

DHL Freight Denmark A/S

Banemarksvej 48
DK-2605 Brøndby

CVR no. 41 04 12 93

Annual report 2023

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

15 July 2024

Victoria Cornelia Christensen
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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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, 15 July 2024
Executive Board:

Søren Jensen Vase
CEO

Board of Directors:

Robert Kenth Zander
Chairman

Barteld Berkhout

Søren Jensen Vase

Per Sven Gunnar
Westerberg

Independent auditor's report

To the shareholder of DHL Freight Denmark A/S

Opinion

We have audited the financial statements of DHL Freight Denmark A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

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.

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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

København, 15 July 2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56

Henrik Wolff Mikkelsen
State Authorised
Public Accountant
mne33747

DHL Freight Denmark A/S
Annual report 2023
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

Robert Kenth Zander, Chairman
Barteld Berkhout
Søren Jensen Vase
Per Sven Gunnar Westerberg

Executive Board

Søren Jensen Vase, CEO

Auditor

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Management's review

Financial highlights

DKK'000	2023	2022	2021	2020
Key figures				
Revenue	854,153	1,139,242	969,559	927,414
Gross profit	106,169	147,342	125,813	156,628
Profit/loss before financial income and expenses	-49,559	-14,570	-24,365	10,348
Loss from financial income and expenses	-5,858	-1,655	-1,373	-1,518
Profit/loss for the year	-43,745	-12,634	-19,159	13,656
Total assets				
Total assets	240,786	273,473	280,096	315,916
Equity	14,742	28,487	41,121	26,530
Investment in property, plant and equipment	9,192	24,446	19,631	8,838
Ratios				
Gross margin	12.4%	12.9%	13.0%	16.9%
Return on equity	-202.4%	-36.3%	-56.6%	102.9%
Solvency ratio	6.1%	10.4%	14.7%	8.4%
Profit margin	-5.8%	-1.3%	-2.5%	1.1%
Return on assets	-20.6%	-5.3%	9.5%	3.3%
Average number of employees	242	261	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 markets in Denmark and expects to further expand and manifest its position on the markets to the benefit of its customers.

Development in the year

The income statement for 2023 shows a loss of DKK 44 million (2022: loss of DKK 13 million), and at 31 December 2023 the balance sheet of the Company stood at DKK 241 million (31 December 2022: DKK 273 million) with equity of DKK 15 million (31 December 2022: DKK 28 million).

Revenue for the year of DKK 854 million is considered satisfactory taking the market change in consideration.

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 2023.

DHL Freight has embedded customer centricity into the heart of its 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 2023 was to deliver excellent services to the customers and at the same time invest in employee development and satisfaction.

As for other logistics providers, digitalization is a high priority for DHL. The development of advanced digital tools to support and improve customer satisfaction, employee satisfaction and operational efficiency are important measures to grow the business.

DHL Freight recognizes this and will allocate resources to this area in the years ahead and to support this, a new Transport Management System has been implemented in 2023.

To support the initiatives to lower CO2 emission, DHL Freight has defined actions in Strategy 2025. Mutual development was initiated 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

The high inflation experienced at the latter part of the year, had to some degree a negative impact on the activity level and consequently on our financial result. Changing industry and consumer patterns (eg. Nearsourcing) leading to lower global trade volumes could have a negative impact on our business too.

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 denominated in EUR.

DHL Freight is only modestly exposed to exchange risks in relation to EUR as regards to day-to-day operations as the DKK currency rate is tied to the EUR rate and only allows for minor fluctuations.

Management's review

Operating 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

Through the 2025 Strategy's core areas, DHL Freight will 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 commitment via the DHL global Certified Freight specialist programme.

DHL Freight expects to further strengthen customer satisfaction through the development of innovative tools and increasing market shares and as a result thereof to continuously improve financial performance.

DHL Freight's outlook is highly uncertain in light of high inflation rates, high interest rates and the war in Ukraine.

External environment

DHL Freight has obtained environmental certification under various ISO standards, and as part thereof, 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 Group's worldwide activities.

The report can be found on:

<https://group.dhl.com/en/sustainability/sustainability-roadmap/sustainability-reports.html>

The objective of this strategy is to improve the Group's carbon efficiency by 30% before the end of 2025. Furthermore, DHL has acceded to and supports the 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, corporate social responsibility has not been accounted for. We refer to Deutsche Post DHL for a CSR report.

The report can be found on:

<https://group.dhl.com/en/sustainability/sustainability-roadmap/sustainability-reports.html>

Management's review

Operating review

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, among others, decides on the IT systems to be applied. 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 Report of Deutsche Post DHL.

The report can be found on:

<https://group.dhl.com/en/sustainability/sustainability-roadmap/sustainability-reports.html>

Statement on gender composition

The Company sees it as a strength to have a diversity in genders represented knowing that it adds value to the business and its development. The Company prioritizes a fairly balanced composition in genders on the Board and will therefore seek to achieve that neither men nor women are represented by less than 30 percent.

	2023
Board of Directors	
Total numbers of members	4
Underrepresented gender in %	0%
Target figures in %	30%
Top Management body	
Total numbers of members	9
Underrepresented gender in %	11%
Target figures in %	30%
Other Management levels	
Total numbers of members	14
Underrepresented gender in %	21%
Target figures in %	30%

The Company has a strategy of offering equal opportunities to all employees including having a more balanced gender representation in all management levels. To support the strategy, the company has introduced initiatives to stimulate the diversity of candidates among the underrepresented gender when recruiting for management positions a.o. through the acquisition strategy and future focus on the internal pipeline of candidates for management positions to grow female talents from lower level or entry roles. During 2023 we have been satisfied with our work towards the underrepresented gender. The initiatives have not led to any significant further reduction or increase in the underrepresented gender during the year.

Management's review

Operating review

It is continuous the Company's ambition and expectation to increase the equality towards a more balanced management gender representation in accordance with the target figures presented by 2025. 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.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2023	2022
Revenue	2	854,153	1,139,242
Freight and other transportation costs, etc.		-703,906	-946,185
Other operating income		1,488	1,860
Other external costs		<u>-45,566</u>	<u>-47,575</u>
Gross profit		106,169	147,342
Staff costs	3	-133,093	-137,813
Depreciation of property, plant and equipment	4	-22,605	-24,099
Other operating costs		<u>-30</u>	<u>0</u>
Loss before financial income and expenses		-49,559	-14,570
Financial income		1,525	2,451
Financial expenses	5	<u>-7,383</u>	<u>-4,106</u>
Loss before tax		-55,417	-16,225
Tax on loss for the year	6	<u>11,672</u>	<u>3,591</u>
Loss for the year	7	<u><u>-43,745</u></u>	<u><u>-12,634</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment			
	8		
Land and buildings		47,373	54,561
Other fixtures and fittings, tools and equipment		26,821	33,426
Leasehold improvements		475	674
Property, plant and equipment under construction		0	1,112
		<u>74,669</u>	<u>89,773</u>
Investments			
	9		
Deposits		25	25
		<u>74,694</u>	<u>89,798</u>
Current assets			
Receivables			
Trade receivables		102,727	132,322
Receivables from group entities		1,359	31,819
Other receivables		6,216	8,395
Deferred tax asset	10	17,381	10,535
Prepayments	11	8,008	204
		<u>135,691</u>	<u>183,275</u>
Cash at bank and in hand		<u>30,401</u>	<u>400</u>
Total current assets		<u>166,092</u>	<u>183,675</u>
TOTAL ASSETS		<u><u>240,786</u></u>	<u><u>273,473</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		600	600
Retained earnings		14,142	27,887
Total equity		<u>14,742</u>	<u>28,487</u>
Liabilities			
Non-current liabilities			
Lease obligations	12	18,598	29,210
Other payables		691	576
		<u>19,289</u>	<u>29,786</u>
Current liabilities			
Lease obligations	12	15,875	18,265
Trade payables		115,530	162,532
Payables to group entities		59,412	18,573
Other payables	12	15,938	15,830
		<u>206,755</u>	<u>215,200</u>
Total liabilities		<u>226,044</u>	<u>244,986</u>
TOTAL EQUITY AND LIABILITIES		<u><u>240,786</u></u>	<u><u>273,473</u></u>
Accounting policies	1		
Fees to auditor appointed at the general meeting	13		
Contractual obligations, contingencies, etc.	14		
Related party disclosures	15		
Disclosure of events after the balance sheet date	16		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	600	27,887	28,487
Cash capital increase	0	30,000	30,000
Net loss for the year	0	-43,745	-43,745
Equity at 31 December 2023	600	14,142	14,742

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of DHL Freight Denmark A/S for 2023 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 2023 are presented in DKK'000.

With reference to the true and fair view laid down in the Danish Financial Statements Act, the Company has made some reclassifications to individual items in the income statement and balance sheet. The reclassifications have affected the items revenue, other operating income, other payables and payables from group entities but have no impact on results before tax, results for the year or equity.

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 Beteteiligungen Holding GmbH, the Company has not prepared a cash flow statement.

Change in comparative figures

With reference to the true and fair view laid down in the Danish Financial Statements Act, the Company has made some reclassifications to individual items in the balance sheet. The reclassifications have affected the items lease obligations (non-current liabilities) and lease obligations (current liabilities) but have no impact on results before tax, results for the year or equity. Comparative figures have been reclassified accordingly.

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.

Recognition and measurement

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

Revenue is 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 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the assets will flow to the Company, and the value of the assets 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 the addition/deduction of 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 the losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Revenue

The Company uses IFRS 15 for measuring and recognising 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 the 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 costs, etc.

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

Other operating income and other operating expenses

Other operating income and other operating expenses comprise items of a secondary nature to the principal activities of the Company, including gains and losses on the disposal of property, plant and equipment.

Other external costs

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

Staff costs

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Amortisation, depreciation and impairment losses

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

Financial income and expenses

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

Tax on 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 loss 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 entities. The tax effect of the joint taxation with the subsidiaries is allocated to entities showing profits or losses in proportion to their taxable incomes (full allocation with refund for tax losses).

DHL Express (Denmark) A/S serves as the management Company in the Tax Group. Provision for and payment of total Danish tax on 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.

Leases

The Company uses IFRS 16 when measuring and recognising 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.

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 straight-line method, normally a depreciation period of 3-10 years.

The Company has used the relief options provided for leases for low-value assets and short-term leases (shorter than twelve months) and expensed 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.

Investments

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 write-down for bad debts. Write-down for bad debts is determined on the basis of principles in the expected credit loss impairment model, IFRS 9, based on 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 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.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2023</u>	<u>2022</u>
2 Segment information		
Geographical segments		
Revenue, Denmark	154,907	160,282
Revenue, exports	<u>699,246</u>	<u>978,960</u>
	<u>854,153</u>	<u>1,139,242</u>
Business segments		
Non Terminal Based Operations	427,348	659,140
Terminal Based Operations	281,718	405,922
Other Operations	<u>145,087</u>	<u>74,180</u>
	<u>854,153</u>	<u>1,139,242</u>
3 Staff costs		
Wages and salaries	117,348	121,272
Pensions	9,313	9,423
Other social security costs	2,451	3,173
Other staff costs	<u>3,981</u>	<u>3,945</u>
	<u>133,093</u>	<u>137,813</u>
Average number of full-time employees	<u>242</u>	<u>261</u>
Including remuneration to the Executive Board of DKK 2.589 thousand (2022: DKK 4.417 thousand).		
4 Depreciation, amortisation and impairment losses		
DKK'000	<u>2023</u>	<u>2022</u>
Depreciation of property, plant and equipment	<u>22,605</u>	<u>24,099</u>
	<u>22,605</u>	<u>24,099</u>
Which is specified as follows:		
Buildings	8,710	9,299
Other fixtures and fittings, tools and equipment	13,697	14,706
Leasehold improvements	<u>198</u>	<u>94</u>
	<u>22,605</u>	<u>24,099</u>
5 Financial expenses		
Interest expense to group entities	3,466	125
Other financial expenses	<u>3,917</u>	<u>3,981</u>
	<u>7,383</u>	<u>4,106</u>

Financial statements 1 January – 31 December

Notes

DKK'000	2023	2022			
6 Tax on loss for the year					
Deferred tax for the year	-12,137	-3,608			
Adjustment of tax concerning previous years	-4,826	-189			
Adjustment of deferred tax concerning previous years	5,291	206			
	<u>-11,672</u>	<u>-3,591</u>			
7 Proposed distribution of loss					
Retained earnings	<u>-43,745</u>	<u>-12,634</u>			
8 Property, plant and equipment					
DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Leasehold improvements	Property, plant and equipment under construction	Total
Cost at 1 January 2023	133,826	91,796	903	1,112	227,637
Additions for the year	1,735	7,457	0	0	9,192
Disposals for the year	-2,668	-16,671	0	-1,112	-20,451
Transfers for the year	25	0	-25	0	0
Cost at 31 December 2023	<u>132,918</u>	<u>82,582</u>	<u>878</u>	<u>0</u>	<u>216,378</u>
Depreciation and impairment losses at 1 January 2023	-79,265	-58,370	-229	0	-137,864
Depreciation for the year	-8,710	-13,697	-198	0	-22,605
Reversed depreciation and impairment losses on assets sold	2,430	16,306	24	0	18,760
Depreciation and impairment losses at 31 December 2023	<u>-85,545</u>	<u>-55,761</u>	<u>-403</u>	<u>0</u>	<u>-141,709</u>
Carrying amount at 31 December 2023	<u>47,373</u>	<u>26,821</u>	<u>475</u>	<u>0</u>	<u>74,669</u>
Including right-of-use assets amounting to	<u>15,816</u>	<u>15,727</u>	<u>0</u>	<u>0</u>	<u>31,543</u>
9 Investments					
DKK'000				Deposits	
Cost at 1 January 2023				<u>25</u>	
Cost at 31 December 2023				<u>25</u>	
Carrying amount at 31 December 2023				<u>25</u>	

Financial statements 1 January – 31 December

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10 Deferred tax assets

DKK'000	31/12 2023	31/12 2022
Deferred tax at 1 January	10,535	7,133
Deferred tax adjustment for the year in the income statement	12,137	3,608
Adjustment of deferred tax concerning previous years	-5,291	-206
	<u>17,381</u>	<u>10,535</u>

Management estimates that the recognised tax asset of DKK 17.4 million will be utilised within the coming years against future taxable income or be utilised by the jointly taxed Danish entities.

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions, etc.

12 Liabilities

Liabilities can be specified as follows:

DKK'000	31/12 2023	31/12 2022
Lease obligations:		
After 5 years	0	1,261
Between 1 and 5 years	18,598	27,949
Within 1 year	15,875	18,265
	<u>34,473</u>	<u>47,475</u>
Other payables		
Between 1 and 5 years	691	576
Within 1 year	15,938	15,830
	<u>16,629</u>	<u>16,406</u>

13 Fees to auditor appointed at the general meeting

DKK'000	2023	2022
Audit fee to Deloitte	600	0
Audit fee to PricewaterhouseCoopers	126	665
Other assurance engagements	0	153
	<u>726</u>	<u>818</u>

Financial statements 1 January – 31 December

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14 Contractual obligations, contingencies, etc.

Contingent liabilities

The group entities are jointly and severally liable for tax on the jointly taxed income, 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. Moreover, the group entities 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 companies' 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 date of demerger on 1 January 2020.

Rental and lease obligations

DKK'000	31/12 2023	31/12 2022
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	15,875	14,287
Between 1 and 5 years	<u>18,598</u>	<u>809</u>
	<u>34,473</u>	<u>15,096</u>

15 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

During the year, the Company's intercompany transactions and usual Management remuneration was conducted at arm's length basis and are therefore not separately disclosed pursuant to section 98 C (7) of the Danish Financial Statements Act.

Financial statements 1 January – 31 December

Notes

Consolidated financial statements

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

The consolidated financial statements may be obtained at the following address:

Deutsche Post AG, DE 53105 Bonn, Germany

16 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.

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Søren Jensen Vase

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Henrik Wolff Mikkelsen

DELOITTE STATS-AUTORISERET REVISIONSPARTNERSELSKAB CVR:
33963556

Statsautoriseret revisor

On behalf of: Deloitte

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