FACT Danmark A/S

Kirstinehøj 17, DK-2770 Kastrup

Annual Report for 1 January - 31 December 2020

CVR No 19 73 07 00

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/5 2021

Mikkel Sandris
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of FACT Danmark A/S for the financial year 1 January - 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company operations for 2020.

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

Kastrup, 26 May 2021

Executive Board

Torben Pagh

Board of Directors

Atli Freyr Einarsson Chairman	Hanne Elise Christensen	Torben Pagh

Independent Auditor's Report

To the Shareholder of FACT Danmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of FACT Danmark A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

Independent Auditor’s Report

- 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, 26 May 2021
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen State Authorised Public Accountant mne28703	Anders Røjleskov State Authorised Public Accountant mne28699

Company Information

The Company	FACT Danmark A/S Kirstinehøj 17 DK-2770 Kastrup CVR No: 19 73 07 00 Financial period: 1 January - 31 December Financial year: 24th financial year Municipality of reg. office: Tårnby
Board of Directors	Atli Freyr Einarsson, Chairman Hanne Elise Christensen Torben Pagh
Executive Board	Torben Pagh
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2020	2019
		DKK	DKK
Gross profit/loss		**8,964,130**	**9,333,145**
Staff expenses	2	-4,053,158	-4,190,168
Depreciation and impairment of property, plant and equipment		-242,428	-216,186
Profit/loss before financial income and expenses		**4,668,544**	**4,926,791**
Other financial income		534	1,672
Other financial expenses		-15,967	-28,162
Profit/loss before tax		**4,653,111**	**4,900,301**
Tax on profit/loss for the year	3	-1,024,907	-1,092,902
Net profit/loss for the year		**3,628,204**	**3,807,399**

Distribution of profit

Proposed distribution of profit

Retained earnings	3,628,204	3,807,399
	3,628,204	**3,807,399**

Balance Sheet 31 December

Assets

	Note	2020	2019
		DKK	DKK
Land and buildings		303,520	456,093
Other fixtures and fittings, tools and equipment		5,038	19,960
Leasehold improvements		0	74,933
Property, plant and equipment	4	**308,558**	**550,986**
Deposits		10,133	10,133
Fixed asset investments		**10,133**	**10,133**
Fixed assets		**318,691**	**561,119**
Trade receivables		3,321,762	4,096,581
Receivables from group enterprises		26,584,205	21,982,663
Deferred tax asset		52,178	3,517
Prepayments		28,050	38,089
Receivables		**29,986,195**	**26,120,850**
Cash at bank and in hand		**1,399**	**1,799**
Currents assets		**29,987,594**	**26,122,649**
Assets		**30,306,285**	**26,683,768**

Balance Sheet 31 December

Liabilities and equity

	Note	2020	2019
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		22,279,569	18,651,365
Equity		**22,779,569**	**19,151,365**
Lease obligations		205,597	318,422
Other payables, long-term		447,515	137,521
Long-term debt	5	**653,112**	**455,943**
Credit institutions		61	200
Lease obligations	5	112,420	151,857
Trade payables		2,609,903	3,260,681
Payables to group enterprises		25,218	1,219,955
Corporation tax, payables to group enterprises		2,103,179	1,028,214
Other payables, short-term	5	2,022,823	1,415,553
Short-term debt		**6,873,604**	**7,076,460**
Debt		**7,526,716**	**7,532,403**
Liabilities and equity		**30,306,285**	**26,683,768**
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Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	18,651,365	19,151,365
Net profit/loss for the year	0	3,628,204	3,628,204
Equity at 31 December	**500,000**	**22,279,569**	**22,779,569**

Notes to the Financial Statements

1 Main activity

The Company's acitvity in the financial year consisted of distribution and transport services.

2 Staff expenses

	2020	2019
	DKK	DKK
Wages and salaries	3,634,044	3,762,924
Pensions	275,539	271,374
Other social security expenses	44,357	50,657
Other staff expenses	99,218	105,213
	4,053,158	**4,190,168**
Average number of employees	**8**	**8**

3 Tax on profit/loss for the year

	2020	2019
Current tax for the year	1,074,964	1,028,214
Deferred tax for the year	-48,661	50,765
Adjustment of tax concerning previous years	-1,396	13,923
	1,024,907	**1,092,902**

Notes to the Financial Statements

4 Property, plant and equipment

	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK	DKK
Cost at 1 January	757,741	331,536	129,904
Disposals for the year	-124,763	0	0
Cost at 31 December	632,978	331,536	129,904
Impairment losses and depreciation at 1 January	301,648	311,575	54,971
Depreciation for the year	152,573	14,923	74,933
Reversal of impairment and depreciation of sold assets	-124,763	0	0
Impairment losses and depreciation at 31 December	329,458	326,498	129,904
Carrying amount at 31 December	**303,520**	**5,038**	**0**
Including right of use assets amounting to	303,520	0	0

5 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020	2019
	DKK	DKK
Lease obligations		
Between 1 and 5 years	205,597	318,422
Long-term part	205,597	318,422
Within 1 year	112,420	151,857
	318,017	**470,279**
Other payables, long-term		
Between 1 and 5 years	447,515	137,521
Long-term part	447,515	137,521
Other short-term payables	2,022,823	1,415,553
	2,470,338	**1,553,074**

Notes to the Financial Statements

6 Contingent assets, liabilities and other financial obligations

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.

7 Related parties

The Company's direct parent, DHL Global Forwarding (Denmark) A/S, does not prepare consolidated financial statements pursuant to section 112(1) of the Danish Financial Statements Act.

The Company's ultimate parent, which prepares concolidated financial statements into which the Company is incorporated as a subsidiary, is Deutsche Post AG, DE 53105 Bonn.

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

Name	Place of registered office
Deutsche Post AG, ultimate parent	DE 53105 Bonn, Germany

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of FACT Danmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020 are presented in DKK.

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, impairment losses and provisions as well as reversals due to changed account estimates fof 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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.

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.

Translation policies

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.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

Income Statement

Revenue

The Company uses IFRS 15 when measuring and recognizing revenue.

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 includes costs for carriers, and other costs used in generating the year's revenue.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, freight and other transportation expenses, etc and other external expenses.

Staff expenses

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

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments.

Notes to the Financial Statements

8 Accounting Policies (continued)

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 allocation with credit for tax losses).

Balance Sheet

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 (lease period)	5	years
Other fixtures and fittings, tools and equipment	5	years
Leasehold improvements	3-5	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

8 Accounting Policies (continued)

Fixed asset investments

Fixed asset investments consist of deposits.

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 priciples 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 prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Financial debts

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