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19 August 2019

DSV completes acquisition of Panalpina

Company Announcement No. 778

Today, DSV A/S (DSV) expects to settle the previously announced public exchange offer for all publicly held shares of Panalpina Welttransport (Holding) AG (Panalpina). Settlement will be carried out during the course of today in accordance with Swiss market practices. Please refer to announcement no. 741 of 1 April 2019.

Panalpina is among the globally leading providers of supply chain solutions with approximately 14,500 employees in 70 countries. The combination with DSV creates one of the world's largest transport and logistics companies with a pro forma revenue of approximately DKK 118 billion and a workforce of 60,000 employees in 90 countries.

Jens Bjørn Andersen, CEO of DSV A/S comments:

"We are very excited to welcome Panalpina's customers, employees and shareholders to DSV. Our two companies will achieve more together, creating even more value for all our stakeholders. The settlement of the deal marks the beginning of the integration process, during which we will strive to provide the high level of service our customers know and rely on."

Pending the approval at an extraordinary general meeting, DSV A/S will change its registered name to "DSV Panalpina A/S". As the integration progresses, all subsidiaries and operational activities will be united under the DSV name and brand.

Pursuant to the Public Exchange Offer, Panalpina shareholders today receive 2.375 DSV shares (with a nominal value of DKK 1 per share) for each Panalpina share. Fractional DSV shares are settled in cash. After settlement, DSV intends to have Panalpina submit an application for the delisting of Panalpina shares and DSV will initiate a court procedure to cancel the remaining 1.54% Panalpina shares in accordance with article 137 FMIA. DSV further intends to have Panalpina file a customary request to be released from SIX Exchange Regulation's publicity requirements.

With the conclusion of the settlement today, the announced board changes in Panalpina will come into effect with Kurt Kokhauge Larsen as Chairman and Jens Bjørn Andersen, Jens H. Lund and Thomas Stig Plenborg as members of the Panalpina board and giving DSV full control over Panalpina. DSV intends to have Panalpina appoint Jens Bjørn Andersen and Jens H. Lund as CEO and CFO, respectively, of Panalpina, to take over from Stefan Karlen and Robert Erni respectively. The board of directors wishes to thank Stefan Karlen and Robert Erni for their long and loyal service to Panalpina – and in recent months for being welcoming and constructive in preparing the business and employees for the upcoming integration with DSV. Stefan Karlen and Robert Erni will continue to serve as members of the integration committee, with Jens Bjørn Andersen and Jens H. Lund.

Excluding the impact from IFRS 16 the enterprise value of the transaction is approximately CHF 5.1 billion corresponding to DKK 35.1 billion. Including IFRS 16 impact the enterprise value is approximately CHF 5.4 billion corresponding to DKK 37.0 billion.

DSV expects to achieve annual cost synergies of around DKK 2,200 million. The cost synergies are expected to have full-year effect by 2022 and will primarily be derived from the consolidation of operations, logistics facilities, administration and IT infrastructure.

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DSV Panalpina – Global Transport and Logistics

We provide and manage supply chain solutions for thousands of companies every day – from the small family run business to the large global corporation. Our reach is global, yet our presence is local and close to our customers. 60,000 employees in more than 90 countries work passionately to deliver great customer experiences and high-quality services. [Read more at www.dsv.com](http://www.dsv.com)

Transaction and integration costs are normally on level with one year's cost synergies. These costs will be charged to the income statement under *Special Items* during the integration period.

The transaction is expected to be EPS accretive (diluted and adjusted) by 2021. For full-year 2022, DSV expects that the operating margin of the combined entity will be lifted towards the DSV Group's current level. Long-term financial targets will be communicated during 2020.

The expected cost synergies and integration costs are based on a preliminary estimate. An update, including expected timing of synergies and integration costs as well as outlook for 2019, will be communicated in connection with the release of DSV's Q3 2019 interim financial report.

Due to the consolidation of Panalpina, the Q3 2019 announcement is postponed to 1 November 2019.

Analyst conference call

DSV will host an analyst conference call on 19 August at 9.30 a.m. CEST.

Access the conference call (pre-registration required): This option is recommended if you plan to ask live questions during the Q&A session. Please pre-register [here](#).

Join via webcast: With this option you will see the presentation slides, accompanied by the live audio. It does not require pre-registration, however you *cannot* ask questions during the Q&A session. Click [here](#) to access the webcast

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Yours sincerely,
DSV A/S

Forward-looking statements

This announcement contains forward-looking statements that reflect DSV's current expectations and views of future events. Some of these forward-looking statements can be identified by terms and phrases such as "estimate," "expect," "target," "plan," "project," "will" and similar expressions. These forward-looking statements include statements relating to: the expected characteristics of the combined company; expected ownership of the combined company by EGS; expected financial results and characteristics of the combined company; expected timing of the launch and closing of the proposed transaction and satisfaction of conditions precedent, including regulatory conditions; and the expected benefits of the proposed transaction, including related synergies. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. These forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. Risks and uncertainties include: the ability of DSV to integrate Panalpina into DSV's operations; the performance of the global economy; the capacity for growth in internet and technology usage; the consolidation and convergence of the industry, its suppliers and its customers; the effect of changes in governmental regulations; disruption from the proposed transaction making it more difficult to maintain relationships with customers, employees or suppliers; and the impact on the combined company (after giving effect to the proposed transaction with Panalpina) of any of the foregoing risks or forward-looking statements, as well as other risk factors listed from time to time in DSV's and Panalpina's public disclosures.

The forward-looking statements should be read in conjunction with the other cautionary statements that are included elsewhere, including the risk factors included in any public disclosures of DSV or Panalpina. Any forward-looking statements made in this announcement are qualified in their entirety by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realised or, even if substantially realised, that they will have the expected consequences to, or effects on, us or our business or operations. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

IMPORTANT ADDITIONAL INFORMATION

This announcement does not constitute or form part of any offer to exchange or acquire, or a solicitation of an offer to exchange or acquire, shares in Panalpina, or an offer to sell, acquire or offer, or a solicitation to sell, acquire or offer shares in DSV. This announcement is not a substitute for the (i) Swiss offer prospectus or (ii) listing prospectus for new DSV shares ((i) to (ii) collectively, the "Offer Documents"). No offering of securities shall be made in the United States except pursuant to a vendor placement or another applicable exception from the registration requirements pursuant to the U.S. securities laws.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT DSV OR PANALPINA HAS FILED OR MAY FILE WITH ANY SWISS OR DANISH REGULATOR WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION.

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