

# DHL Express (Denmark) A/S

Jydekrogen 14  
DK-2625 Vallensbæk

CVR no. 10 15 45 96

## **Annual report 2021**

The annual report was presented and approved at the  
Company's annual general meeting on

14 July 2022

Ida Witzell Kløverholt  
Chairman of the annual general meeting

## **Contents**

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	7
Operating review	8
Financial statements 1 January – 31 December	12
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes	16

**DHL Express (Denmark) A/S**  
Annual report 2021  
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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of DHL Express (Denmark) A/S for the financial year 1 January – 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Vallensbæk, 14 July 2022  
Executive Board:

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Atli Freyr Einarsson  
CEO

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Charlotte Schubart  
CFO

Board of Directors:

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Alastair Shaun  
McCambridge  
Chairman

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Atli Freyr Einarsson

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Marcia Yor Ing Lin

## Independent auditor's report

### To the shareholder of DHL Express (Denmark) A/S

#### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DHL Express (Denmark) A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Statement on the Management's review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

#### Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 14 July 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Bo Schou-Jacobsen  
State Authorised  
Public Accountant  
mнемne28703

Anders Røjleskov  
State Authorised  
Public Accountant  
mнемne28699

**DHL Express (Denmark) A/S**  
Annual report 2021  
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## Management's review

### Company details

DHL Express (Denmark) A/S  
Jydekrogen 14  
2625 Vallensbæk

Telephone: +45 70 345 345

CVR no.: 10 15 45 96

Registered office: Vallensbæk

Financial year: 1 January – 31 December

### Board of Directors

Alastair Shaun McCambridge, Chairman  
Atli Freyr Einarsson  
Marcia Yor Ing Lin

### Executive Board

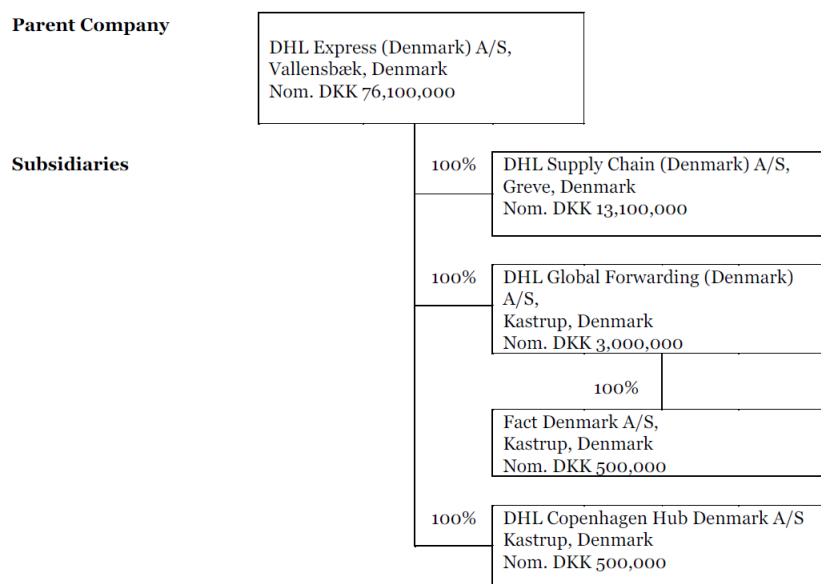
Atli Freyr Einarsson, CEO  
Charlotte Schubart, CFO

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Management's review

### Group Chart



## Management's review

### Financial Highlights

DKK'000	2021	2020	2019	2018*	2017*
<b>Key figures</b>					
Revenue	1,086,965	793,301	1,783,366	1,759,178	1,682,456
Gross profit/loss	300,159	261,789	393,555	361,456	298,046
Operating profit/loss	34,819	30,222	17,973	16,155	-777
Profit/loss before financial income and expenses	36,730	31,679	36,053	28,311	11,657
Net financials	-1,105	238	-11,050	-26,667	-18,296
Profit/loss for the year	82,516	28,917	13,646	25,255	-6,585
<b>Balance sheet</b>					
Total assets	581,162	464,301	648,862	562,464	440,966
Equity	309,774	227,258	210,815	197,169	175,464
Investment in property, plant and equipment	-15,615	0	-59,677	-4,626	-8,987
<b>Ratios</b>					
Gross margin	27.6%	33.0%	22.1%	20.5%	17.7%
Return on equity	-0.4%	13.2%	6.7%	13.6%	-3.7%
Solvency ratio	53.3%	48.9%	32.5%	35.1%	39.8%
Profit margin	3.4%	4.0%	2.0%	1.6%	0.7%
Return on assets	6.3%	6.8%	5.6%	5.0%	2.6%
<b>Employees</b>					
Average number of full-time employees	407	357	608	573	519

\*) The Company has applied the accounting methods of IFRS 9, 15 and 16 within the framework of the Danish Financial Statements Act as of 1 January 2018. The comparative figures for 2017 have not been restated.

\*\*) The Company is demerged with accounting effect as of 1 January 2020 into DHL Express (Denmark) A/S and DHL Freight Denmark A/S. The comparative figures for 2017-2019 have not been restated.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$



## Management's review

### Operating review

#### Key activities

The Company's activities are transport, shipping and logistics solutions. DHL holds a leading position in the global market and is part of Deutsche Post DHL.

DHL is an important player on the transport and logistics market in Denmark and expects to further expand and manifest its position on the market to the benefit of the customers.

#### Development in the year

The income statement of the Company for 2021 shows a profit of DKK'000 82,516 and at 31st December 2021 the balance sheet of the Company shows equity of DKK'000 309,774.

In 2021 the company has continued a customer focused approach under the term "Insanely Customer Centric Culture (ICCC)". This approach places the customer at the center of everything the company does. Through training modules from several CIS modules, the company strives to engage and motivate all employees to keep the customer in focus. This is further supported by a behavioral program, which rewards and recognizes customer-centric behavior (we call this the Perfect10! Award). We have used several technologies to optimize the core business and modernize the IT infrastructure to enhance the Customer and employee experience and to gain operational efficiency. Customer feedback has been carefully captured and closely monitored across several touchpoint in the customer life cycle. Top Management continued in 2021 to meet weekly, to discuss customer feedback (Voice of Customer, VOC) and to discuss necessary actions and initiatives. The overall score (using Net Promoter Approach and the NPS score) was increased from an overall average of 54% in 2020 to 69% in 2021, measured across more than 26,000 feedbacks and customer ratings.

To support the initiatives to lower CO2 emission the company have throughout 2021 invested in additional 10 electric courier vans to further reduce the CO2 emission.

The revenue for the year has compared to 2020, been satisfying overall. Management considers the result to be satisfactory.

The expectations for 2021 was to maintain the growth the company saw in first half of 2021, and even though Danish companies were in Lockdown almost all year 2021, growth was capitalized. DHL did not see any negative impact caused by COVID-19. DHL has succeeded in keeping the network running and the result for 2021 remain unchanged.

The Express division's focus of becoming Employer of Choice, deliver great service quality and as an outcome improving our customer's life has continuously led to an increased market share and even higher customer satisfaction.

Our focus of becoming employer of choice led to Express Denmark won 2nd. place in Great Place to Work 2021. On top the company was awarded the price for Inclusion.

#### Operating risks

Like other industrial enterprises in Denmark DHL is affected by changes seen in the Danish economy in 2021 and we have seen an overall growth in the market.

DHL will continue to focus on strong positioning within global imports and exports.

#### Foreign exchange risks

DHL invoices its main sales in DKK, whereas parts of direct costs are dominated in EUR. DHL is partly exposed to exchange risks in relation to EUR as regards to day-to-day operation.

## Management's review

### Operating review

#### *Interest rate risks*

Due to its ownership, DHL has limited exposure to interest level changes.

#### *Credit risks*

DHL has no material risks relating to individual customers or business partners.

### Expectations for the year ahead

The company has through Focus 2021 strategy's core areas worked with the purpose of connecting people, improving lives and as a core value we strive towards respect and results.

Through NPA calls (Net Promoter Approach) we capture and enhance customer experience on daily basis. We listen to our customer's experiences and gather feedback for improvement opportunities. We empower our people to take action and deliver an excellent service, which creates customer loyalty in return.

DHL Express expects to further strengthen customer satisfaction through development of innovative tools, increasing market shares and as a result hereof continuously improvement of the financial performance. DHL's approach to process- and business improvements is deeply rooted in the methodologies around LEAN and SixSigma. DHL calls this "First Choice". The toolbox is Express' approach to continuous improvements which is used to drive service quality and simplify our customer's lives. We enable and motivate our people to apply the First Choice methodologies and tools in their daily work to do things a little bit better every day. A large number of small and large improvement initiatives were implemented during 2021 across all areas of our business, leading to record performance results despite the continued challenges of COVID-19.

The company strives to attract and retain employees by keeping our people motivated by recognizing, appreciating and celebrating at all times. One of the key actions supporting this was by beginning of 2022 to introduce 'Inspired Beyond Babies' which is a network group for employees on parental leave.

In operations the company focus on 'Safety First' programs, where DHL will continue to strengthen the awareness and knowledge of safety to create a safe environment and workplace for all.

### External environment

The Company has obtained environmental certification under ISO 14001 and in that connection an environmental policy focusing on continuous environmental improvements has been implemented. In 2021 the company obtained ISO 50001 for energy efficiency.

Every year a report detailing the Group's CSR commitments is prepared. This report also contains an account of the most substantial environmental impacts resulting from the environmental impacts resulting from the Group's worldwide activities. The report can be found on:

<https://www.dpdhl.com/en/sustainability/our-approach/sustainability-reports.html>

The goal of this strategy is to improve the Group's carbon efficiency reducing our greenhouse gas emissions to under 29 million tonnes by 2030 compared to 39 million tonnes in 2021.

### Intellectual capital resources

DHL has the required intellectual capital resources to operate on a completely sound basis.

## Management's review

### Operating review

#### Statement of corporate social responsibility

According to section 99a (6) of the Danish Financial Statements Act, no description of corporate social responsibility has been prepared. We refer to Deutsche Post DHL for a CSR report, which can be found on:

<https://www.dpdhl.com/en/sustainability/our-approach/sustainability-reports.html>

#### Statement on gender composition

The Company sees it as a strength to have both men and women represented knowing that it adds value to the business and its development. The Company prioritizes a fairly balanced composition of men and women on the Board and will therefore seek to achieve that neither men nor women are represented by less than 40 percent, within three years, i.e. at the latest by the time of the ordinary general meeting in 2021.

The Company has quantified 33 percentages of the least represented gender to be a minimum, which is fulfilled by the current composition of the Board by three persons. In 2021, there have been no changes of gender composition in the Board of Directors, whereby the representation of the underrepresented gender has not increased during the year.

The Company has a policy of offering equal opportunities to all employees and aims at a more balanced gender representation at other management levels. This will be carried out through Management's initiative to stimulate the number of candidates among the underrepresented gender when recruiting for management positions. To ensure talents, we have changed focus in 2021 to more external hiring to ensure a wider talent potential and have a special emphasis on growing female talents from lower level or entry roles up through to the other management level roles. The prerequisites of extensive management programs, as well as flexibility in working hours and place are already in place, but the process is expected to take 1-3 years. During 2021 we have been satisfied with our work and performance towards the underrepresented gender. The initiatives have not led to any further reduction or increase in the underrepresented gender during the year.

The Executive Board considers recruitment as an important pipeline to promote gender equality in the Company, which is a requisite for gender equality in the management positions.

#### Statement on data protection

Deutsche Post DHL Group has established a Group-wide Data Privacy Policy. This policy is binding for all of the company's subsidiaries that are affected by data protection laws. Through this measure we aim to ensure that the processing of personal data is carried out exclusively in accordance with the respective legal requirements.

According to section 99d (3) of the Danish Financial Statements Act, DHL Express strives to handle data as responsibly and safely as possible. The Company is subject to rules and policies laid down by the parent company, which amongst other decide which IT systems to make use of. As a consequence, the Company has not made a separate policy in respect to data ethics. For a description of the group's data protection policy please refer to the Annual Accounts of Deutsche Post DHL.

The report can be found on:

<https://www.dpdhl.com/content/dam/dpdhl/en/media-center/investors/documents/annual-reports/DPDHL-2021-Annual-Report.pdf>

#### Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

## **Management's review**

### **Operating review**

#### **Unusual events**

The financial position at 31st of December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 has not been affected by any unusual events.

#### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2021	2020
<b>Revenue</b>	2	1,086,965	793,301
Freight and other transportation expenses, etc.		-749,501	-503,547
Other operating income		1,911	2,217
Other external costs		<u>-39,216</u>	<u>-30,182</u>
<b>Gross profit</b>		300,159	261,789
Staff costs	3	-239,163	-205,933
Depreciation of property, plant and equipment	4	-24,266	-23,417
Other operating costs		<u>0</u>	<u>-760</u>
<b>Profit before financial income and expenses</b>		36,730	31,679
Income from investments in subsidiaries	5	54,357	2,305
Financial income		1,223	170
Financial expenses	6	<u>-2,328</u>	<u>-2,237</u>
<b>Profit before tax</b>		89,982	31,917
Tax on profit/loss for the year	7	<u>-7,466</u>	<u>-3,000</u>
<b>Profit for the year</b>	8	<u><u>82,516</u></u>	<u><u>28,917</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
	9		
Land and buildings		44,222	50,713
Fixtures and fittings, tools and equipment		57,882	58,244
Leasehold improvements		12,797	14,661
		<u>114,901</u>	<u>123,618</u>
<b>Investments</b>			
Investments in subsidiaries	10	98,818	44,461
Deposits	11	1,157	1,157
		<u>99,975</u>	<u>45,618</u>
<b>Total fixed assets</b>		<u>214,876</u>	<u>169,236</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		161,070	112,628
Receivables from group entities		196,307	168,707
Other receivables		4,382	2,244
Deferred tax asset	12	4,385	11,000
Prepayments	13	113	374
		<u>366,257</u>	<u>294,953</u>
<b>Cash at bank and in hand</b>		<u>29</u>	<u>112</u>
<b>Total current assets</b>		<u>366,286</u>	<u>295,065</u>
<b>TOTAL ASSETS</b>		<u>581,162</u>	<u>464,301</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	14	76,100	76,100
Retained earnings		<u>233,674</u>	<u>151,158</u>
<b>Total equity</b>		<u>309,774</u>	<u>227,258</u>
<b>Provisions</b>			
Provisions for restructuring	15	<u>4,557</u>	<u>4,146</u>
<b>Total provisions</b>		<u>4,557</u>	<u>4,146</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Lease obligations	16	47,442	51,707
Other payables		<u>20,631</u>	<u>20,628</u>
		<u>68,073</u>	<u>72,335</u>
<b>Current liabilities other than provisions</b>			
Lease obligations	16	19,982	35,696
Trade payables		51,874	43,919
Payables to group entities		63,956	39,479
Corporation tax		4,227	1,746
Other payables		<u>58,719</u>	<u>39,722</u>
		<u>198,758</u>	<u>160,562</u>
<b>Total liabilities other than provisions</b>		<u>266,831</u>	<u>232,897</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>581,162</u></u>	<u><u>464,301</u></u>
<b>Accounting Policies</b>	1		
<b>Contingent assets, liabilities and other financial obligations</b>	17		
<b>Fees to auditor appointed at the general meeting</b>	18		
<b>Related party disclosures</b>	19		
<b>Disclosure of events after the balance sheet date</b>	20		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	76,100	151,158	227,258
Net profit/loss for the year	0	82,516	82,516
<b>Equity at 31 December 2021</b>	<b>76,100</b>	<b>233,674</b>	<b>309,774</b>



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of DHL Express (Denmark) A/S for 2021 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Financial Statements for 2021 are presented in DKK '000.

#### Omission of consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Deutsche Post AG, the Company has not prepared consolidated financial statements.

#### Omission of cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Deutsche Post AG, the Company has not prepared a cash flow statement.

#### Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

#### Leases

The Company uses IFRS 16 when measuring and recognizing leases.

Leases are recognised at present value of the right of use received and liabilities for the payment obligations entered into for all leases in the balance sheet.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Lease payments are discounted at the implicit interest rate underlying the lease to the extent that this can be determined. Otherwise, discounting is at the incremental borrowing rate.

Right-of-use assets are measured at cost, which comprises the following:

- lease liability;
- lease payments made at or prior to delivery, less lease incentives received;
- initial direct costs and
- restoration obligations.

Right-of-use assets are depreciated over the term of the lease using the straightline method, normally a depreciation period of 3 - 10 years.

The Company has used the relief options provided for leases of low-value assets and short-term leases (shorter than twelve months) and expense the payments in the income statement according to the straight-line method.

Extension and termination options exist for a number of leases, particularly for real estate. Such contract terms offer the Company the greatest possible flexibility in doing business. In determining lease terms, all facts and circumstances offering economic incentives for exercising extension options or not exercising termination options are taken into account. Changes due to the exercise or non-exercise of such options are considered in determining the lease term only if they are sufficiently probable.

#### Foreign currency translation

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

### Income statement

#### Segment information

Information on business segments and geographical segments is based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

#### Revenue

The Company uses IFRS 15 when measuring and recognizing revenue.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Revenue is recognised when control over the services transfers to the customer, i.e. when the customer has the ability to control the use of services provided. The revenue corresponds to the transaction price to which the Company is expected to be entitled.

Revenue for provision of transport services is generally recognised according to the straight-line method over the transport period. Revenue generated by providing other logistics services is recognised in the reporting period in which the service was rendered.

For each performance obligation, revenue is either recognised at a certain time or over a certain period of time.

#### Freight and other transportation expenses, etc.

Freight and other transportation expenses, etc. comprise costs for carriers, and other costs used to achieve revenue for the year.

#### Other external costs

Other external expenses comprise expenses for sales and distribution as well as office expenses, etc.

#### Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

#### Other operating income

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on PPE.

#### Income from investments in subsidiaries

The items "Income from investments in subsidiaries" in the income statement include the proportionate share of the profit for the year.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

allocation with credit for tax losses).

DHL Express (Denmark) A/S acts as the management Company in the Tax Group. Provision for and payment of the aggregate Danish tax of the taxable income of the Danish subsidiaries are made by DHL Express (Denmark) A/S.

#### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Right-of-use assets	3-10 years
Other buildings	20-50 years
Other fixtures and fittings, tools and equipment	4-10 years
Leasehold improvements	10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

#### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

#### Other fixed asset investments

Other fixed asset investments consist of lease deposits.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of principles in the expected credit loss impairment model IFRS 9 meaning an estimate of credit loss over the expected lifetime, weighted for the probability of default. Expected credit loss is generally measured at the level of individual items.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividends payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

#### Liabilities other than provisions

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Revenue

DKK'000	2021	2020
<b>Geographical segments</b>		
Domestic	31,981	32,755
International	1,054,984	760,546
	<u>1,086,965</u>	<u>793,301</u>
<b>Business segments</b>		
Time Definite	1,086,965	793,301
	<u>1,086,965</u>	<u>793,301</u>

#### 3 Staff costs

Wages and salaries	221,007	191,427
Pensions	14,718	12,370
Other social security costs	1,436	320
Other staff costs	2,002	1,816
	<u>239,163</u>	<u>205,933</u>

Including remuneration to the Executive Board of:

Executive Board	4,300	4,210
	<u>4,300</u>	<u>4,210</u>
Average number of employees	<u>407</u>	<u>357</u>

#### 4 Depreciation of property, plant and equipment

Depreciation of property, plant and equipment	24,266	23,417
	<u>24,266</u>	<u>23,417</u>

Which is specified as follows:

Buildings	8,311	8,296
Fixtures and fittings, tools and equipment	13,433	12,727
Leasehold improvements	2,522	2,394
	<u>24,266</u>	<u>23,417</u>

## Financial statements 1 January – 31 December

### Notes

#### 5 Income from equity investments in group entities

DKK'000	2021	2020
Income from investments in subsidiaries	54,357	2,305
	<u>54,357</u>	<u>2,305</u>

#### 6 Financial expenses

DKK'000	2021	2020
Interest paid to group entities	139	0
Other financial costs	1,726	2,066
Exchange losses	463	171
	<u>2,328</u>	<u>2,237</u>

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

Current tax for the year	851	0
Deferred tax for the year	6,615	3,000
	<u>7,466</u>	<u>3,000</u>

#### 8 Proposed profit appropriation

Retained earnings	<u>82,516</u>	<u>28,917</u>
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#### 9 Property, plant and equipment

DKK'000	Land and buildings	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	65,877	100,910	25,980	192,767
Additions for the year	1,820	13,135	660	15,615
Disposals for the year	0	-4,246	-2	-4,248
Transfers for the year	0	16	0	16
Cost at 31 December 2021	<u>67,697</u>	<u>109,815</u>	<u>26,638</u>	<u>204,150</u>
Depreciation and impairment losses at 1 January 2021	-15,164	-42,666	-11,319	-69,149
Depreciation for the year	-8,311	-13,442	-2,522	-24,275
Reversed depreciation and impairment losses on assets sold	0	4,175	0	4,175
Depreciation and impairment losses at 31 December 2021	<u>-23,475</u>	<u>-51,933</u>	<u>-13,841</u>	<u>-89,249</u>
<b>Carrying amount at 31 December 2021</b>	<u>44,222</u>	<u>57,882</u>	<u>12,797</u>	<u>114,901</u>
Including right-of-use assets amounting to	<u>44,222</u>	<u>13,878</u>	<u>0</u>	<u>58,100</u>



## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>10 Investments in subsidiaries</b>		
Cost at 1 January 2021	340,768	340,768
Cost at 31 December 2021	340,768	340,768
Revaluations at 1 January 2021	-296,307	-298,612
Net profit/loss for the year	54,357	2,305
Revaluations 31 December 2021	-241,950	-296,307
<b>Carrying amount at 31 December 2021</b>	<u>98,818</u>	<u>44,461</u>

Investments in subsidiaries are specified as follows:

Name	Registered office	Voting rights and ownership interest	Share capital
DHL Supply Chain (Denmark) A/S	Denmark	100%	DKK 13.100k
DHL Global Forwarding (Denmark) A/S	Denmark	100%	DKK 3.000k
DHL Copenhagen Hub Denmark A/S	Denmark	100%	DKK 500k
<b>Total</b>		<u>0</u>	<u>0</u>

### 11 Deposits

DKK'000	<u>Deposits</u>
Cost at 1 January 2021	1,157
Cost at 31 December 2021	1,157
<b>Carrying amount at 31 December 2021</b>	<u>1,157</u>

### 12 Deferred tax

DKK'000	<u>31/12 2021</u>	<u>31/12 2020</u>
Deferred tax at 1 January	11,000	14,000
Deferred tax adjustment for the year in the income statement	-6,615	-3,000
	<u>4,385</u>	<u>11,000</u>

At 31 December 2021 the Company has an estimated deferred tax asset of DKK 4.4 million (2020: DKK 11 million). Management estimates that the recognised tax asset of DKK 4.4 million will be utilised within the coming 4 years against future taxable income. The recognition of the deferred tax asset is based on Management's expectations according to budgets and forecasts of the results of future operations and is subject to uncertainty.

## Financial statements 1 January – 31 December

### Notes

#### 13 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest as well.

#### 14 Equity

The share capital consists of 761,000 shares of a nominal value of DKK'000 100. No shares carry any special rights.

#### 15 Provisions for restructuring

Provisions for restructuring comprise of provisions for closing of terminals and restoration obligations in connection with property and equipment leases.

DKK'000	31/12 2021	31/12 2020
Other provisions	4,557	4,146
	<u>4,557</u>	<u>4,146</u>

#### 16 Long-term debt

Liabilities other than provisions can be specified as follows:

Lease obligations:

Between 1 and 5 years	20,826	51,707
Above 5 year	26,616	0
Within 1 year	19,982	35,696
	<u>67,424</u>	<u>87,403</u>

Other payables

Between 1 and 5 years	20,631	20,628
Other short-term payables	58,719	39,722
	<u>79,350</u>	<u>60,350</u>

#### 17 Contingent assets, liabilities and other financial obligations

##### Contingent liabilities

The Company is jointly taxed with other Danish companies and branches of the DPDHL Group. The Company and the other companies and branches subject to joint taxation have unlimited, joint and several liability for Danish corporation taxes.

DHL Express (Denmark) A/S is liable for obligations attributable to the activities, assets and liabilities with DHL Freight Denmark A/S that existed at the time of the demerger on 1 January 2020.

## Financial statements 1 January – 31 December

### Notes

#### Rental and lease obligations

DKK'000	31/12 2021	31/12 2020
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	5,356	3,608
Between 1 and 5 years	624	624
	<u>5,980</u>	<u>4,232</u>

#### 18 Fees to auditor appointed at the general meeting

##### PricewaterhouseCoopers

Audit fee	708	599
Other assurance engagements	778	137
Tax advisory services	159	369
Non-Audit services	352	5
	<u>1,997</u>	<u>1,110</u>

#### 19 Related party disclosures

##### Controlling interest

Controlling shareholder:

Deutsche Post Beteiligungen Holding GmbH  
Charles-de-Gaulle-Strasse 20  
DE-53113 Bonn  
Germany

Ultimate controlling shareholder:

Deutsche Post AG  
Charles-de-Gaulle-Strasse 20  
DE-53105 Bonn  
Germany

##### Related party transactions

The Company's intercompany transactions and normal management remuneration has during the year been entered into at arm's length.

##### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Deutsche Post AG, the Company has not prepared consolidated financial statements.

Deutsche Post AG, DE 53105 Bonn, Germany ultimate parent.

Deutsche Post Beteiligungen Holdings GmbH, DE 53105 Bonn, Germany, direct parent.

**DHL Express (Denmark) A/S**  
Annual report 2021  
CVR no. 10 15 45 96

## **Financial statements 1 January – 31 December**

### **Notes**

The Company's direct parent does not prepare consolidated financial statements. The Company's ultimate parent, which prepares consolidated financial statements into which the Company is incorporated as a subsidiary, is Deutsche Post AG.

The Group Annual Report may be obtained at the following address:

Deutsche Post AG, DE 53105 Bonn, Germany

#### **20 Disclosure of events after the balance sheet date**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.