment, right-of-use assets, intangible assets including goodwill and customer relationships less long-term provisions
Adjusted earnings	=	The DSV A/S shareholders' share of profit for the reporting period adjusted for amortisation and impairment of goodwill and customer relationships, costs related to share-based payments and special items. The tax effect of the adjustments has been taken into account
Net financial expenses	=	Financial income less financial expenses
Special items	=	Exceptional items of income or expense which by nature are not related to the Group's ordinary operation or investments in future activities. See note 2.7 for additional details on items included
Adjusted free cash flow	=	Free cash flow adjusted for net acquisition of subsidiaries and activities, lease liability repayments, special items and normalisation of working capital in subsidiaries and activities acquired

Financial ratios

Gross margin = $\dfrac{\text{Gross profit * 100}}{\text{Revenue}}$

Operating margin = $\dfrac{\text{Operating profit (EBIT) before special items * 100}}{\text{Revenue}}$

Conversion ratio = $\dfrac{\text{Operating profit (EBIT) before special items * 100}}{\text{Gross profit}}$

Effective tax rate* = $\dfrac{\text{Tax on profit for the year * 100}}{\text{Profit before tax}}$

Return on invested capital (ROIC) before tax = $\dfrac{\text{Operating profit (EBIT) before special items * 100}}{\text{Average invested capital}}$

Return on equity = $\dfrac{\text{Profit attributable to the shareholders of DSV A/S * 100}}{\text{Average equity excluding non-controlling interests}}$

Solvency ratio = $\dfrac{\text{Equity excluding non-controlling interests * 100}}{\text{Total assets}}$

Gearing ratio* = $\dfrac{\text{Net interest-bearing debt}}{\text{Operating profit before amortisation, depreciation (EBITDA) before special items}}$

Share ratios

Earnings per share = $\dfrac{\text{Profit attributable to the shareholders of DSV A/S}}{\text{Average number of shares}}$

Diluted earnings per share = $\dfrac{\text{Profit attributable to the shareholders of DSV A/S}}{\text{Average number of shares diluted}}$

Diluted adjusted earnings per share = $\dfrac{\text{Adjusted earnings}}{\text{Average number of shares diluted}}$

Number of shares issued	=	Total number of shares issued at the reporting date
Average number of shares outstanding	=	Average number of shares issued adjusted for treasury shares
Average number of shares diluted	=	Average number of shares outstanding during the reporting period including share options, but excluding out-of-the-money options measured relative to the average share price for the period

Group company overview

The overview below is a list of companies in the DSV Group at 31 December 2023 showing the companies by segment and not by legal structure.

Activity: ● Air & Sea ● Road ● Solutions ● Group

Company	Country	Ownership share	Activity
Parent			
DSV A/S	Denmark		Group
Subsidiaries			
Europe			
DSV Andorra, SLU	Andorra	100.0%	Air & Sea
DSV Air & Sea GmbH	Austria	100.0%	Air & Sea
GIL Austria GmbH in Liquidation	Austria	100.0%	Air & Sea
DSV Road GmbH	Austria	100.0%	Air & Sea, Road
Panalpina Central Asia EC – Azerbaijan Branch	Azerbaijan	100.0%	Air & Sea
DSV Air & Sea NV	Belgium	100.0%	Air & Sea
Panalpina World Transport N.V.	Belgium	100.0%	Air & Sea
AD Handling NV	Belgium	100.0%	Air & Sea
ABX Worldwide Holdings NV/SA	Belgium	100.0%	Group
DSV Road Holding NV	Belgium	100.0%	Road, Group
Europe (continued)			
DSV Air & Sea Belgium NV	Belgium	100.0%	Air & Sea
DSV Solutions N.V.	Belgium	100.0%	Solutions
DSV Logistics N.V.	Belgium	100.0%	Solutions
DSV Road N.V.	Belgium	100.0%	Road
MCI Brokers N.V.	Belgium	99.9%	Road
DSV Real Estate Ghent NV	Belgium	100.0%	Solutions
DSV Air & Sea EOOD	Bulgaria	100.0%	Air & Sea
DSV Road EOOD	Bulgaria	100.0%	Road, Solutions
DSV Hrvatska d.o.o.	Croatia	100.0%	Air & Sea, Road
DSV Air & Sea s.r.o.	Czech Republic	100.0%	Air & Sea
Panalpina Czech S.R.O.	Czech Republic	100.0%	Air & Sea
GIL Czech Republic s.r.o.	Czech Republic	100.0%	Air & Sea
DSV Air & Sea Czech Republic s.r.o.	Czech Republic	100.0%	Air & Sea
DSV Solutions s.r.o.	Czech Republic	100.0%	Solutions
DSV Road a.s.	Czech Republic	100.0%	Road
DSV Insurance A/S	Denmark	100.0%	Group
DSV Group Services A/S	Denmark	100.0%	Group
DSV FS A/S	Denmark	100.0%	Group
Anpartsselskabet af 25. januar 2017	Denmark	100.0%	Group
DSV Real Estate Ringsted A/S	Denmark	100.0%	Group
DSV Air & Sea Holding A/S	Denmark	100.0%	Air & Sea
DSV Air & Sea A/S	Denmark	100.0%	Air & Sea
DSV Ocean Transport A/S	Denmark	100.0%	Air & Sea
PC KH ApS	Denmark	100.0%	Air & Sea
DSV Air & Sea Denmark ApS	Denmark	100.0%	Air & Sea
DSV Solutions Holding A/S	Denmark	100.0%	Solutions
DSV Solutions A/S	Denmark	100.0%	Solutions
DSV Real Estate Duisburg A/S	Denmark	100.0%	Solutions
DSV Road Holding A/S	Denmark	100.0%	Road
Europe (continued)			
DSV Road A/S	Denmark	100.0%	Road
DSV Real Estate Horsens A/S	Denmark	100.0%	Road
DSV Real Estate Hedeland 5 A/S	Denmark	100.0%	Road
DSV Road Services A/S	Denmark	100.0%	Road
DSV Real Estate Oem A/S	Denmark	100.0%	Solutions
DSV Estonia AS	Estonia	100.0%	Air & Sea, Road
DSV Air & Sea Oy	Finland	100.0%	Air & Sea
DSV Solutions Oy	Finland	100.0%	Solutions
DSV Road Oy	Finland	100.0%	Road
DSV Air & Sea SAS	France	100.0%	Air & Sea
DSV International Air & Sea France	France	100.0%	Air & Sea
DSV Solutions SAS	France	100.0%	Solutions
DSV Road Holding S.A.	France	100.0%	Road
DSV Road SAS	France	100.0%	Road
Panalpina Georgia LLC	Georgia	100.0%	Air & Sea
DSV Group Services GmbH	Germany	100.0%	Group
DSV Air & Sea Germany GmbH	Germany	100.0%	Air & Sea
DSV Air & Sea Deutschland GmbH	Germany	100.0%	Air & Sea
DSV Real Estate Duisburg A/S – German Branch	Germany	100.0%	Solutions
DSV Solutions Group GmbH	Germany	100.0%	Solutions
DSV Solutions GmbH	Germany	100.0%	Solutions
DSV Stuttgart GmbH & Co. KG	Germany	100.0%	Road
DSV Stuttgart Verwaltung GmbH	Germany	100.0%	Solutions
DSV Road GmbH	Germany	100.0%	Road
DSV Services GmbH	Germany	100.0%	Solutions
DSV Air & Sea Single Member S.A.	Greece	100.0%	Air & Sea
DSV Road Single Member S.A.	Greece	100.0%	Road
DSV Air & Sea Hungary Kft.	Hungary	100.0%	Air & Sea

Company	Country	Ownership share	Activity			
Europe (continued)						
DSV Solutions Hungary Kft.	Hungary	100.0%			●	
DSV Hungaria Kft.	Hungary	100.0%		●		
DSV Real Estate Hungary Kft.	Hungary	100.0%		●		
DSV Air & Sea Limited	Ireland	100.0%	●			
Panalpina World Transport (Ireland) Ltd.	Ireland	100.0%	●			
DSV GIL Ireland Limited	Ireland	100.0%	●			
LEP Shannon Ltd.	Ireland	100.0%	●			
DSV Air & Sea (Ireland) Limited	Ireland	100.0%	●			
DSV Solutions Ltd.	Ireland	100.0%			●	
UTI Inventory Management Solutions Limited	Ireland	100.0%			●	
DSV Road Limited	Ireland	100.0%		●		
DSV S.p.A.	Italy	100.0%	●	●	●	
Panalpina Trasporti Mondiali S.p.A.	Italy	100.0%	●			
DSV Real Estate S.p.A.	Italy	89.8%	●	●	●	
UTi Italy SrL	Italy	100.0%	●			
DSV Air & Sea Italy S.r.l.	Italy	100.0%	●			
DSV Solutions S.R.L.	Italy	100.0%			●	
DSV Real Estate Novara S.r.l.	Italy	66.0%			●	
DSV Real Estate Modena S.r.l.	Italy	100.0%			●	
DSV Road S.R.L.	Italy	100.0%		●		
DSV Verona S.r.l.	Italy	100.0%		●		
GIL Kazakhstan LLP	Kazakhstan	100.0%	●			
DSV Latvia SIA	Latvia	100.0%	●	●		
DSV Lithuania UAB	Lithuania	100.0%	●	●		
DSV Air Services	Luxembourg	100.0%	●			
DSV Lead Logistics B.V.	Netherlands	100.0%				●
Agility Logistics International BV	Netherlands	100.0%				●
GeoLogistics European Holdings B.V.	Netherlands	100.0%				●
Europe (continued)						
Telmidas AMS B.V.	Netherlands	100.0%				●
TransOceanic Holdings BV	Netherlands	100.0%				●
DSV Finance B.V.	Netherlands	100.0%				●
African Investments BV	Netherlands	100.0%	●			
UTi (Netherlands) Holdings BV	Netherlands	100.0%	●			
DSV Air & Sea Nederland B.V.	Netherlands	100.0%	●			
DSV Shared Services B.V.	Netherlands	100.0%				●
DSV Solutions Holding B.V.	Netherlands	100.0%			●	
DSV Solutions Nederland B.V.	Netherlands	100.0%			●	
IMS Holdings BV	Netherlands	100.0%			●	
DSV Solutions (Moerdijk) B.V.	Netherlands	100.0%			●	
DSV Real Estate Dallas Holding B.V.	Netherlands	100.0%			●	
DSV Real Estate Maastricht B.V.	Netherlands	100.0%			●	
DSV Real Estate Moerdijk B.V.	Netherlands	100.0%			●	
DSV Moerdijk Project B.V.	Netherlands	100.0%			●	
DSV Road Holding N.V.	Netherlands	100.0%				●
DSV Road B.V.	Netherlands	100.0%		●		
DSV Real Estate Eindhoven B.V.	Netherlands	100.0%	●			
DSV ROAD DOOEL Skopje	North Macedonia	100.0%		●		
DSV Air & Sea AS	Norway	100.0%	●			
Panalpina AS	Norway	100.0%	●			
GIL Norway AS	Norway	100.0%	●			
DSV Solutions AS	Norway	100.0%			●	
DSV Road AS	Norway	100.0%		●		
DSV International Shared Services Sp. z o.o.	Poland	100.0%				●
DSV Real Estate Warsaw II Sp. z o.o.	Poland	100.0%				●
DSV Air & Sea Sp. z o.o.	Poland	100.0%	●			
Panalpina Polska Sp. z o.o.	Poland	100.0%	●			
Europe (continued)						
GIL POLAND Sp. z o.o.	Poland	100.0%	●			
DSV Air & Sea Poland Sp. z o.o.	Poland	100.0%	●			
DSV Services Sp. z o.o.	Poland	100.0%			●	
DSV Road Sp. z o.o.	Poland	100.0%		●		
DSV Solutions Sp. z o.o.	Poland	100.0%			●	
DSV Real Estate Lodz Sp. z o.o.	Poland	100.0%			●	
DSV Group Services Unipessoal, Lda	Portugal	100.0%				●
DSV Air & Sea Portugal, LDA	Portugal	100.0%	●			
DSV Solutions, Lda.	Portugal	100.0%		●		
DSV SGPS, Lda.	Portugal	100.0%		●		
DSV Transitarios, Lda.	Portugal	100.0%		●	●	
DSV Air & Sea SRL	Romania	100.0%	●			
GIL AIR&SEA S.R.L.	Romania	100.0%	●			
DSV Solutions S.R.L.	Romania	100.0%			●	
DSV Road S.R.L.	Romania	100.0%		●		
DSV Road d.o.o.	Serbia	100.0%		●		
DSV Solutions Slovakia s. r. o.	Slovakia	100.0%			●	
DSV Air & Sea Slovakia s.r.o.	Slovakia	100.0%	●			
DSV Real Estate Bratislava s.r.o.	Slovakia	100.0%			●	
DSV Slovakia, s.r.o.	Slovakia	100.0%		●		
DSV Transport d.o.o.	Slovenia	100.0%		●		
DSV Air & Sea d.o.o.	Slovenia	100.0%	●			
Tacisa Transitaria S.L.	Spain	100.0%	●			
DSV Air & Sea International, S.L.U.	Spain	100.0%	●			
DSV Solutions Spain S.A.U.	Spain	100.0%			●	
Servicios Logisticos Integrados SLI, S.A.	Spain	100.0%	●			
DSV Road Spain S.A.U.	Spain	100.0%		●		
DSV Holding Spain S.L.	Spain	100.0%		●		
DSV Air & Sea, S.A.U.	Spain	100.0%	●			

Europe (continued)

Company	Country	Ownership share	Activity			
DSV REAL ESTATE LA BISBAL S.L.	Spain	100.0%			●	
DSV Air & Sea AB	Sweden	100.0%	●			
DSV Air & Sea Nordic AB	Sweden	100.0%	●			
Agility AB	Sweden	100.0%	●			
DSV Solutions AB	Sweden	100.0%			●	
DSV Real Estate Landskrona 2 AB	Sweden	100.0%			●	
DSV Real Estate Helsingborg AB	Sweden	100.0%			●	
DSV Group AB	Sweden	100.0%		●		
DSV Road AB	Sweden	100.0%		●		
Göinge Frakt EK	Sweden	100.0%		●		
DSV Road Property Holding AB	Sweden	100.0%		●		
GIL Switzerland 4 AG	Switzerland	100.0%				●
Panalpina Welttransport Holding AG	Switzerland	100.0%				●
DSV Corporate Services AG	Switzerland	100.0%				●
Panalpina International AG	Switzerland	100.0%				●
DSV Air & Sea AG	Switzerland	100.0%	●			
GIL Switzerland 2 AG	Switzerland	100.0%	●	●		
DSV Logistics S.A.	Switzerland	100.0%		●	●	
DSV Air & Sea A.S.	Türkiye	100.0%	●			
DSV International Hava ve Deniz Taşimaciliği Ltd.Şirketi	Türkiye	100.0%	●			
DSV Road & Solutions A.S.	Türkiye	100.0%		●		
Panalpina World Transport Ltd.	Ukraine	100.0%	●			
DSV Logistics LLC	Ukraine	100.0%	●	●		
Agility Logistics LLC	Ukraine	100.0%		●		
DSV GIL Holding Limited	United Kingdom	100.0%				●
DSV Air & Sea Limited	United Kingdom	100.0%	●			
Panalpina World Transport Ltd.	United Kingdom	100.0%	●			
DSV GIL UK Limited	United Kingdom	100.0%	●			

Europe (continued)

Company	Country	Ownership share	Activity			
DSV GIL Fairs & Events Limited	United Kingdom	100.0%			●	
DSV GIL Pension Trustees Limited	United Kingdom	100.0%	●			
DSV Air & Sea 2018 (UK) Limited	United Kingdom	100.0%	●			
DSV Lead Logistics Limited	United Kingdom	100.0%				●
DSV GIL Solutions Limited	United Kingdom	100.0%	●			
DSV GIL Management Limited	United Kingdom	100.0%	●			
DSV Real Estate Thrapston Limited	United Kingdom	100.0%			●	
DSV Road Holding Ltd.	United Kingdom	100.0%		●		
DSV Commercials Ltd.	United Kingdom	100.0%		●		
DSV Road Ltd.	United Kingdom	100.0%		●		
Global Options Worldwide Express (Ltd)	United Kingdom	100.0%		●		
DSV Pension Trustees Ltd.	United Kingdom	100.0%		●		
DSV Solutions Ltd.	United Kingdom	100.0%			●	
DFDS Transport Ltd.	United Kingdom	100.0%		●		
DSV Real Estate Tamworth Ltd.	United Kingdom	100.0%		●		
G T Exhibitions Limited	United Kingdom	100.0%			●	

North America

Company	Country	Ownership share	Activity			
DSV Air & Sea Inc.	Canada	100.0%	●			
DSV Solutions Inc.	Canada	100.0%			●	
DSV Road, Inc.	Canada	100.0%		●		
DSV Air & Sea, S.A. de C.V.	Mexico	100.0%	●			
DSV International Shared Services S.A. de C.V.	Mexico	100.0%				●
TransOceanic Shipping Co. S. de RL de C.V.	Mexico	100.0%	●			
DSV Solutions S.A. de C.V.	Mexico	100.0%			●	
DSV Road, S.A. de C.V.	Mexico	100.0%		●		
DSV 4PL Inc.	United States	100.0%				●
DSV Air & Sea Holding Inc.	United States	100.0%	●			

North America (continued)

Company	Country	Ownership share	Activity			
DSV Air & Sea Inc.	United States	100.0%	●	●		
DSV Air & Sea International Holding Inc.	United States	100.0%	●			
DSV Solutions, LLC	United States	100.0%			●	
DSV Inventory Management Solutions Inc.	United States	100.0%			●	
DSV Real Estate Dallas Inc.	United States	100.0%			●	
Market Industries LLC	United States	100.0%		●		
DSV Road Transport, Inc.	United States	100.0%		●		
DSV Road, Inc.	United States	100.0%		●		
DSV US Property Holding, Inc.	United States	100.0%			●	
DSV Real Estate Los Angeles, LLC	United States	100.0%			●	
DSV Real Estate Phoenix, LLC	United States	100.0%			●	
DSV Real Estate New Jersey, LLC	United States	100.0%			●	
DSV Real Estate Chicago, LLC	United States	100.0%			●	
DSV Real Estate New Albany, LLC	United States	100.0%			●	
DSV Real Estate Pharr, LLC	United States	100.0%			●	
DSV Real Estate Atlanta, LLC	United States	100.0%			●	

South America

Company	Country	Ownership share	Activity			
UTi Logistics Argentina S.A.	Argentina	100.0%	●			
DSV Air & Sea S.A.	Argentina	100.0%	●			
GeoLogistics Holdings (Bermuda) Limited	Bermuda	100.0%				●
DSV Solutions Brasil Serviços de Logística Ltda.	Brazil	100.0%			●	
DSV Air & Sea Brasil Ltda.	Brazil	100.0%	●			
UTi Worldwide Inc.	Brit. Virgin Islands	100.0%				●
UTi Logistics (Proprietary) Limited	Brit. Virgin Islands	100.0%				●
Thomas International Freight Auditors Limited	Brit. Virgin Islands	100.0%				●

South America (continued)

Company	Country	Ownership share	Activity
UTi Kazakhstan Investments Ltd	Brit. Virgin Islands	100.0%	⚪
Agility (Asia/Pacific) Limited	Brit. Virgin Islands	100.0%	⚪
PWC Global Logistics Holdings Ltd	Brit. Virgin Islands	100.0%	⚪
DSV Air & Sea (Latin America) Holding S.A.	Chile	100.0%	🔵
DSV Air & Sea S.A.	Chile	100.0%	🔵
Agility Logistics Corp. Holding SpA	Chile	100.0%	🔵
Agility Logistics Chile SA	Chile	100.0%	🔵
DSV Air & Sea S.A.S.	Colombia	100.0%	🔵
AGENCIA DE ADUANAS DSV S.A.S. NIVEL 1	Colombia	100.0%	🔵
DSV Solutions S.A.S.	Colombia	100.0%	🟠
DSV Solutions Zona Franca SAS	Colombia	100.0%	🟠
DSV Air & Sea S.A.	Costa Rica	100.0%	🔵
DSV AIR & SEA DOMINICANA, S.R.L.	Dominican Republic	100.0%	🔵
DSV-AIR&SEA S.A.	Ecuador	100.0%	🔵
DSV Air & Sea, S.A. de C.V.	El Salvador	100.0%	🔵
DSV Air & Sea PA Inc.	Panama	100.0%	🔵
Panalpina SEM, S.A.	Panama	100.0%	🔵
Panalpina S.A.	Panama	100.0%	🟠
Almacenadora Mercantil S.A.	Panama	100.0%	🟠
DSV Air & Sea S.A.	Peru	100.0%	🔵 🟠
Agility Logistics Peru S.A.	Peru	100.0%	🔵
DSV Air & Sea (PR) Inc.	Puerto Rico	100.0%	🔵
Arabella Shipping Ltd	Saint Vincent And The Grenadines	100.0%	🔵
DSV Air & Sea Uruguay - Servicios Logisticos SA	Uruguay	100.0%	🔵
DSV Air & Sea Uruguay S.A.	Uruguay	100.0%	🔵

Asia

Company	Country	Ownership share	Activity
DSV Air & Sea Ltd.	Bangladesh	100.0%	🔵
Agility Ltd.	Bangladesh	100.0%	🔵
DSV Air & Sea (Cambodia) Co., Ltd.	Cambodia	100.0%	🔵
Prime Cargo (Cambodia) Co., Ltd.	Cambodia	100.0%	🔵
GIL Integration 1 (Cambodia) Co., Ltd.	Cambodia	100.0%	🔵
DSV Air & Sea Co., Ltd.	Cambodia	100.0%	🔵
UTi Worldwide Co. Ltd. - Cambodia Branch (USD)	Cambodia	100.0%	🔵
DSV Air & Sea Co., Ltd.	China	100.0%	🔵
DSV Air & Sea Co., Ltd. (China)	China	100.0%	🔵
Baisui United Logistics (Shanghai) Co. Ltd.	China	100.0%	🟠
Agility Logistics (Shanghai) Limited	China	100.0%	🔵
DSV Logistics Co., Ltd.	China	100.0%	🟠
Panalpina World Transport (PRC) Ltd.	China	100.0%	🔵
Zhejiang DSV supply chain management CO.,LTD	China	100.0%	🟠
DSV Solutions Co., Ltd.	China	100.0%	🟠
DSV Logistics (Nanjing) Co., Ltd.	China	100.0%	🟠
DSV Air & Sea Ltd.	Hong Kong	100.0%	🔵
Pantainer (H.K.) Ltd.	Hong Kong	100.0%	🔵
Agility Logistics Limited	Hong Kong	100.0%	🔵 🟠
ECT Transport Limited	Hong Kong	100.0%	🔵
DSV Solutions Limited	Hong Kong	100.0%	🟠
DSV Air & Sea (HK) Ltd.	Hong Kong	100.0%	🔵
Panalpina China Ltd.	Hong Kong	100.0%	🟠
DSV Air & Sea Pvt. Ltd.	India	100.0%	🔵
DSV Air & Sea International Private Limited	India	100.0%	🔵
DSV Coload & Clearance Pvt. Ltd.	India	100.0%	🔵

Asia (continued)

Company	Country	Ownership share	Activity
DSV Solutions Private Limited	India	100.0%	🟠
PT. DSV Transport Indonesia	Indonesia	100.0%	🔵
PT GIL Solusi Indonesia	Indonesia	100.0%	🔵 🟠
PT DSV Solutions Indonesia	Indonesia	100.0%	🔵 🟠
PT Synergy Indonesia	Indonesia	100.0%	🔵
PT Sarana Prima Optima	Indonesia	100.0%	🔵
DSV Air & Sea Japan GK	Japan	100.0%	🔵
DSV Air & Sea Co., Ltd.	Japan	100.0%	🔵
DSV Solutions Co., Ltd.	Japan	100.0%	🟠
DSV Air & Sea Ltd.	Korea	100.0%	🔵
DSV Solutions Ltd.	Korea	100.0%	🟠
DSV Air & Sea International Ltd.	Korea	100.0%	🔵
DSV Air and Sea Limited	Macao	100.0%	🔵
DSV Air & Sea Sdn. Bhd.	Malaysia	100.0%	🔵
Panalpina Customs Services (M) SDN BHD	Malaysia	100.0%	🔵
Litvest Corporation Sdn Bhd	Malaysia	100.0%	🟠
DSV Solutions (DC) Sdn. Bhd.	Malaysia	100.0%	🟠
GOCT Logistics Sdn Bhd	Malaysia	100.0%	🔵
DSV Shared Services Asia Sdn Bhd	Malaysia	100.0%	⚪
DSV Solutions (Management) Sdn. Bhd.	Malaysia	100.0%	🟠
DSV Logistics Sdn. Bhd.	Malaysia	100.0%	🔵
DSV STATIONARY SDN. BHD.	Malaysia	100.0%	🟠
Panalpina Transport (Malaysia) Sdn. Bhd.	Malaysia	100.0%	🔵
DSV Inventory Management Solutions Sdn. Bhd.	Malaysia	100.0%	🟠
DSV Air & Sea (Myanmar) Limited	Myanmar	100.0%	🔵
DSV Air and Sea Pakistan (SMC-Private) Limited	Pakistan	100.0%	🔵

Company	Country	Ownership share	Activity
Asia (continued)			
DSV SOLUTIONS (PRIVATE) LIMITED	Pakistan	100.0%	● orange
DSV Air & Sea Limited	Papua New Guinea	100.0%	● blue
Panalpina Global Business Services (GBS) - Philippines	Philippines	100.0%	● grey
DSV International Shared Services Inc.	Philippines	100.0%	● grey
DSV Air & Sea Inc.	Philippines	100.0%	● blue
GIL Holding Co Inc.	Philippines	100.0%	● blue
GIL Logistics Holding Inc.	Philippines	100.0%	● blue
GIL International Logistics Inc.	Philippines	100.0%	● blue
DSV Logistics Solutions Philippines, Inc.	Philippines	100.0%	● orange
Panalpina World Transport (Philippines) Inc.	Philippines	100.0%	● blue
DSV Global Solutions Inc.	Philippines	100.0%	● orange
GIL Logistics Distribution Inc.	Philippines	100.0%	● orange
Agility Logistics Holdings Pte Ltd	Singapore	100.0%	● grey
Agility Logistics Holdings (S) Pte. Ltd.	Singapore	100.0%	● orange ● grey
DSV Singapore Real Estate Holding Pte. Ltd.	Singapore	100.0%	● grey
Agility International Logistics Pte. Ltd.	Singapore	100.0%	● blue ● orange
China Baisui Logistics Pte Ltd	Singapore	100.0%	● orange
DSV Solutions Pte Ltd.	Singapore	100.0%	● orange
DSV Air & Sea Singapore Pte. Ltd.	Singapore	100.0%	● blue ● orange ● grey
DSV Inventory Management Solutions Pte. Ltd	Singapore	100.0%	● orange
UTi Persip (Pvt) Limited	Sri Lanka	51.0%	● blue
DSV Persip (Private) Limited	Sri Lanka	40.0%	● blue
DSV Air & Sea Co., Ltd.	Taiwan	100.0%	● blue
DSV Air & Sea (Taiwan) Ltd.	Taiwan	100.0%	● blue
DSV Solutions Co., Ltd.	Taiwan	100.0%	● orange
Panalpina Asia-Pacific Services (Thailand) Ltd.	Thailand	100.0%	● grey
Supreme Eliga Co. Ltd.	Thailand	100.0%	● blue
GIL Air & Sea (Thailand) Co., Ltd.	Thailand	100.0%	● blue
DSV Solutions Ltd.	Thailand	100.0%	● orange
DSV Holding (Thailand) Co., Ltd.	Thailand	100.0%	● blue
Panalpina World Transport (Thailand) Ltd.	Thailand	100.0%	● blue
DSV Air & Sea Ltd.	Thailand	100.0%	● blue
DSV Air & Sea Company Limited	Viet Nam	99.0%	● blue
DSV Solutions Co., Ltd	Viet Nam	100.0%	● orange
Agility Logistics Vietnam Company Ltd	Viet Nam	100.0%	● orange
Agility Ltd	Viet Nam	71.0%	● blue
DSV Air & Sea Vietnam Limited	Viet Nam	100.0%	● blue
Inventory Management Solutions Vietnam Limited	Viet Nam	100.0%	● orange
Middle East			
Agility Logistics Limited	Afghanistan	100.0%	● blue
DSV AIR & SEA W.L.L.	Bahrain	100.0%	● blue
Panalpina Central Asia EC	Bahrain	100.0%	● blue
DSV Solutions B.S.C Closed	Bahrain	100.0%	● blue ● light blue ● orange
Al-Alb Co. for General Transportation (PLLC)	Iraq	100.0%	● blue
Agility Kurdistan Company for Administration of Warehouses and Facilitate Storage Process Limited	Iraq	67.5%	● blue
Middle East (continued)			
The Warehousing Company for Shipping, Discharging and Custom Clearance LLC	Iraq	100.0%	● blue
DSV Air & Sea Ltd.	Israel	100.0%	● blue
DSV Marine Insurance Agency Ltd.	Israel	100.0%	● blue
DSV - E-COMMERCE LTD.	Israel	100.0%	● blue
DSV Solutions Ltd	Israel	100.0%	● orange
U.T.I.-Inventory Management Solutions Limited partnership	Israel	100.0%	● orange
UTI IMS Ltd.	Israel	100.0%	● orange
DSV Air & Sea Jordan	Jordan	100.0%	● blue
Public warehousing Company -Jordan PSC	Jordan	100.0%	● blue
Public Warehousing Company for Storage and Distribution Services	Jordan	100.0%	● orange
Public warehousing Company -Jordan PSC - Aqaba Branch	Jordan	100.0%	● orange
DSV Holding for Company Business Management W.L.L	Kuwait	100.0%	● grey
Global Logistics for General Trading and Contracting Co. WLL	Kuwait	100.0%	● grey
DSV Air & Sea Co. W.L.L.	Kuwait	49.0%	● blue
DSV A&S for Shipping and Transport W.L.L	Kuwait	100.0%	● blue ● light blue
DSV Solutions for Warehousing and Third Party Inventory Management Co. S.P.C	Kuwait	100.0%	● light blue ● orange
GIL Logistics Cargo Transport W.L.L	Kuwait	100.0%	● light blue
Agility Freight Forwarding (Lebanon) SARL	Lebanon	100.0%	● blue
PWC Trading and contracting Lebanon SAL (Holding)	Lebanon	100.0%	● orange
PWC Lebanon (Holding) SAL	Lebanon	100.0%	● orange

Middle East (continued)

Company	Country	Ownership share	Activity
PWC investments (Lebanon) SARL	Lebanon	100.0%	🟠
DSV Air and Sea LLC	Oman	70.0%	🔵
Global Logistics (Oman) LLC	Oman	50.0%	🔵 ⚪ 🟠
DSV Air and Sea Shipping WLL	Qatar	49.0%	🔵
DSV Panalpina Marine Shipping W.L.L.	Qatar	100.0%	🔵
DSV Air and Sea for Logistics Services Company	Saudi Arabia	100.0%	🔵 🟠
DSV Solutions for Logistics Services Company	Saudi Arabia	100.0%	🔵 ⚪ 🟠
GIL INTERNATIONAL HOLDINGS I LIMITED	United Arab Emirates	100.0%	⚫
GIL INTERNATIONAL HOLDINGS II LIMITED	United Arab Emirates	100.0%	⚫
GIL INTERNATIONAL HOLDINGS III LIMITED	United Arab Emirates	100.0%	⚫
DSV Air & Sea (LLC)	United Arab Emirates	100.0%	🔵 🟠
DSV Solutions DWC-LLC	United Arab Emirates	100.0%	🟠
Panalpina Jebel Ali Ltd.	United Arab Emirates	100.0%	🔵
DSV Gulf Customs Broker LLC	United Arab Emirates	49.0%	🔵
DSV Air and Sea DWC-LLC	United Arab Emirates	100.0%	🔵
DSV Air and Sea Middle East DWC-LLC	United Arab Emirates	100.0%	🔵
DSV Solutions PJSC	United Arab Emirates	49.0%	🔵 ⚪ 🟠
DSV Solutions L.L.C.	United Arab Emirates	100.0%	🔵 ⚪ 🟠
DSV Solutions MENA FZE	United Arab Emirates	100.0%	🟠
DSV Solutions - FZE	United Arab Emirates	100.0%	🟠
G T M E Logistics LLC	United Arab Emirates	100.0%	🟠

Oceania

Company	Country	Ownership share	Activity
DSV Air & Sea Pty. Ltd.	Australia	100.0%	🔵
DSV Solutions Pty. Ltd.	Australia	100.0%	🟠
A.C.N. 116 779 876 PTY LTD	Australia	100.0%	🔵
A.C.N. 004 265 721 PTY LTD	Australia	100.0%	🔵
A.C.N. 007 430 935 PTY LTD	Australia	100.0%	🔵
A.C.N. 078 189 296 PTY LTD	Australia	100.0%	🟠
A.C.N. 082 751 460 PTY LTD	Australia	100.0%	🔵
A.C.N. 144 885 156 PTY LTD	Australia	100.0%	🔵
DSV Air & Sea Limited	New Zealand	100.0%	🔵

Africa

Company	Country	Ownership share	Activity
Agility Maghreb Sarl	Algeria	49.0%	🔵
Agility Logistics SARL	Algeria	100.0%	🟠
Frans Maas Algerie S.a.r.l.	Algeria	100.0%	⚪
Panalpina Transportes Mundiais Navegãçao e Trânsitos S.A.R.L.	Angola	52.0%	🔵
Global Integrated Logistics Lda	Angola	100.0%	🔵
DSV Air & Sea (PTY) Limited	Botswana	100.0%	🔵
Panalpina Transports Mondiaux Cameroun S.A.R.L.	Cameroun	90.0%	🔵
DSV-UTI Egypt Ltd.	Egypt	100.0%	🔵 🟠
Panalpina World Transport Egypt LLC	Egypt	100.0%	🔵
GIL Egypt Limited Liability Company	Egypt	100.0%	🔵
DSV Solutions S.A.E.	Egypt	100.0%	🟠
Global Options Worldwide Express Investments (Pty) Ltd	Eswatini	100.0%	⚪
Panalpina Transports Mondiaux Gabon S.A.	Gabon	89.8%	🔵
DSV Air & Sea Limited	Kenya	100.0%	🔵
Panalpina Kenya Ltd.	Kenya	100.0%	🔵
GIL Africa Holdings Ltd	Mauritius	100.0%	🔵
Panalpina Morocco S.A.R.L.	Morocco	100.0%	🔵
Global Integrated Logistics Company SARL AU	Morocco	100.0%	🔵
DSV Transport Int'l S.A	Morocco	100.0%	🔵
DSV Air & Sea Limitada	Mozambique	100.0%	🔵
GIL Mozambique, LDA	Mozambique	100.0%	🔵
Globeflight Worldwide Express (Pty) Ltd	Namibia	100.0%	⚪
DSV Freight International Limited	Nigeria	100.0%	🔵
DSV Air and Sea (Proprietary) Limited	South Africa	100.0%	🔵
DSV South Africa (Pty) Ltd.	South Africa	75.0%	🔵
DSV Shared Services (Pty) Ltd.	South Africa	100.0%	⚫
UTi Logistics (Proprietary) Limited - SC OCS Division	South Africa	100.0%	⚪
DSV AFRICA HOLDING (Pty) Ltd.	South Africa	100.0%	🔵
DSV Skyservices (Pty) Ltd	South Africa	100.0%	🔵
Scorpion Share Block (Pty) Ltd.	South Africa	100.0%	⚪
DSV Real Estate Johannesburg (Pty) Ltd.	South Africa	100.0%	🔵
Firefly Investments 337 Properties Proprietary Limited	South Africa	100.0%	🔵
Linkit Investments (Pty) Ltd.	South Africa	80.0%	🔵
GIL South Africa 1 (Pty) Ltd	South Africa	100.0%	🔵
DSV Healthcare (Pty) Ltd.	South Africa	100.0%	🟠

Company	Country	Ownership share	Activity
Africa (continued)			
DSV Solutions (Pty) Ltd.	South Africa	100.0%	
DSV Assembly Services (Pty) Ltd.	South Africa	65.3%	
DSV Mounties (Pty) Ltd.	South Africa	100.0%	
DSV Road (Pty) Ltd.	South Africa	100.0%	
Globeflight Worldwide Express (SA) Pty Ltd	South Africa	100.0%	
Mercury Couriers (Pty) Ltd	South Africa	100.0%	
DSV Air & Sea Limited	Uganda	100.0%	
Agility Logistics Limited	Uganda	100.0%	
DSV Air & Sea Limited	Zambia	100.0%	
DSV Air & Sea (Private) Limited	Zimbabwe	100.0%	
Associates			
Trans-Link Cambodia Ltd	Cambodia	49.0%	
GT Stevedores Oy	Finland	25.5%	
KM Logistik GmbH	Germany	35.0%	
IDS Logistik GmbH	Germany	28.0%	
AEP Logistics Properties Venlo B.V.	Netherlands	30.0%	
Tristar Transport (Private) Limited	Pakistan	50.0%	
ATS Air Transport Service AG	Switzerland	48.0%	
Polymer Logistics Investments LLC	United Arab Emirates	36.5%	
Key Logistics, Inc.	United States	49.0%	

Statement by the Board of Directors and the Executive Board

The Board of Directors and Executive Board have today considered and adopted the Annual Report of DSV A/S for the financial year 1 January to 31 December 2023.

The Annual Report has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB) and in accordance with IFRS Accounting Standards as adopted by the European Union and further requirements for listed companies in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group and Parent Company operations and cash flows for the financial year 2023.

In our opinion, the Annual Report of DSV A/S for the financial year 1 January to 31 December 2023 with the file name DSV-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Management's commentary has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

In our opinion, Management's commentary includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hedehusene, 1 February 2024

Executive Board:

Jens Bjørn Andersen
CEO

Jens H. Lund
COO and Vice CEO

Michael Ebbe
CFO

Board of Directors:

Thomas Plenborg
Chairman

Jørgen Møller
Deputy Chairman

Marie-Louise Aamund

Beat Walti

Niels Smedegaard

Tarek Sultan Al-Essa

Benedikte Leroy

Helle Østergaard Kristiansen

Independent Auditor's reports

To the shareholders of DSV A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of DSV A/S for the financial year 1 January to 31 December 2023 comprise statement of profit or loss and statement of comprehensive income, statement of cash flows, statement of financial position, statement of changes in equity and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of DSV A/S on 9 March 2017 for the financial year 2017. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of seven years including the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition, contract assets and accrued cost of services

The Group's revenue consists primarily of services, i.e. shipments of goods between destinations, which by nature is rendered over a period of time.

We focused on this area, because at year-end, material contract assets and accrued cost of services exist which involve significant accounting estimates and which are complex by nature, i.e. accrual of income (contract assets) and related costs (accrued cost of services), including methods and data applied and assumptions made by Management. The process of accruing for services rendered is, therefore, complex and dependent on relevant IT controls in certain IT systems and significant management judgement and estimates. Moreover in the Air & Sea division, an inherent risk exists regarding estimates for recognising revenue in the right period at year-end due to the services being rendered over a lengthier period of time.

In addition, we focused on this area because of the significance of revenue and as revenue consists of a substantial number of transactions, including with different characteristics depending on which business segment the revenue relates to.

Reference is made to notes 2.2 and 3.4 in the Consolidated Financial Statements.

How our audit addressed the key audit matter

Our audit procedures included considering the appropriateness of the accounting policies for revenue recognition applied by Management and assessing compliance with applicable IFRS Accounting Standards, including disclosure requirements.

We updated our understanding of relevant controls, including Group controlling procedures and IT controls, concerning the timing of revenue recognition and evaluated whether these were designed in line with the Group's accounting policies and were operating effectively.

For contract assets and accrued cost of services, we examined reports concerning services in progress at year-end and challenged the estimates made by Management regarding revenue and related cost accruals, including Management's use of methods, assumptions and data for preparing the estimates.

Moreover, we selected a sample of transactions during the year and at year-end, and traced these to underlying evidence to determine whether revenue and the related costs are recognised in the right period.

In addition, we applied data analysis in our testing of revenue transactions in order to identify and assess transactions outside the ordinary transaction flow.

Deferred tax assets and income tax positions
The Group operates in many territories and is, consequently, subject to local laws and cross-border transfer pricing legislation, which complicates the Group's tax matters, and which gives rise to provisions for income tax positions.

The Group also carries significant deferred tax assets that consist primarily of tax on provisions made at the balance sheet date and tax loss carryforwards. The utilisation of tax losses and tax amortisation balances is, inherently, uncertain, as it is dependent on the financial development of business activities in certain countries and regions.

We focused on this area because the valuation of deferred tax assets and provisions for income tax positions are subject to significant Management estimates, including Management's applied model, data and assumptions.

Reference is made to note 5.2 to the Consolidated Financial Statement

How our audit addressed the key audit matter
Our audit procedures included considering the appropriateness of the accounting policies and valuation models within the tax accounting area and assessing compliance with applicable IFRS Accounting Standards, including disclosure requirements.

We also assessed Management's process for identifying and assessing complex income tax transactions as well as deferred tax assets that might not be recoverable.

We tested provisions made for income tax positions. As part of this, we reviewed correspondence with tax authorities and discussed methods and data applied as well as assumptions made by Management, and assessed whether they are adequate. In doing so, we used our internal corporate tax specialists.

Moreover, we tested Management's assessment of the recoverability of the carrying value of deferred tax assets arising from temporary differences and tax loss carryforwards on the basis of internal forecasts of future taxable income, and evaluated the assumptions made by Management in this connection.

Statement on Management's Commentary
Management is responsible for Management's Commentary. Our opinion on the Financial Statements does not cover Management's Commentary, 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 Commentary and, in doing so, consider whether Management's Commentary is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Commentary includes the disclosures required by the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Based on the work we have performed, in our view, Management's Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Commentary.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in 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 Group's and the Parent 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 unless Management either intends to liquidate the Group or the Parent 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 in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Group's and the Parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent 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 Group or the Parent Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content 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; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of DSV A/S for the financial year 1 January to 31 December 2023 with the filename DSV-2023-12-31-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements including notes.

In our opinion, the annual report of DSV A/S for the financial year 1 January to 31 December 2023 with the file name DSV-2023-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 1 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Lars Baungaard
State Authorised
Public Accountant
mne23331

Kim Tromholt
State Authorised
Public Accountant
mne33251

Parent Company financial statements 2023

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Statement of profit or loss

(DKKm)	Note	2023	2022
Revenue	5	3,320	3,077
Gross profit		**3,320**	**3,077**
Other external costs	6	1,792	1,533
Staff costs	7	1,578	1,411
Operating profit before amortisation and depreciation (EBITDA) before special items		**(50)**	**133**
Amortisation and depreciation		263	255
Operating profit (EBIT) before special items		**(313)**	**(122)**
Special items, cost	8	67	84
Financial income	9	9,915	5,006
Financial expenses	10	1,608	594
Profit before tax		**7,927**	**4,206**
Tax on profit for the year	11	82	349
Profit for the year		**7,845**	**3,857**
Proposed distribution of profit:			
Proposed dividend per share is DKK 7.00 (2022: DKK 6.50 per share)		1,533	1,424
Transferred to equity reserves		6,312	2,433
Total distribution		**7,845**	**3,857**

Statement of comprehensive income

(DKKm)	2023	2022
Profit for the year	**7,845**	**3,857**
Items that may be reclassified to profit or loss when certain conditions are met:		
Fair value adjustments of hedging instruments transferred to financial expenses	1	1
Other comprehensive income, net of tax	**1**	**1**
Total comprehensive income	**7,846**	**3,858**

Statement of cash flows

(DKKm)	Note	2023	2022
Operating profit before amortisation and depreciation (EBITDA) before special items		**(50)**	**133**
Adjustments:			
Share-based payments	17	47	36
Change in working capital		(130)	55
Dividend received	9	7,654	2,930
Gain on disposal of investment in Group entities	9	46	-
Interest received	9	197	227
Interest paid	10	(180)	(161)
Income tax paid		(323)	71
Cash flow from operating activities		**7,261**	**3,291**
Purchase of intangible assets	12	(322)	(236)
Purchase of other plant and operating equipment	13	(120)	(204)
Acquisition and disposal of Group entities and activities		8,845	6,212
Cash flow from investing activities		**8,403**	**5,772**
Free cash flow		**15,664**	**9,063**

(DKKm)	Note	2023	2022
Repayment of issued bonds	15	-	(1,500)
Change in payables and borrowings, net	15	(9,359)	11,578
Transactions with shareholders:			
Dividends distributed		(1,424)	(1,320)
Dividends on treasury shares		19	43
Purchase of treasury shares		(13,997)	(20,313)
Sale of treasury shares		3,704	1,426
Cash flow from financing activities		**(21,057)**	**(10,086)**
Cash flow for the year		**(5,393)**	**(1,023)**
Cash and cash equivalents 1 January		6,673	7,696
Cash flow for the year		(5,393)	(1,023)
Cash and cash equivalents 31 December		**1,280**	**6,673**

The statement of cash flows cannot be directly derived from the statement of financial position and statement of profit or loss.

Statement of financial position

Assets (DKKm)	Note	**2023**	2022
Intangible assets	12	850	710
Other plant and operating equipment	13	299	306
Investments in Group entities	18	39,029	47,874
Receivables from Group entities		28,114	24,414
Other receivables		45	35
Deferred tax assets	16	67	-
Total non-current assets		**68,404**	**73,339**
Receivables from Group entities		11,945	18,414
Other receivables		484	585
Cash and cash equivalents		1,280	6,673
Total current assets		**13,709**	**25,672**
Total assets		**82,113**	**99,011**

Equity and liabilities (DKKm)	Note	**2023**	2022
Share capital		219	219
Reserves	14	649	545
Retained earnings		36,466	40,385
Total equity		**37,334**	**41,149**
Borrowings	15	3,713	5,186
Payables to Group entities	15	16,502	16,202
Provisions		122	74
Deferred tax liabilities	16	-	16
Total non-current liabilities		**20,337**	**21,478**
Borrowings	15	1,503	206
Provisions		163	145
Tax payables		11	168
Payables to Group entities	15	22,134	34,901
Other payables		631	964
Total current liabilities		**24,442**	**36,384**
Total liabilities		**44,779**	**57,862**
Total equity and liabilities		**82,113**	**99,011**

Statement of changes in equity

	2023				2022			
(DKKm)	Share capital	Reserves*	Retained earnings	Total equity	Share capital	Reserves*	Retained earnings	Total equity
Equity at 1 January	**219**	**545**	**40,385**	**41,149**	**240**	**488**	**56,704**	**57,432**
Profit for the year	-	111	7,734	7,845	-	52	3,805	3,857
Other comprehensive income, net of tax	-	1	-	1	-	1	-	1
Total comprehensive income for the year	**-**	**112**	**7,734**	**7,846**	**-**	**53**	**3,805**	**3,858**
Transactions with shareholders:								
Share-based payments	-	-	47	47	-	-	36	36
Dividends distributed	-	-	(1,424)	(1,424)	-	-	(1,320)	(1,320)
Purchase of treasury shares	-	(11)	(13,986)	(13,997)	-	(19)	(20,294)	(20,313)
Sale of treasury shares	-	3	3,701	3,704	-	2	1,424	1,426
Capital reduction	-	-	-	-	(21)	21	-	-
Dividends on treasury shares	-	-	19	19	-	-	43	43
Other adjustments	-	-	(10)	(10)	-	-	(13)	(13)
Total transactions with shareholders	-	**(8)**	**(11,653)**	**(11,661)**	**(21)**	**4**	**(20,124)**	**(20,141)**
Equity at 31 December	**219**	**649**	**36,466**	**37,334**	**219**	**545**	**40,385**	**41,149**

* For a specification of reserves, please refer to note 14.

Basis of preparation

1. Material accounting policy information

As the Parent Company of the DSV Group, the financial statements of DSV A/S are separate financial statements disclosed as required under the Danish Financial Statements Act. The separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and additional disclosure requirements for listed companies in the Danish Financial Statements Act. IFRS Accounting Standards have been applied to the extent these have been adopted by the European Union. The accounting policies of the Parent Company are identical with the accounting policies for the consolidated financial statements, except for the following:

Dividends from investments in subsidiaries
Dividends from investments in subsidiaries are recognised as income in the Parent Company's statement of profit or loss under financial income in the financial year in which the dividends are declared.

Investments in subsidiaries in the Parent Company's financial statements
Investments in subsidiaries are measured at cost. If there is any indication of impairment, investments are tested for impairment as described in the accounting policies disclosed by the Group. If the cost exceeds the recoverable amount, the investment is written down to this lower value.

Receivables from Group Entities
Receivables from Group entities are measured at amortised cost. These are considered to have low credit risk based on the Group's credit rating and consequently the creditworthiness of the major subsidiaries within the Group. Impairment of receivables from Group Entities is assessed on an ongoing basis. The impairment provision calculated based on 12 months of expected credit losses is considered immaterial.

Currency translation
Foreign currency adjustments of balances considered part of the total net investment in Group entities which have a functional currency other than Danish kroner (DKK) are recognised in the statement of profit or loss of the Parent Company under financials.

Development cost reserve
In accordance with the Danish Financial Statements Act, the reserve for development costs comprises capitalised development costs adjusted for deferred tax.

2. Changes in accounting policies

All amendments to the IFRS Accounting Standards effective for the financial year 2023 have been implemented as basis for preparing the Parent Company financial statements and notes to the financial statements. None of the implementations have had any material impact on the statements or notes presented.

3. Management judgements and estimates

In preparing the Parent Company financial statements, Management makes various accounting judgements that affect the reported amounts and disclosures in the statements and in the notes to the financial statements. These are based on professional judgement, historical data and other factors available to Management. By nature, a degree of uncertainty is involved when carrying out these judgements and estimates, hence actual results may deviate from the assessments made at the reporting date. Judgements and estimates are continuously evaluated, and the effect of any changes is recognised in the relevant period. The primary financial statements items for which significant accounting judgements and estimates are applied are listed below:

Investments in subsidiaries
Management assesses annually whether there is an indication of impairment of investments in subsidiaries. If so, the investments are tested for impairment in the same way as goodwill, involving various estimates on future cash flows, growth, discount rates, etc. During the financial year, the cost price of one subsidiary has been partially written down. As of 31 December 2023, no impairment indicators were identified.

4. New accounting regulations

The IASB has issued a number of new accounting standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2023 Parent Company financial statements. These accounting standards and amendments are expected to be implemented when they take effect. None of the new accounting standards or amendments issued are currently expected to have any significant impact on the Parent Company financial statements when implemented.

Profit for the year

5. Revenue

Revenue comprises intra-group charges.

6. Fees to auditors appointed at the Annual General Meeting

Audit fees and services (DKKm)	**2023**	2022
Statutory audit	7	7
Other assurance services	2	1
Tax and VAT advisory services	-	1
Other services	2	1
Total	**11**	**10**

7. Staff costs

For information on remuneration of the Executive Board and the Board of Directors, refer to notes 6.2 and 6.3 to the consolidated financial statements.

Staff costs (DKKm)	**2023**	2022
Remuneration of the Board of Directors	8	7
Salaries etc.	528	390
Intra-group salary charges etc.*	994	971
Defined contribution pension plans	48	43
Total	**1,578**	**1,411**
Average number of FTEs	666	607

* The intra-group salary charges relate to an average of 1,831 FTEs in 2023 (2022: 1,803).

8. Special items

Special items (DKKm)	**2023**	2022
Restructuring and integration costs	-	84
Termination benefits to the Executive Board	67	-
Total	**67**	**84**

9. Financial income

Financial income (DKKm)	**2023**	2022
Interest income	197	227
Interest income from Group entities	1,660	831
Foreign exchange gain, net	332	1,018
Dividends from subsidiaries, net of cost reductions	7,654	2,930
Gain on disposal of investments in Group entities	46	-
Gain on disposal of payables to Group entities	26	-
Total	**9,915**	**5,006**

Interest income includes interest on financial assets of DKK 1,857 million (2022: DKK 1,058 million).

10. Financial expenses

Financial expenses (DKKm)	**2023**	2022
Interest expenses on borrowings	112	108
Interest expenses, bank	68	53
Interest expenses to Group entities	1,428	433
Total	**1,608**	**594**

Interest expenses include interest on financial liabilities measured at amortised cost of DKK 1,608 million (2022: DKK 594 million).

11. Income tax

Tax for the year is disaggregated as follows:

(DKKm)	**2023**	2022
Tax on profit for the year	82	349
Total tax for the year	**82**	**349**

Tax on profit for the year specifies as follows:

(DKKm)	**2023**	2022
Current tax	233	326
Deferred tax	(107)	24
Tax adjustment relating to previous years	(44)	(1)
Total tax on profit for the year	**82**	**349**

Tax rate specifies as follows:

(%)	**2023**	2022
Calculated tax on profit for the year	22.0%	22.0%
Tax effect of:		
Non-deductible expenses/non-taxable income	(20.4%)	(13.7%)
Tax adjustment relating to previous years	(0.6%)	0.0%
Effective tax rate	**1.0%**	**8.3%**

Financial position

12. Intangible assets

	2023			2022		
Intangible assets (DKKm)	Software	Software in progress	Total	Software	Software in progress	Total
Cost at 1 January	941	328	1,269	908	266	1,174
Additions	-	322	322	-	236	236
Disposals	(51)	-	(51)	(141)	-	(141)
Reclassifications	302	(302)	-	174	(174)	-
Total cost at 31 December	**1,192**	**348**	**1,540**	**941**	**328**	**1,269**
Total amortisation and impairment at 1 January	559	-	559	517	-	517
Amortisation and impairment for the year	136	-	136	151	-	151
Disposals	(5)	-	(5)	(109)	-	(109)
Total amortisation and impairment at 31 December	**690**	**-**	**690**	**559**	**-**	**559**
Carrying amount at 31 December	**502**	**348**	**850**	**382**	**328**	**710**

13. Other plant and operating equipment

Other plant and operating equipment (DKKm)	**2023**	2022
Cost at 1 January	524	460
Additions	120	204
Disposals	-	(140)
Total cost at 31 December	**644**	**524**
Total depreciation and impairment at 1 January	218	244
Depreciation for the year	127	104
Disposals	-	(130)
Total depreciation and impairment at 31 December	**345**	**218**
Carrying amount at 31 December	**299**	**306**

14. Equity reserves

	2023			
Reserves specification (DKKm)	Treasury share reserve	Hedging reserve	Development cost reserve	Total reserves
Reserves at 1 January	(2)	(3)	550	545
Profit for the year	-	-	111	111
Other comprehensive income, net of tax	-	1	-	1
Transactions with shareholders:				
Purchase of treasury shares	(11)	-	-	(11)
Sale of treasury shares	3	-	-	3
Reserves at 31 December	**(10)**	**(2)**	**661**	**649**

	2022			
Reserves specification (DKKm)	Treasury share reserve	Hedging reserve	Development cost reserve	Total reserves
Reserves at 1 January	(6)	(4)	498	488
Profit for the year	-	-	52	52
Other comprehensive income, net of tax	-	1	-	1
Transactions with shareholders:				
Purchase of treasury shares	(19)	-	-	(19)
Sale of treasury shares	2	-	-	2
Capital reduction	21	-	-	21
Reserves at 31 December	**(2)**	**(3)**	**550**	**545**

For a description of equity reserves, please refer to note 4.1 to the consolidated financial statements.

15. Financial liabilities

Financial liabilities (DKKm)	**2023**	2022
Payables to Group entities	38,636	51,103
Overdraft and credit facilities	14	206
Issued bonds	5,202	5,186
Total financial liabilities	**43,852**	**56,495**
Financial liabilities as recognised in the statement of financial position:		
Non-current liabilities	20,215	21,388
Current liabilities	23,637	35,107
Financial liabilities at 31 December	**43,852**	**56,495**

			Carrying amount	
(DKKm)	Expiry	Fixed/floating interest rate	**2023**	2022
Payables to Group entities	2024-2036	Fixed	38,636	51,103
Bond loans	2024-2027	Fixed	5,202	5,186
Overdraft and credit facilities	2024	Fixed	14	206
Total			**43,852**	**56,495**

Borrowings are subject to standard trade covenants. All financial ratio covenants were observed during the year. The weighted average interest rate was 2.7% (2022: 0.9%).

	2023				2022			
			Non-cash change				Non-cash change	
Financing activities (DKKm)	Beginning of year	Cash flow	Other	End of year	Beginning of year	Cash flow	Other	End of year
Payables to Group entities	51,103	(9,167)	(3,300)	38,636	40,348	11,420	(665)	51,103
Overdraft and credit facilities	206	(192)	-	14	48	158	-	206
Issued bonds	5,186	-	16	5,202	6,681	(1,500)	5	5,186
Total liabilities from financing activities	**56,495**			**43,852**	**47,077**			**56,495**
Other non-current liabilities	-			-	173		(173)	-
Total financial liabilities	**56,495**	**(9,359)**	**(3,284)**	**43,852**	**47,250**	**10,078**	**(833)**	**56,495**

16. Deferred tax

Deferred tax recognised in the statement of financial position (DKKm)	**2023**	2022
Deferred tax at 1 January	(16)	20
Deferred tax for the year	107	(24)
Tax adjustments relating to previous years	(14)	1
Tax on changes in equity	(10)	(13)
Deferred tax at 31 December	**67**	**(16)**
Recognised as follows:		
Deferred tax liabilities	-	16
Deferred tax assets	67	-
Deferred tax, net	**67**	**(16)**
Specification of deferred tax:		
Intangible assets	(44)	(84)
Current assets	43	(11)
Other liabilities	68	79
Deferred tax at 31 December	**67**	**(16)**

Other notes

17. Share option schemes

DSV A/S has issued share options to key employees and members of the Executive Board of the Company. Refer to note 6.2 to the consolidated financial statements for a list of current incentive share option schemes and a description of the assumptions used for the valuation of the share options granted in 2023. Total costs recognised in 2023 for services received but not recognised as an asset amounted to DKK 47 million (2022: DKK 36 million). The average share price for options exercised in the financial year was DKK 1,316.6 per share at the date of exercise.

18. Investments in Group entities

DSV A/S owns the following subsidiaries, all of which are included in the consolidated financial statements:

	Ownership 2023	Ownership 2022	Registered office	Share capital (DKKm)
DSV Road Holding A/S	100%	100%	Hedehusene, Denmark	100
DSV Air & Sea Holding A/S	100%	100%	Hedehusene, Denmark	50
DSV Solutions Holding A/S	100%	100%	Hedehusene, Denmark	100
DSV Insurance A/S	100%	100%	Hedehusene, Denmark	25
DSV Group Services A/S	100%	100%	Hedehusene, Denmark	5
DSV FS A/S	100%	100%	Hedehusene, Denmark	1
Panalpina Welttransport (Holding) AG	100%	100%	Basel, Switzerland	19
Agility Logistics International B.V.	100%	100%	Rozenburg, Netherlands	2,805
DSV Finance B.V.	100%	100%	Venlo, Netherlands	0
GIL International Holdings I Ltd.	100%	100%	Abu Dhabi, UAE	7

Share option schemes at 31 December 2023 Scheme	Exercise period	Executive Board	Key employees	Total	Average exercise price per option (DKK)
2019*	29.03.2022 - 27.03.2024	-	65,500	65,500	545.0
2020*	31.03.2023 - 31.03.2025	-	140,000	140,000	560.0
2021	01.04.2024 - 31.03.2026	168,750	234,425	403,175	1,325.0
2022	01.04.2025 - 31.03.2027	198,250	257,775	456,025	1,485.0
2023	01.04.2026 - 31.03.2028	198,750	280,175	478,925	1,485.0
Outstanding at 31 December 2023		**565,750**	**977,875**	**1,543,625**	**1,319.4**
Open for exercise at 31 December 2023		-	205,500	205,500	555.2
Life (years)		3.3	2.8	3.0	n.a.
Fair value (DKKm)		26	166	193	n.a.

* Share options granted in 2019 and 2020 are currently exercisable.

Outstanding share options	Executive Board	Key employees	Total	Average exercise price per option (DKK)
Outstanding at 1 January 2023	949,000	998,850	1,947,850	926.7
Granted	198,750	284,925	483,675	1,485.0
Exercised	(582,000)	(289,750)	(871,750)	531.7
Options waived/expired	-	(16,150)	(16,150)	1,430.5
Outstanding at 31 December 2023	**565,750**	**977,875**	**1,543,625**	**1,319.4**
Outstanding at 1 January 2022	762,750	920,148	1,682,898	972.4
Granted	198,250	274,075	472,325	1,485.0
Exercised	(12,000)	(164,573)	(176,573)	514.1
Options waived/expired	-	(30,800)	(30,800)	1,112.0
Outstanding at 31 December 2022	**949,000**	**998,850**	**1,947,850**	**926.7**

19. Derivative financial instruments

In 2023, a gain on hedging instruments of DKK 176 million was recognised in the statement of profit or loss (2022: gain of DKK 208 million). In the same period, a gain of DKK 9 million was recognised relating to assets and liabilities (2022: gain of DKK 810 million). For more information on foreign currency risk hedging, refer to notes 4.4 and 4.5 to the consolidated financial statements.

Hedging instruments (DKKm)	Contractual value	Maturity	Fair value	Of which recognised in the statement of profit or loss	Of which recognised in OCI
Currency instruments - 2023	11,244	2024-2026	46	45	1
Currency instruments - 2022	16,736	2023-2025	82	81	1

20. Financial risks

Financial risks of the Parent Company are handled within the risk management processes and framework of the Group. Reference is made to note 4.4 to the consolidated financial statements.

The liabilities of DSV A/S fall due as listed in the adjacent table.

The analysis of expected maturity is based on contractual cash flows, including estimated interest payments. No amounts have been discounted, for which reason they cannot necessarily be reconciled to the related items of the statement of financial position.

	2023				2022			
Financial liabilities (DKKm)	0-1 year	1-5 years	> 5 years	Total cash flows, incl. interest	0-1 year	1-5 years	> 5 years	Total cash flows, incl. interest
Loans, credit facilities and issued bonds	1,538	3,757	-	5,295	40	5,269	-	5,309
Other payables	631	-	-	631	964	-	-	964
Payables to Group entities	23,057	1,064	16,984	41,105	35,047	583	17,024	52,654
Total	**25,226**	**4,821**	**16,984**	**47,031**	**36,051**	**5,852**	**17,024**	**58,927**

20. Financial risks – continued

Derivative financial instruments
DSV has no financial instruments measured at fair value based on level 1 input (quoted active market prices) or level 3 input (non-observable market data). Financial instruments are measured based on level 2 input (input other than quoted prices that are observable either directly or indirectly).

The fair value of currency derivatives is determined based on generally accepted valuation methods using available observable market data. Calculated fair values are verified against comparable external market quotes on a monthly basis.

Issued bonds
The fair value of issued bonds measured at amortised cost is within level 1 of the fair value hierarchy.

Receivables from Group entities, other receivables, payables to Group entities and other payables
The carrying amount of receivables and payables is not considered to differ significantly from the fair value.

Overdraft and credit facilities
The carrying amount of overdraft and credit facilities measured at amortised cost is not considered to differ significantly from the fair value.

Cash and cash equivalents
The carrying amount of cash and cash equivalents is not considered to differ significantly from the fair value.

	2023		2022	
Carrying amount (DKKm)	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Currency derivatives	49	49	97	97
Receivables from Group entities	40,059	40,059	42,826	42,826
Other receivables	529	529	620	620
Cash and cash equivalents	1,280	1,280	6,673	6,673
Financial assets measured at amortised cost	41,868	41,868	50,119	50,119
Financial liabilities:				
Currency derivatives	(3)	(3)	15	15
Issued bonds measured at amortised cost	5,202	4,898	5,186	4,649
Overdraft and credit facilities	14	14	206	206
Payables to Group entities	38,636	38,636	51,103	51,103
Other payables	631	631	964	964
Financial liabilities measured at amortised cost	44,483	44,179	57,459	56,922

21. Related parties
DSV A/S has no related parties with control of the Group and no related parties with significant influence other than key management personnel – mainly in the form of the Board of Directors and Executive Board.

Related party transactions

Board of Directors and Executive Board
No transactions with the Board of Directors and Executive Board were made in the 2023 financial year other than ordinary remuneration and termination benefits, as described in notes 6.2 and 6.3 to the consolidated financial statements.

Intra-group transactions
No intra-group transactions were made in 2023 other than as stated in the notes to the Parent Company financial statements.

22. Contingent liabilities and security for debt

Contingent liabilities
DSV A/S and the other Danish Group entities are registered jointly for VAT purposes and are jointly and severally liable for the VAT liabilities. DSV A/S is assessed jointly for Danish tax purposes with the other domestic Group entities. DSV A/S is the administration company of the joint taxation arrangement and is under an unlimited and joint liability regime for all Danish tax payments and withholding taxes on dividends, interest and royalties from the jointly taxed entities. Income tax and withholding tax payables under the joint taxation arrangement amounted to DKK 11 million (2022: payable of DKK 168 million), which is included in the financial statements of DSV A/S.

Parent Company gurarantees
DSV A/S has provided guarantees for subsidiaries' outstanding balances with banks and liabilities to leasing companies, suppliers and public authorities, etc., in the amount of DKK 8,460 million (2022: DKK 12,424 million). DSV A/S has provided guarantees for subsidiaries' obligations towards joint ventures of USD 2,450 million corresponding to DKK 16,522 million (2022: DKK 0 million). Moreover, DSV A/S has issued several declarations of intent relating to outstanding balances between subsidiaries and third parties.

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