

# DHL Freight Denmark A/S

Banemarksvej 48  
DK-DK-2605 Brøndby

CVR no. 41 04 12 93

## **Annual report 2021**

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

12 July 2022

Lars Bjørn Olsen

Chairman of the annual general meeting

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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 Freight 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.

Brøndby, 12 July 2022  
Executive Board:

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Ole Høxbro Mørk  
CEO

Board of Directors:

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Pekka Erik Lennart  
Stenqvist  
Chairman

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Barteld Berkhout

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Ole Høxbro Mørk

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Per Sven Gunnar  
Westerberg

## Independent auditor's report

### To the shareholder of DHL Freight 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 Freight 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, 12 July 2022

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Bo Schou-Jacobsen  
State Authorised  
Public Accountant  
mne28703

Anders Røjleskov  
State Authorised  
Public Accountant  
mne28699

**DHL Freight Denmark A/S**  
Annual report 2021  
CVR no. 41 04 12 93

## **Management's review**

### **Company details**

DHL Freight Denmark A/S  
Banemarksvej 48  
DK-2605 Brøndby

CVR no.:	41 04 12 93
Established:	1 January 2020
Registered office:	Brøndby
Financial year:	1 January – 31 December

### **Board of Directors**

Pekka Erik Lennart Stenqvist, Chairman  
Barteld Berkhout  
Ole Høxbro Mørk  
Per Sven Gunnar Westerberg

### **Executive Board**

Ole Høxbro Mørk, CEO

### **Auditor**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Management's review

### Financial highlights

DKK'000	2021	2020
<b>Key figures</b>		
Revenue	969,559	927,414
Gross profit/loss	125,813	156,628
Profit/loss before financial income and expenses	-24,365	10,348
Profit/loss from financial income and expenses	-1,373	-1,518
Profit/loss for the year	-19,159	13,656
<b>Balance sheet</b>		
Total assets	280,096	315,916
Equity	41,121	26,530
Investment in property, plant and equipment	19,631	8,838
<b>Ratios</b>		
Gross margin	13.0%	16.9%
Return on equity	-56.6%	102.9%
Solvency ratio	14.7%	8.4%
Profit margin	-2.5%	1.1%
Return on assets	9.5%	3.3%
<b>Other</b>		
Average number of employees	253	250

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	$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$
Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Profit margin	$\frac{\text{Profit before financials} \times 100}{\text{Revenue}}$

## Management's review

### Principal activities

The Company's activities are transport and logistics solutions.

DHL holds a leading position in the global market and is part of Deutsche Post DHL.

DHL Freight 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 loss of DKK 19.2 million and at 31 December 2021 the balance sheet of the Company shows DKK 280 million with an equity of DKK 41 million.

In line with the demerger plans the Company received during the year an Equity injection of DKK 33.7 million.

The revenue of DKK 970.0 million for the year has been satisfying despite the continued challenging market situation with the Corona Pandemic and various lockdowns throughout Europe.

Denmark decided, as one of the very few EU countries, to implement parts of the EU Mobility package during 2021, which resulted in significant increased haulier costs. DHL Freight decided initial not to pass these cost increases on to the customers, which resulted in a significant loss.

Management considers the result to be unsatisfactory.

DHL Freight has had a strategic and targeted approach to staff qualifications and in line with the 2025 strategy the global Certified Freight Specialist program (CFS) continued also in 2021.

DHL Freight has embedded customer centricity into the heart of the business strategy with extra emphasis on open and effective customer feedback channels feeding into the organization.

DHL Freight is dedicated to deliver high-value products to customers through dedicated employees and customer experience focus. Main focus in 2021 has been to deliver excellent services to the customers and at the same time investing in employee development and satisfaction.

As for other logistics providers digitalization is a high priority for DHL and the development of advanced digital tools to support and improve customer satisfaction, employee satisfaction and operational efficiency are important measures to grow the business in the future. Management in DHL Freight recognizes this and will allocate resources to this area in the years ahead.

To support the initiatives to lower CO2 emission DHL Freight has defined actions in Strategy 2025. A mutual development with the hauliers to increase the use of LNG, and furthermore explore the use of intermodal solutions whenever possible.

### Special risks - operating risks and financial risks

#### Operating risks

Like other industrial enterprises in Denmark, DHL Freight was continued to be affected by the Corona pandemic. Focus has been to maintain a safe work environment for the employees during the pandemic and at the same continue to deliver best in class solutions to our customers.

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

#### Foreign exchange risks

DHL Freight invoices its main sales in DKK, whereas parts of direct costs are dominated in EUR. DHL Freight is only limited exposed to exchange risks in relation to EUR as regards to day-to-day operation as the DKK currency rate is tied to the EUR rate only allowing minor fluctuations.



## Management's review

### Interest rate risks

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

### Credit risks

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

## Expectations for the year ahead

DHL Freight will through the 2025 strategy's core areas work to maintain and improve profitable networks and loyal customers driven by motivated employees and high service quality.

DHL Freight will continue to focus on customer satisfaction and to further develop employee engagement via the DHL global Certified Freight specialist program.

As for other logistics providers digitalization is a high priority for DHL and the development of advanced digital tools to support and improve customer satisfaction, employee satisfaction and operational efficiency are important measures to grow the business in the future. Management in DHL Freight recognizes this and will allocate resources to this area in the years ahead.

DHL Freight 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 Freight's outlook for the future will continue to be affected by the Covid-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events.

## External environment

DHL Freight has obtained environmental certification under various ISO standards and in connection to this an environmental policy focusing on continuous environmental improvements has been implemented.

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/content/dam/dpdhl/en/media-center/investors/documents/presentations/2021/DPDHL-ESG-Presentation-2021.pdf>

The goal of this strategy is to improve the Group's carbon efficiency by 30% before the end of 2025. Furthermore, DHL has joined and supports UN's Global Compact, being a part of Deutsche Post DHL.

## Intellectual capital

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

## Corporate social responsibility

According to section 99a (7) of the Danish Financial Statements Act, description of corporate social responsibility has not been prepared. We refer to Deutsche Post DHL for a CSR report.

The report can be found on:

<https://www.dpdhl.com/content/dam/dpdhl/en/media-center/investors/documents/presentations/2021/DPDHL-ESG-Presentation-2021.pdf>

## Management's review

### 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 25 percent, within four years, i.e. at the latest by the time of the ordinary general meeting in 2025.

The Company has quantified 25 percentages of the least represented gender to be a minimum, which isn't fulfilled by the current composition of the Board.

There were no changes made to the Board of Directors during the year and hence continued to consist of four men. Hence the representation of the underrepresented gender did not increase 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 a special emphasis on growing female talents up through to management level roles.

The prerequisites of extensive management programs, as well as flexibility in working hours are already in place. However Freight Forwarding, and specially Road freight, continues to be an industry with an high overrepresentation of the male gender.

This is long term process and the work continued during the year, however this did not lead to any further increase in the underrepresented gender during the year.

### Data protection

According to section 99d (3) of the Danish Financial Statements Act, DHL Freight 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 regarding recognition and measurement

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

### Subsequent events

We refer to note 17 in the Financial Statements.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2021	2020
<b>Revenue</b>	2	969,559	927,414
Freight and other transportation expenses etc.		-807,447	-754,998
Other operating income		14,519	16,148
Other external costs		<u>-50,818</u>	<u>-31,936</u>
<b>Gross profit</b>		125,813	156,628
Staff costs	3	-127,632	-123,867
Depreciation of property, plant and equipment	4	<u>-22,546</u>	<u>-22,413</u>
<b>Profit/loss before financial income and expenses</b>		-24,365	10,348
Financial income		724	1,866
Financial expenses	5	<u>-2,097</u>	<u>-3,384</u>
<b>Profit/loss before tax</b>		-25,738	8,830
Tax on profit/loss for the year	6	<u>6,579</u>	<u>4,826</u>
<b>Profit/loss for the year</b>	7	<u><u>-19,159</u></u>	<u><u>13,656</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>			
Land and buildings	8	53,240	59,677
Other fixtures and fittings, tools and equipment		35,601	32,051
Leasehold improvements		<u>602</u>	<u>675</u>
		<u>89,443</u>	<u>92,403</u>
<b>Investments</b>			
Deposits	9	<u>25</u>	<u>25</u>
<b>Total fixed assets</b>		<u>89,468</u>	<u>92,428</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		121,467	121,935
Receivables from group entities		27,416	93,325
Other receivables		1,624	2,514
Deferred tax asset	10	7,133	5,000
Corporation tax receivable from group entities		4,447	0
Prepayments	11	<u>353</u>	<u>317</u>
		<u>162,440</u>	<u>223,091</u>
<b>Cash at bank and in hand</b>		<u>28,188</u>	<u>397</u>
<b>Total current assets</b>		<u>190,628</u>	<u>223,488</u>
<b>TOTAL ASSETS</b>		<u><u>280,096</u></u>	<u><u>315,916</u></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	12	600	400
Retained earnings		40,521	26,130
<b>Total equity</b>		<u>41,121</u>	<u>26,530</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease obligations	13	47,658	49,691
Other payables		14,109	14,109
		<u>61,767</u>	<u>63,800</u>
<b>Current liabilities</b>			
Lease obligations	13	3,028	716
Trade payables		120,280	119,253
Payables to group entities		30,902	91,242
Corporation tax		0	175
Other payables	13	22,998	13,793
Deferred income		0	407
		<u>177,208</u>	<u>225,586</u>
<b>Total liabilities</b>		<u>238,975</u>	<u>289,386</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>280,096</u>	<u>315,916</u>
<b>Accounting policies</b>	1		
<b>Fees to auditor appointed at the general meeting</b>	14		
<b>Contractual obligations, contingencies and other financial obligations</b>	15		
<b>Related party disclosures</b>	16		
<b>Disclosure of events after the balance sheet date</b>	17		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	400	26,130	26,530
Cash capital increase	200	33,550	33,750
Net profit/loss for the year	0	-19,159	-19,159
<b>Equity at 31 December 2021</b>	<b>600</b>	<b>40,521</b>	<b>41,121</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of DHL Freight 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 with opt-in from higher reporting classes.

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 TDKK.

#### 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 Beteiligungen Holding GmbH, 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 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 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. 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.

##### 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.



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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.

#### **Staff costs**

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

#### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

#### **Other external costs**

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

#### **Other operating income and expenses**

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.

#### **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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

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).

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:

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

Depreciation period and residual value are reassessed annually.

#### Fixed asset investments

Fixed asset investments consist of lease deposit.

#### 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, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount. If so, the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

#### 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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

loss is generally measured at the level of individual items.

#### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### 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.

#### Liabilities

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

#### Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

## Financial statements 1 January – 31 December

### Notes

#### 2 Segment information

DKK'000	2021	2020
<b>Geographical segments</b>		
Revenue, Denmark	144,782	140,917
Revenue, exports	<u>824,777</u>	<u>786,497</u>
	<u>969,559</u>	<u>927,414</u>
<b>Business segments</b>		
Non Terminal Based Operations	558,202	538,944
Terminal Based Operations	357,001	311,213
Other Operations	<u>54,356</u>	<u>77,257</u>
	<u>969,559</u>	<u>927,414</u>

#### 3 Staff costs

Wages and salaries	114,125	110,033
Pensions	8,854	8,392
Other social security costs	1,916	2,414
Other staff costs	<u>2,737</u>	<u>3,028</u>
	<u>127,632</u>	<u>123,867</u>
Average number of full-time employees	<u>253</u>	<u>250</u>

Including remuneration to the Executive Board of TDKK 2,942 (2020 TDKK 3,200)

#### 4 Depreciation, amortisation and impairment losses

Depreciation of property, plant and equipment	22,546	22,365
Impairment of property, plant and equipment	<u>0</u>	<u>48</u>
	<u>22,546</u>	<u>22,413</u>
<b>Which is specified as follows:</b>		
Buildings	8,556	7,995
Other fixtures and fittings, tools and equipment	13,917	14,370
Leasehold improvements	<u>73</u>	<u>48</u>
	<u>22,546</u>	<u>22,413</u>

#### 5 Other financial expenses

Interest expense to group entities	183	62
Other financial costs	1,204	1,529
Exchange adjustments costs	<u>710</u>	<u>1,793</u>
	<u>2,097</u>	<u>3,384</u>

## Financial statements 1 January – 31 December

### Notes

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

DKK'000	2021	2020
Current tax for the year	-4,446	175
Deferred tax for the year	-2,133	-5,001
	<u>-6,579</u>	<u>-4,826</u>

#### 7 Distribution of profit

Retained earnings	<u>-19,159</u>	<u>13,656</u>
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#### 8 Property, plant and equipment

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2021	121,101	74,272	737	196,110
Additions for the year	2,190	17,441	0	19,631
Disposals for the year	-21	-4,628	0	-4,649
Transfers for the year	-63	0	0	-63
Cost at 31 December 2021	<u>123,207</u>	<u>87,085</u>	<u>737</u>	<u>211,029</u>
Depreciation and impairment losses at 1 January 2021	-61,424	-42,221	-62	-103,707
Depreciation for the year	-8,556	-13,917	-73	-22,546
Reversed depreciation and impairment losses on assets sold	13	4,654	0	4,667
Depreciation and impairment losses at 31 December 2021	<u>-69,967</u>	<u>-51,484</u>	<u>-135</u>	<u>-121,586</u>
<b>Carrying amount at 31 December 2021</b>	<u>53,240</u>	<u>35,601</u>	<u>602</u>	<u>89,443</u>
Including right-of-use assets amounting to	<u>19,049</u>	<u>28,422</u>	<u>0</u>	<u>47,471</u>

#### 9 Investments

DKK'000	Deposits
Cost at 1 January 2021	<u>25</u>
Cost at 31 December 2021	<u>25</u>
<b>Carrying amount at 31 December 2021</b>	<u>25</u>

## Financial statements 1 January – 31 December

### Notes

#### 10 Deferred tax assets

DKK'000	31/12 2021	31/12 2020
Deferred tax at 1 January	5,000	0
Deferred tax adjustment for the year in the income statement	2,133	5,000
	<u>7,133</u>	<u>5,000</u>

Management estimates that the recognised tax asset of DKK 7 million will be utilised within the coming years against future taxable income or be utilised by the jointly Danish taxed entities.

#### 11 Prepayments

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

#### 12 Equity

The share capital consists of 600,000 shares of a nominal value of DKK 1. No shares carry any special rights.

#### 13 Non-current liabilities

Liabilities can be specified as follows:

DKK'000	31/12 2021	31/12 2020
Lease obligations:		
After 5 years	8,049	9,086
Between 1 and 5 years	39,609	40,605
Within 1 year	<u>3,028</u>	<u>716</u>
	<u>50,686</u>	<u>50,407</u>
Other payables		
Between 1 and 5 years	14,109	14,109
Other short-term payables	<u>22,998</u>	<u>13,793</u>
	<u>37,107</u>	<u>27,902</u>

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

DKK'000	2021	2020
<b>PricewaterhouseCoopers</b>		
Audit fee	599	572
Other assurance engagements	250	166
Tax advisory services	97	446
Other services	<u>0</u>	<u>5</u>
	<u>946</u>	<u>1,189</u>

## Financial statements 1 January – 31 December

### Notes

#### 15 Contractual obligations, contingencies and other financial obligations

##### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of DHL Express (Denmark) A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

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

##### Rental and lease obligations

DKK'000	31/12 2021	31/12 2020
<b>Lease obligations under operating leases. Total future lease payments:</b>		
Within 1 year	13,372	16,785
Between 1 and 5 years	1,079	1,079
After 5 years	0	135
	<u>14,451</u>	<u>17,999</u>

#### 16 Related party disclosures

DHL Freight Denmark A/S related parties comprise the following:

##### Control

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.

## Financial statements 1 January – 31 December

### Notes

#### Consolidated financial statements

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

#### 17 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.