FedEx Express Danmark ApS

Jernholmen 28-32
2650 Hvidovre

CVR no. 76562512

1 June 2023 - 31 May 2024

Annual report 2024

Approved at the Company's annual general meeting.

Chairman:

Date: 9 December 2024

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Torsten Gadfelt

Contents

COMPANY INFORMATION

Entity

FedEx Express Danmark ApS
Jernholmen 28-32
2650 Hvidovre

Telephone number 36884500
Fax: 70101081
Company CVR: 76562512

Financial year: 2023-06-01 - 2024-05-31

Bank connection

Danske Bank
Holmens Channel 2
DK-1092 Copenhagen K
DK Denmark

SEB Bank
Råsta Strandväg 5
SE-169 79 Solna
SE Sweden

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg
CVR no: 30700228

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of FedEx Express Danmark ApS for the financial year 1 June 2023 - 31 May 2024.

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

In our opinion, the company financial statements give a true and fair view of the company's financial position at 31 May 2024 and of the results of the company's operations for the financial year 1 June 2023 - 31 May 2024.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

9 December 2024

Executive Board:

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Torsten Gadfelt
Chairman

Board of Directors:

Armanda Post	Jan-Erik Olufsen
Charlotte Tamara Grimbergen	Torsten Gadfelt

Independent auditor's report
To the shareholders of FedEx Express Danmark ApS

Opinion

We have audited the financial statements of FedEx Express Danmark ApS for the financial year 1 June 2023 - 31 May 2024, which comprise 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 financial position of the Company at 31 May 2024 and of the results of the Company's operations for the financial year 1 June 2023 - 31 May 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

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 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 the financial statements.

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

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 9 December 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Peter Andersen
State Authorised Public Accountant
mne34313

Jesper Dalsgaard
State Authorised Public Accountant
mne50618

Management commentary

Business review

The activity of the company consists exclusively of transport. FedEx Express Denmark ApS is part of FedEx's global transportation network. FedEx Express Danmark ApS' ultimate parent company preparing consolidated financial statements is FedEx Corporate Services Inc. Memphis, Tennessee, USA. FedEx Express Danmark ApS' immediate parent company is FedEx Express International B.V.

Financial review

Management expected revenue to increase by 60% in 2023/2024 compared to last year. The company's revenue has increased from 392,415 t.kr to 596,008 t.kr. which corresponds to 52%. The increase in turnover is mainly due to the asset deal where the company purchased assets and liabilities from its sister company in Denmark "Federal Express Corporation, filial af Federal Express Corporation, USA", and also took over the business and all employees from 1st of October 2023. Profit before tax decreased by 3,454 t.kr compared to prior year, and there was a shortfall of around 15 m.kr compared to prior years estimate, which is mainly due to lower revenue than expected, but also higher costs.

Objectives and expectations for the coming year

Strategy and objectives

Management aims to be the most sought-after provider of transport services. We want to focus on three main areas:

Customers
Flawless transactions from pickup to settlement as well as competitive products and prices.

Employees
Security for employees and a meaningful future.

Shareholders
Improve our performance and create a stable return on investment.

Objectives for the coming year

Management expect a 10% increase in revenue in 2024/25 for the company due to the asset deal with FedEx Express Corporation's Danish division. Profit before tax is expected to be in the range of 18-20 mDKK. The market situation is still characterized by fierce competition, and this places great demands on the optimization of work processes, service and delivery quality.

Management commentary (continued)

Risks

Financial risks

Price risks

Due to the current development in the market, there is general pressure on prices throughout the industry. In addition, there is still a tendency among the company's customers to demand price reductions and to use services where there is a lower profit margin.

Oil price risks

The company's dependence on oil, due to the significant price fluctuations that exist in the oil market, poses a particular risk. The company does not hedge in relation to the price of oil.

Currency risks

Activities abroad are primarily settled in Euro. The majority of the Company's transactions are conducted in Danish kroner, and moderate exchange rate changes in the above currencies will not have a significant effect on the Company's earnings. Based on this, the company has chosen not to hedge its currency risks.

Interest rate risks

Net interest-bearing debt does not represent a material amount and moderate interest rate changes in interest rates will have no significant direct effect on earnings or cash flow. Therefore, no interest rate options are entered into to hedge interest rate risks.

Environmental risks

Despite our strong environmental focus and planned initiatives, we may face challenges in achieving significant waste reduction and environmental impact.

Management commentary (continued)

Knowledge resources

Staff

In order to be better prepared for the market changes and the competitive challenges, FedEx Express Danmark ApS has over the past years focused on improving employee satisfaction and competencies. All new employees have participated in mandatory courses to ensure the necessary competencies as well as a good and safe working environment.

Customers

FedEx Express Danmark ApS continues to work with customer loyalty surveys that are more than just satisfaction surveys. The actions and strategy put forward are in line with market expectations and requirements.

FedEx Express Danmark ApS will continue to be innovative in 2024/25 and will, in cooperation with our customers, ensure the continued development of our services and services.

Processes

All FedEx Express Danmark ApS processes are documented and followed qualitatively and economically. All processes are described and certified according to compliance with ISO 9001:2000 Standard.

Technology

FedEx Express Danmark ApS' IT technology and strategy support the company's Vision and Mission - "To become the most sought-after transport company". Shipping information is available to all stakeholders at all hours of the day via our customer service and mobile services, as well as the internet.

Data policy

FedEx Express UK stores Data and protects Personal Data in accordance with the laws of Denmark and the European Union. We want to appear as a company that is respected, competent, and that complies with the law and developments in good data ethics. In our daily work, we strive to handle data in a secure and responsible manner. Personal data on employees is collected for administrative reasons. Data on our customers and their Employees are collected so that we can create customers in our systems and provide our services. We also collect data from our website for marketing purposes. We use our standards of data ethics when performing our tasks. This applies when we collect personal and other data.

Environmental aspects

In the management of waste and resource consumption, we work with the greatest possible recycling and the least possible environmental and climate impact. The focus areas include source sorting in offices and warehouses as well as energy consumption in the processes.

Management commentary (continued)

Research and development activities

FedEx Express Danmark ApS does not have independent research and development activities. Innovations and new launches are developed by parent company FedEx Express International B.V and are often launched globally.

Corporate social responsibility

The main activity of the company consists exclusively of transport. FedEx Express Danmark ApS is part of FedEx's global transportation network.

Human rights

FedEx Express Danmark is committed to protecting and promoting human rights conventions. We treat others with respect and dignity and encourage diversity and diverse opinions. We provide good working conditions and promote equal opportunities for all. At the same time, this commitment improves the ability to attract new employees and have good relations with customers, suppliers and other business relationships. This reduces the risk of a negative impact on financial performance and reduces the risk of human rights violations when interacting with suppliers. The primary risk for the company relates to the possible use of suppliers who do not comply with national legislation and internationally recognised standards and conventions.
FedEx Express Danmark has conducted training in this area for all employees during 2023/2024.
No violations of the Company's Human Rights Policies 2023/2024 have been found.
All employees undergo online training in the Code of Conduct every year, which deals with FedEx Express Danmark's human rights policy.

Environmental aspects

FedEx Express Danmark has a strong environmental focus and is committed to reducing its impact on the environment. FedEx Express Danmark ApS has during 2023/2024 worked intensively with source sorting. FedEx Express Danmark expects to step up its efforts in this area and introduce additional waste sorting initiatives in the future.

Climate impact

In connection with FedEx Express Danmark's transportation activities, there is an increased risk of a negative impact on the environment in connection with CO2 emissions during transportation activities. FedEx Express Danmark has a strong climate focus and is committed to reducing our energy consumption. To counter this, work has been done this year on route optimization and reduction of the number of kilometers driven, but without the service level being affected by this. FedEx Express Danmark will continue to have a strong focus on climate improvements and intensify efforts in this area and introduce further initiatives for energy optimization in the future.

Management commentary (continued)

Corporate social responsibility (continued)

Social and labour rights

The most significant risks FedEx Denmark faces in terms of social and employee conditions are workplace accidents among employees.
FedEx Danmark ApS has a strong focus on occupational safety, and in this connection has implemented processes that aim to ensure employees in daily life in all aspects related to safety and well-being. Health and safety is a high priority at FedEx Express Danmark ApS and is high on the agenda at all management meetings.
Safety training is mandatory for all employees, and all were trained in 2023/24, and the promotion of a safe working environment is evident in all work processes. This practice will continue in the future.
There were 6 accidents at work during the year.
FedEx Express Danmark have intensified the efforts to improve working conditions and facilities, and have in 2023/24 introduced a safety program called Stay Sharp. Stay Sharp is an active program to highlight and discuss safety in the daily work for all operational employees.

Anti-corruption and business ethics

FedEx Express Danmark ApS has introduced an anti-corruption policy to minimize the risks when entering into agreements with customers, suppliers and business associates in general.
There is a zero tolerance policy towards any form of corruption and bribery.
Employees attend mandatory training once a year to reduce the risk of corruption.
No incidents of corruption have been identified in 2023/2024.
Going forward, FedEx Express Denmark is expected to intensify its efforts in this area by holding employee training courses in anti-corruption.

Management commentary (continued)

Goals and policies for the underrepresented gender in management

The Board of Directors

50% men - 50 % women
At the end of the financial year, the Board of Directors - the central governing body - has been composed of the following positions in FedEx Express Danmark ApS4:
Board members: 4 (2 female, 2 men)
We have thus achieved an equal gender distribution on the Board of Directors.

	2022/23	2023/24	2024/25	2025/26	2026/27
Total number of members	4	4	-	-	-
Underrepresented gender in %	50	50	-	-	-

Other managerial positions 1-2

	2022/23	2023/24	2024/25	2025/26	2026/27
Total number of members	19	26	-	-	-
Underrepresented gender in %	32	35	-	-	-
Target figure in %	40	40	-	-	-
Year for fulfilment of target	26	26	-	-	-

<u>Target, Policies and Actions</u>
The other managerial positions 1-2 in FedEx Danmark ApS consist of 26 members, where the underrepresented gender is 35%. Our target is 40% in 2026.
The goal for a differentiated composition of day-to-day management in Denmark is founded in level 3 and this includes everyone experiencing the same opportunities for careers and management positions regardless of gender. We want employees to experience, and managers to deliver an open and open-minded culture where individuals can make the best use of their competencies, regardless of gender, age or religion. This is supported by our policy on "Equal opportunities" and is thus also included in our "succession planning".
To increase the representation of the underrepresented gender in other managerial positions 1-2, FedEx Europe have started to hold reoccurring webinars during the financial year for the underrepresented gender that will help to promote partnerships with gender-focused professional networks. Relevant people from FedEx Express Danmark ApS participated in this.
There were improvements in other managerial positions 1-2 in FedEx Danmark ApS in the current financial year. From last year we can see that we have increased by 3%, and most of this comes from level 3, where we have a surplus of the underrepresented gender in levels 1 and 2.
There were not enough changes in in other managerial positions 1-2 in FedEx Danmark ApS in the current financial year to meet target, but we aim to continue the trend and expect to be compliant in 2026.

Management commentary (continued)

Goals and policies for the underrepresented gender (continued)

Additional Management (continued)

Management level 1 - Nordic Management Board

50% men- 50% women (5 men and 5 women)

The Nordic management - the central governing body - is composed of the following positions in FedEx Express Danmark ApS:

• 1 MD operations - chair (male)
• 1 Legal (female)
• 1 FP&A (male)
• 1 Ramp & Gateway (male)
• 1 Commercial (female)
• 1 HR (female)
• 1 Sales (female)
• 1 Customer Experience (male)
• 1 P&E (male)
• 1 Comms (female)

The goal for differentiated composition of Nordic management is based on our long-standing policy on "Equal opportunities", which focuses on the fact that we do not discriminate on the basis of gender, age, religion or location in the organization. The change in management takes place to a large extent through "succession planning". We see a general division based more on interests than gender in the selection and it is more the function or role that is selected to sit in the Nordic management. We want employees to experience, and managers to deliver an open and open-minded culture where individuals can make the best use of their competencies, regardless of gender, age or religion. This is supported by our policy on "Equal opportunities" and is thus also included in our "succession planning". The members of the board are placed there according to the function they perform. The focus on a differentiated composition of the management is already established in level 3, which is why our primary objective is realized there.

Management commentary (continued)

Goals and policies for the underrepresented gender (continued)

Additional Management (continued)

Management Level 2 - Denmark

75% men- 25% women (12 men and 4 women)

Local management is functionally supported by the following positions within FedEx. The Danish management - the supreme governing body - is composed of the following positions in FedEx Danmark ApS:

• 1 Special Service Manager (man)
• 2 Sales Manager (2 men)
• 5 Operations Manager (3 men, 2 woman)
• 1 Customer Experience manager (woman)
• 2 Ramp (2 men)
• 5 Other (4 men, 1 woman)

The goal for a differentiated composition of day-to-day management in Denmark is founded in level 3. This includes everyone experiencing the same opportunities for careers and management positions regardless of gender.
We see a general division, based more on interests than on gender, in the selection. We want employees to experience, and managers to deliver an open and open-minded culture where individuals can make the best use of their competencies, regardless of gender, age or religion. This is supported by our policy on "Equal opportunities" and is thus also included in our "succession planning".

Management commentary (continued)

Goals and policies for the underrepresented gender (continued)

Additional Management (continued)

Management level 3 - Denmark
33% men - 67% women (6 men and 12 women)

FedEx's objective for differentiated management is founded here in Level 3, with the desire about a close balance of 50% women and 50% men. We will continuously focus on balance, and there is no inappropriate slippage indicating that there is no equal opportunity for men and women in relationship to making a career or becoming a manager in FedEx Express Denmark APS. Based on the above, we know that recruitment, internal as well as external, emphasize on professional competencies taking into consideration gender balance.
The goal of a differentiated composition of our supervisors and management is that everyone experiences that they have the equal opportunities for career and management positions regardless of gender. "Equal opportunities" is a concept we use, and have used for many years, to ensure that we do not make a difference due to gender, age, religion and location in organization.
We see a general division based more on interests than on gender in selection. We want employees to experience, and managers to deliver an open and open-minded culture where individuals can take advantage his competencies in the best possible way, regardless of gender, age or religion. In FedEx 's management training, there is no gender segregation and everyone is invited to participate. At FedEx, it is the positions and the person who are invited to sit in the Nordic management, regardless of gender, age, religion.

The local management is composed of the following positions in FedEx Express Danmark ApS:

• 9 OPS Supervisor (4 women 5 man)
• 2 Ramp Supervisors (1 woman 1 man)
• 1 Inside Sales Supervisor (woman)
• 4 CE Supervisors (4 women)
• 2 GTS Supervisors (2 women)

Starting in 2019, TNT employee surveys will be conducted in partnership with FedEx, also providing feedback on fairness and equality.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Financial highlights

	2023/24 mio.kr.	2022/23 mio.kr.	2021/22 mio.kr.	2020/21 mio.kr.	2019/20 mio.kr.
Key figures					
Revenue	596.0	392.4	492.9	512.8	579.1
Gross margin	202.4	128.4	143.0	130.2	157.9
Operating profit	17.1	18.5	23.0	(3.8)	27.7
Profit/loss from net financials	(1.8)	0.2	(0.8)	(1.1)	(0.5)
Profit/loss for the year	9.7	9.4	22.9	(3.8)	20.8
Balance sheet total	390.3	159.2	162.3	154.9	175.9
Investments in fixed assets	29.5	2.3	1.2	1.1	4.2
Equity	269.7	85.2	75.9	52.9	56.8
Financial ratios					
Operating margin (%)	2.9	4.7	4.7	(0.7)	4.8
Gross margin (%)	34.0	32.7	29.0	25.4	27.4
ROI (%)	4.4	11.6	14.1	(2.4)	15.8
Equity share (solvency)	69.1	53.5	46.5	33.3	32.3
Return on equity (%)	5.4	11.6	35.6	(7.0)	44.8

Reference is made to definitions and concepts under accounting policies

STATEMENT OF PROFIT OR LOSS

	Note	2023/2024	2022/2023
		t.kr.	**t.kr**
Revenue	2	596,008	392,415
Cost of sales		(342,968)	(220,339)
Other external expenses		(50,594)	(43,669)
Gross Margin		202,446	128,407
Staff costs	3	(174,794)	(108,386)
Amortisation and depreciation on tangible and intangible assets	4	(10,586)	(1,493)
Operating Profit		17,066	18,528
Financial income	5	2,849	434
Financial expenses	6	(4,621)	(214)
PROFIT BEFORE TAX		15,294	18,748
Tax for the year	7	(5,634)	(9,372)
PROFIT FOR THE YEAR		9,660	9,376

STATEMENT OF FINANCIAL POSITION

	Note	2023/2024 DKK000	2022/2023 DKK000
ASSETS			
Non-current assets			
Intangible assets	8		
Goodwill		51,797	0
		51,797	0
Property, plant and equipment	9		
Plant and machinery		18,860	1,794
Leasehold improvements		825	496
Vehicles		6,977	0
		26,662	2,290
Financial assets	10		
Deposits, investments		3,550	3,215
		3,550	3,215
Total non-current assets		82,009	5,505
Current assets			
Receivables			
Trade receivables		168,817	63,430
Receivables from group enterprises		129,978	74,055
Deferred tax asset	11	0	1,160
Other receivables		645	332
Prepayments	12	2,111	2,223
		301,551	141,200
Cash		6,722	12,499
Total current assets		308,273	153,699
TOTAL ASSETS		390,282	159,204

STATEMENT OF FINANCIAL POSITION

	Note	2023/2024 DKK000	2022/2023 DKK000
Equity and liabilities			
Equity			
Share capital	13	1,500	1,500
Retained earnings		268,201	83,740
Equity holders' share of equity		269,701	85,240
Total equity		269,701	85,240
Non-current liabilities			
Deferred tax	11	137	0
Other provisions	14	0	2,677
Total non-current liabilities		137	2,677
Current liabilities			
Trade payables		46,249	33,553
Payables to group enterprises		4,595	11,403
Corporation tax		3,791	5,423
Other payables		65,809	16,853
Accrued charges		0	4,055
Total current liabilities		120,444	71,287
Total liabilities		120,581	73,964
Total equity and liabilities		390,282	159,204

Other Notes

15. Information on other events not included in the balance sheet
16. Related Parties / Group relationship
17. Profit availability
18. Fees paid to auditors
19. Contingent liabilities
20. Events after the balance sheet date

STATEMENT OF CHANGES IN EQUITY

31 May 2024

	Note	Share Capital DKK000	Retained earnings DKK000	Total DKK000
Equity at 1 June 2023		1,500	83,740	85,240
Contribution from group	16	0	174,802	174,802
Result for the year	17	0	9,660	9,660
Equity at 31 May 2024		1,500	268,202	269,702

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The annual report of FedEx Express Danmark ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities. There is no change in practice.

Group relationship

Please refer to the 2024 Annual Report of FedEx Corporation Services Inc.:
http://investors.fedex.com/financial-information/annual-reports/default.aspx

In line with the worldwide integration and corporate simplification activities within the Group, on 1 October 2023 Federal Express Corporation, filial af Federal Express Corporation, USA, a Group company, transferred its business and assets to the Company for a consideration of m.kr 174,802. The transaction is under common control, and has been completed via an Asset Deal.

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

1.1 Financial statements

(a) General recognition and measurement

Assets are recognised in the balance sheet when, as a result of a past event, future economic benefits are likely to accrue to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when, as a result of a past event, the company has a legal or factual obligation and it is likely that future economic benefits will accrue to the company and the value of the liability can be reliably measured.

1. Accounting policies (continued)

1.1 Financial statements (continued)

(a) General recognition and measurement (continued)

At initial recognition, assets and liabilities are measured at cost. Measurement after initial recognition is done as described for each accounting item below.

Recognition and measurement shall take into account foreseeable risks and losses that occur before the annual report is presented and that confirm or refute conditions that existed at the balance sheet date.

The profit and loss account recognizes income as it is earned, while expenses are recognized with the amounts relating to the financial year.

(b) Foreign currency translation

The annual accounts are presented in DKK. Transactions in foreign currency are converted at the rate of the day of the transaction upon first recognition. Receivables, payables and other monetary items denominated in foreign currency which have not been settled at the balance sheet date are translated at the balance sheet date's exchange rate. Exchange differences arising between the exchange rate of the transaction date and the exchange rate on the date of payment and the balance sheet date, respectively, are recognised in the profit and loss account as financial items. Tangible and intangible fixed assets, inventories and other non monetary assets purchased in foreign currency are translated at historical rates.

1.2 Income statement

(a) Revenue

Net sales are recognised in the profit and loss account when the criteria for the sale of the services are met, including that execution has taken place before the end of the financial year, that the amount can be reliably calculated and is expected to be received. Net sales are recognised net of VAT and taxes levied on behalf of third parties in connection with the sale and are measured at the fair value of the determined consideration. All kinds of discounts are recognized in net sales.

(b) Direct costs

Direct costs include costs that are directly and indirectly attributed to revenue for the year.

(c) Other external costs

Other external costs include administrative costs, other operating costs of the company's leased buildings, marketing and office costs.

(d) Personnel costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

1. Accounting policies (continued)

(d) Personnel costs (continued)

(e) Depreciation

Depreciation and amortization for the year includes depreciation and amortization of intangible and tangible fixed assets.

(f) Financial income and expenses

Financial items include interest income and expenses, the interest part of financial leases and realised and unrealised exchange gains and losses on liabilities and transactions denominated in foreign currency.

(g) Tax for the year

The tax for the year, which consists of the current tax for the year and the change in deferred tax, is recognised in the income statement with the part attributable to the profit for the year and directly on equity with the part attributable to entries directly on equity.

Current tax liabilities or receivable current tax are recognised in the balance sheet calculated as imputed tax on taxable income for the year, adjusted for tax paid on account.

Deferred tax is recognised by all temporary differences between the carrying and tax values of assets and liabilities, where the tax value of the assets is calculated on the basis of the planned use of each asset.

Deferred tax assets, including the tax value of carry-forward tax losses, are recognised in the balance sheet at the value at which the asset is expected to materialise, either by offsetting deferred tax liabilities or as net tax assets.

1.3 Balance sheet

(a) Intangible fixed assets

Intangible fixed assets are recognised at cost less accumulated depreciation. Intangible fixed assets are depreciated on the straight-line basis over the expected useful life of the assets of 3 to 8 years, Goodwill is depreciated over 7 years.

(b) Tangible fixed assets

The fitting-out of rented premises and other plant, equipment and furniture shall be measured at cost less accumulated depreciation and amortisation. The company carries out an annual reassessment of the scratch values as well as the expected life of the assets.

The cost includes the purchase price, costs directly associated with the acquisition, and costs for preparing the asset up to the time when the asset is ready for use.

1. Accounting policies (continued)

(b) Tangible fixed assets (continued)

The depreciation basis is cost less expected residual value after completion of useful life. Depreciation on a straight-line basis shall be made based on the following assessment of the expected useful lives of assets:

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	37 years
Leasehold improvements	5-20 years
Office equipment	10 years
Vehicles	7-10 years
Inventory	5-10 years
Telecom equipment	5-10 years
Electric equipment	5 years
Ground support equipment	3-12 years
Hardware equipment	3-7 years

Tangible fixed assets shall be depreciated at recoverable value if this is less than their carrying amount.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Profit or loss is recognised in the profit and loss account under other operating items.

(c) Receivables

Receivables are measured at amortised cost, less write-downs to offset expected losses.

The company has chosen IFRS 9 as an interpretative contribution for the write-down of financial receivables.

Receivables are measured at amortized cost. Impairment charges to offset losses are made according to the simplified expected credit loss model, after which the total loss is recognised immediately in the profit and loss account at the same time as the receivable is recognised in the balance sheet based on the expected loss over the total life of the receivable.

The write-down is calculated on the basis of the expected loss ratio, which is calculated for the financial assets. The loss ratio is calculated on the basis of historical data adjusted for estimates of the effect of expected changes in relevant parameters such as economic developments, political risks, etc. in the market in question.

1. Accounting policies (continued)

(c) Receivables (continued)

For intragroup receivables, write-downs are made in accordance with the specific method, where the write-down is calculated in relation to the expected loss in a 12-month period compared to the simplified method (expected losses).

For unbilled revenue, accruals are being calculated based on the information in the operational and billing system at each month end.

(d) Prepayments

Prepayments recognised under assets include costs paid that relate to future financial years.

(e) Dividend

Dividends are recognised as a debt obligation at the time of adoption at the general meeting. The proposed dividend for the financial year is shown as a separate item under equity.

(f) Other provisions

Other provisions include expected claims, which are assessed individually and set aside under provisions in the balance sheet.

(g) Other payables

Other payables are measured at amortised cost price, which usually corresponds to nominal value.

(h) Leases

Leases in which the company does not have all the material benefits and risks associated with ownership are operating leases. Services related to operating leases and other leases are recognised in the profit and loss account over the term of the contract. The company's total obligations in respect of operating leases and leases are disclosed under contingent liabilities.

1.4 Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the company, as the company's cash flows are included in the cash flow statement for the group. Please refer to FedEx Corporation Services Inc. Annual Report 2024:

http://investors.fedex.com/financial-information/annual-reports/default.aspx

1.5 Segment information

Management is of the opinion that information in accordance with section 96 of the Danish Financial Statements Act on the division of activities and geographical areas will generate competitive unwarranted attention, with the risk of The information will contribute to the decision-making of competing companies and thus cause material harm to the company. As a result, the company chooses according to Section 96 of the Danish Financial Statements Act does not disclose the information.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

1.6 Key figures and ratios

Key figures are defined and calculated according to accounting policies.

(a) KPI Calculation formula

Operating margin (%) = (Operating profit x 100) / Net sales
Gross margin = (Gross profit x 100) / Net sales
Return on investment (%) = (Operating profit x 100) / Assets at end
Share of equity = (Equity at end x 100) / Total liabilities, end of year
Return on equity (%) = (Profit for the year x 100) / Avg. equity

NOTES TO THE FINANCIAL STATEMENTS

2. Revenue

Management is of the opinion that information in accordance with Section 96 of the Danish Financial Statements Act on the division of activities and geographical areas will generate competitively undesirable attention, with the risk that the information will contribute to the strategic decision-making of competing companies and thus cause significant harm to the company. As a result, pursuant to Section 96 of the Danish Financial Statements Act, the company chooses not to publish this information.

3. Staff costs

	2023/2024 DKK000	2022/2023 DKK000
Wages and salaries	158,966	98,685
Pensions	16,241	9,090
Other social security costs	(413)	611
	174,794	108,386
Average number of full-time employees	315	206

The remuneration of the Company's Board of Directors and Executive Management for 2023/24 was 1,005 t.kr.

The remuneration to the Executive Board contains an allocated part of the management fees that is attributable to the services provided by the directors.

No Board member fees have been paid.

4. Amortisation and depreciation

	2023/2024 DKK000	2022/2023 DKK000
Depreciation Tangible assets	5,134	1,493
Amortisation Intangible assets	5,452	0
	10,586	1,493

5. Financial income

	2023/2024 DKK000	2022/2023 DKK000
Interest income from group enterprises	2,553	351
Exchange rate adjustments	296	83
	2,849	434

6. Financial expenses

	2023/2024 DKK000	2022/2023 DKK000
Exchange rate adjustments	232	207
Other financial costs	4,389	7
	4,621	214

7. Tax for the year

	2023/2024 DKK000	2022/2023 DKK000
Tax for the year		
Current tax charge for the year	(4,238)	(4,554)
Correction of previous year result	(100)	(5,237)
Change in deferred tax	(1,296)	419
	(5,634)	(9,372)

8. Intangible assets

8.1 Goodwill

The Company's investment in the sister company is considered to be strategically important to the Company. The economic life of goodwill has been set at 7 years.

8. Intangible assets (continued)

31 May
2023/2024

	Goodwill DKK000
Additions on corporate acquisition	57,249
Cost at 31 May 2024	57,249
Amortisation for the year	(5,452)
Amortisation at 31 May 2024	(5,452)
Carrying amount at 31 May 2024	51,797

9. Property, plant and equipment

31 May
2023/2024 DKK000

	Plant and machinery DKK000	Leasehold improvements DKK000	Vehicles DKK000	Total
Cost at 1 June 2023	9,899	4,802	0	14,701
Additions	20,785	694	8,027	29,506
Disposals	(3,775)	0	0	(3,775)
Cost at 31 May 2024	26,909	5,496	8,027	40,432
Depreciation at 1 June 2023	(8,105)	(4,306)	0	(12,411)
Depreciation	(3,719)	(365)	(1,050)	(5,134)
Disposals	3,775	0	0	3,775
Depreciation at 31 May 2024	(8,049)	(4,671)	(1,050)	(13,770)
Carrying amount at 31 May 2024	18,860	825	6,977	26,662

10. Financial assets

	Deposits DKK000
Cost at 1 June 2023	3,215
Additions	335
Cost at 31 May 2024	3,550
Value adjustments at 31 May 2024	0
Carrying amount at 31 May 2024	3,550

11. Deferred tax

	2023/2024 DKK000	**2022/2023 DKK000**
The deferred tax charge relates to:		
Fixed assets	(41)	819
Receivables and debts	(96)	341
	(137)	1,160

12. Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

13. Share capital

The share capital consists of 1,500 shares of DKK 1,000 each.

14. Other provisions

	2023/2024 DKK000	**2022/2023 DKK000**
Provision for commitment	0	2,677
Other provisions at 31 May	0	2,677

14. Other provisions (continued)

15. Information on other events not included in the balance sheet

	2023/2024 t.kr.	2022/2023 t.kr
Rental and leasing obligations		
Operating funds, 0-1 year	2,309	1,501
Operating funds, 1-5 years	4,267	0
Premises, 0-1 years	16,801	6,345
Premises, 1-5 years	48,229	9,794
Premises, 5+ years	7,693	0
Total leasing obligations	**79,299**	**17,640**

16. Related parties / Group relationship

Related parties with a controlling influence on FedEx Express Danmark ApS:

FedEx Express International B.V, Taurusavenue 111, 3132 Hoofddorp, The Netherlands, which is a 100% owned parent company. The basis of controlling influence is capital ownership.

Transactions with other related parties:

As part of the FedEx Group, the companies in the Danish FedEx Group purchase a substantial part of their services from other FedEx companies.

In addition, some of the marketing and advertising initiatives as well as administrative routines in the Danish FedEx Group are coordinated in cooperation with the other FedEx companies.

16.1 Related party transactions

	2023/2024 DKK000	2022/2023 DKK000
Sale of services	412,647	393,555
Purchase of services	527,587	386,418
Receivables from group companies	129,978	74,055
Payables to group companies	4,595	11,403

16. Related parties / Group relationship (continued)

Receivables from affiliated companies t.kr. 59,879 relates to Cashpool.

Remuneration/fees to members of the Executive Board and the Board of Directors of the parent company are reflected in note 3.

Contribution from the group amounts to: t.kr 174,802

16.2 Group relationship

Related party with a controlling influence on FedEx Express Danmark ApS:

FedEx Express International B.V, Taurusavenue 111, 3132 Hoofddorp, The Netherlands.

The ultimate parent company of which FedEx Express Danmark ApS is a part is:

FedEx Corporate Services Inc.
942 South Shady Grove Road
Memphis, Tennessee 38120.

17. Profit availability

	2023/2024 DKK000	2022/2023 DKK000
Recommended appropriation of profit/loss	9,660	9,376
	9,660	9,376

18. Fees paid to auditors

	2023/2024 DKK000	2022/2023 DKK000
Fee for statutory audit	479	450
Fees for tax advisory services	63	66
Other services	37	35
	579	551

19 Contingent liabilities

The company is jointly taxed with other Danish companies in the FedEx Group. The Group's Danish companies are jointly and severally liable for tax on the Group's co-taxed income, etc. FedEx Express Danmark ApS is the management company in relation to the co-taxation. The Group's Danish companies are also jointly and severally liable for Danish withholding taxes in the form of dividend tax, royalty tax and interest tax. Any subsequent corrections to corporation taxes and withholding taxes may result in the company's liability amounting to a higher amount.

A related branch of the company has received a letter from the tax authorities regarding a potential customs case, which might affect FedEx Express Denmark ApS, as the branch is expected to be liquidated in 2025. Management is unable to assess the size of the customs amounts or the potential fine and the cases are not expected to be addressed for another two years.

20. Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.