

Loomis Danmark A/S

Litauen Alle 1, 2630 Taastrup

Annual report for 2022

CVR-no. 10 08 23 66

The Annual report was presented and adopted at the Annual General Meeting of the Company on 19th of June 2023

Lars-Henrik Bjerregård
Chairman of the General Meeting

Managing **cash** in society



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today considered and approved the annual report of Loomis Danmark A/S for the financial year 01.01.2022 - 31.12.2022

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 19th of June 2023

Executive Board

Anette Furbo

Board of Directors

Kristian Aceby
Chairman

Karin Stålhandske

Anette Furbo

Tom Christensen
Employee representative

Tina Kruse Hansen
Employee representative

Independent auditors' report

To the shareholder of Loomis Danmark A/S

Opinion

We have audited the financial statements of Loomis Danmark A/S for the financial year 01.01.2022 - 31.12.2022 which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis of 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 this auditor's report. We are independent of the Entity 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 responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 19th of June 2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR no. 3396 3556

Christian Sanderhage
State Authorised Public Accountant
MNE-no. mne23347

Entity details

Entity details

Loomis Danmark A/S
Litauen Alle 1
2630 Taastrup
Phone: 70 26 42 42
E mail: kundeservice@loomis.com
Website: www.loomis.dk

CVR no.: 10 08 23 66
Financial year: 1. January - 31. December
Registered office: Høje Taastrup

Board of Directors

Kristian Aceby, Chairman
Karin Stålhandske
Anette Furbo
Tom Christensen (employee representative)
Tina Kruse Hansen (employee representative)

Executive Board

Anette Furbo

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S, Denmark

Financial Highlights and key figures

Over a 5 year period the development of the Company can be described by the following key figures:

	<u>2022</u> TDKK	<u>2021</u> TDKK	<u>2020</u> TDKK	<u>2019</u> TDKK	<u>2018</u> TDKK
Key figures					
Income statement					
Gross profit	120.054	120.865	182.670	232.168	257.594
Profit before financial items	-20.594	-19.416	9.327	55.193	50.348
Financial items	-7.900	-7.202	-5.663	-6.864	-10.796
Profit for the year	-21.369	-19.559	3.394	39.995	31.313
Balance sheet					
Total assets	616.326	601.164	829.294	768.313	1.736.689
Equity	87.766	144.134	163.694	160.300	155.305
Investment in Fixed assets	15.728	14.185	18.530	23.686	23.993
Average number of employees	225	246	268	313	364
Financial ratios					
Gross margin	59%	60%	70%	69%	69%
EBIT margin	-10%	-10%	4%	16%	14%
Return on Assets	-3,3%	-3,2%	1,1%	7,3%	2,9%
Solvency ratio	14,2%	23,7%	19,7%	21,2%	9,0%
Return on Equity	-17,0%	-13,1%	2,1%	25,3%	21,4%

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Main activities

Primary activities

Loomis Danmark A/S primary activities are management of cash (notes and coins) and related services for financial institutions and corporate customers as well activities within electronic payments, international transports of valuables and deployment of Loomis branded ATMs.

Loomis Danmark A/S is a subsidiary of Loomis AB.

Development in activities and finances

Loomis Danmark A/S was in the beginning of 2022 still affected by COVID-19 due to lock-downs in the first months of the year and low tourism activity in the winter and spring. In the second half of the year, we have seen a rebound in the cash usage and the demand for cash in foreign currencies has increased significantly.

During 2022 Loomis Danmark A/S has intensified the effort within the Loomis Pay segment which in the short run has a negative effect on Loomis Danmark A/S' financial results. Loomis Pay is selling electronic payments solutions for retail customers on behalf of the company Loomis Digital Solutions AB.

The rapidly increasing inflation during most of 2022 has had a negative impact on Loomis Danmark A/S' result as prices for most customers are adjusted only once every year. Also, the high energy prices in most of the year has had a significant negative impact on the result.

Loomis Danmark A/S has during 2022 continued the strong focus on efficiency and optimization of business processes with the intention to reduce costs. During 2022 these efforts have been focusing on external purchases, insourcing of activities and renegotiation of supplier agreements. At the same time, the number of employees has been reduced despite the average level of activity has remained almost unchanged. The average number of full-time employees were reduced from 246 in 2021 to 225 in 2022. At the end of 2022 the number of full-time employees amount to 233 versus 232 at the end of 2021. The increase compared to the average figure is caused by the intensified focus on Loomis Pay as well as strengthening of control functions.

Management considers the Net result of -21,3 mill DKK in 2022 (-19.6 mill DKK in 2021), to be unsatisfactory and the result is expected to improve in the future.

The Equity as of 31st of December 2022 amounts to 87.7 mill DKK versus 144.1 mill DKK at the end of 2021.

Profit/loss for the year in relation to expected developments

The net profit for 2022 was expected to be positive, but due to the development in the financial and political climate in Europe and the effects of the high inflation in Denmark, these expectations was not met.

Outlook

Loomis Danmark A/S will continue to focus on servicing the Danish society with cash and offering Danish customers security services like cash transports, counting and delivery at a high quality level accompanied by solutions to meet the customers' demand for handling of electronic payments, cash FX and transportation of other valuables.

2023 will continue to be affected by optimization of the company's processes and systems as well as development of new solutions to the benefit of our customers through a stronger service quality and a broader product range. Loomis Danmark A/S expects to attract new customers and expand business with existing customers by offering competitive and innovative solutions.

2023 will also continue to be characterized by competition on the market for cash handling in Denmark. An increasing share of Net Revenue will originate from areas outside the traditional cash handling business. Loomis Pay will continue to have a negative effect on Loomis Danmark A/S' result in 2023.

In order to facilitate a profitable growth in the business, Loomis Danmark A/S has applied for a Payment Institution License. The license is expected to be obtained in 2023.

Loomis Danmark A/S expects an improved Net Profit close to zero through profitable growth in market share. The estimates are however subject to uncertainty due to developments in the financial and political climate in Denmark and Europe.

Use of financial instruments

Market risks

The Danish market for cash handling services has decreased in recent years. Loomis Danmark A/S is continuously working on adjusting the cost base and capacity to the market development. Furthermore, investments in new business lines are intensified. Loomis Danmark A/S has a strong market position and is therefore well prepared for the market challenges in the years to come.

Value risks

Loomis Danmark A/S' activities within purchase and sale of cash notes and coins implies a limited exposure to exchange rate fluctuations on cash holdings. The cash depot is however constantly monitored and kept as low as possible. There are no speculative exchange rate positions.

Financial risks

Loomis Danmark A/S is in a cash pool arrangement with the parent company Loomis AB, which ensures cash for its operations.

Research and development activities

Loomis is working locally as well as globally on the development of logistics processes and customer systems to enhance cash management for the company's customers.

Environmental performance

We refer to the Group Sustainability Report of Loomis AB. The report is available at this address: <https://vp274.alertir.com/afw/files/press/loomis/202204055622-1.pdf>

Uncertainty relating to recognition and measurement

Deferred Tax is recognized to the extent that it is expected to be off set against income within 5 years. As the recognition is based on future estimates, it is associated with uncertainty.

On August 30 2021 the Maritime and Commercial Court issued an appealable decision against Loomis. As previously reported, in 2018 a competitor filed a lawsuit against Loomis Danmark A/S and Loomis Teknik A/S relating to alleged competition law infringements in the Danish market. The decision relates to practices applied and agreements entered into between 2014 and 2016. Loomis has appealed the decision to the Eastern High Court since Loomis is of the firm opinion that Loomis has acted in compliance with relevant laws. The main hearing regarding the appeal process is going to take place in the end of February 2024. The Maritime and Commercial Court has in its decision not considered the question of damages as this is only expected to be addressed in a separate process after the appeal process has been finalized. The competitor's total claim is DKK 227 million plus interest. Loomis is not reporting any provision in the balance sheet for this case as the criteria for provisions are not considered to be met.

Unusual conditions

The Company's assets, liabilities and financial position as of 31st of December 2022 is not influenced by unusual conditions.

Income statement 1. January – 31. December

	Note	2022 DKK	2021 DKK
Gross profit/loss		120.053.729	120.864.601
Staff costs	1	-111.222.987	-110.677.326
Depreciation, amortization and impairment losses	2	<u>-29.424.706</u>	<u>-29.603.410</u>
Operating profit/loss		-20.593.964	-19.416.135
Income from investments in group enterprises	9	4.067.001	6.701.866
Other financial income	3	648.307	526.742
Other financial expenses	4	<u>-8.478.440</u>	<u>-7.728.737</u>
Profit before tax		-24.357.096	-19.916.264
Tax on profit/loss for the year	5	<u>2.988.493</u>	<u>356.408</u>
Profit for the year	6	<u>-21.368.603</u>	<u>-19.559.856</u>

Balance sheet 31. December

Assets	Note	2022	2021
		DKK	DKK
Acquired licenses		6.272.443	6.582.137
Acquired rights		1.852.771	3.924.985
Goodwill		858.672	2.436.723
Development projects in progress		0	3.366.696
Intangible assets	7	8.983.886	16.310.541
Plant and machinery		53.627.522	68.779.301
Leasehold improvements		2.665.295	3.031.293
Property, plant and equipment	8	56.292.817	71.810.594
Investments in group enterprises	9	140.471.865	136.404.864
Deposits	10	1.926.829	1.824.449
Deferred tax	11	7.698.357	4.768.885
Financial Assets		150.097.051	142.998.198
Long-term assets		215.373.754	231.119.333
Inventory		3.323.939	0
Trade receivables		33.445.150	28.660.733
Receivables from group enterprises		21.896.164	23.425.750
Tax receivables		4.127.823	4.125.123
Other receivables		11.714.993	21.835.157
Prepayments	12	4.420.074	3.595.859
Receivables		75.604.204	81.642.622
Cash	13	322.024.494	288.402.221
Short-term assets		400.952.637	370.044.843
Assets		616.326.391	601.164.176

Balance sheet 31. December

Liabilities

	Note	2022	2021
		DKK	DKK
Share Capital		2.000.000	2.000.000
Retain earnings	6	83.889.931	104.508.242
Reserve for development projects		1.875.731	2.626.023
Proposed dividend	6	<u>0</u>	<u>35.000.000</u>
Equity		<u>87.765.662</u>	<u>144.134.265</u>
Lease liabilities	14	<u>1.909.319</u>	<u>2.254.432</u>
Non-current liabilities		<u>1.909.319</u>	<u>2.254.432</u>
Credit institutions		230.697.462	78.603.056
Lease liabilities	14	1.016.412	8.693.500
Prepayments received from customers	15	47.858.799	140.870.835
Trade Payables		49.421.544	49.599.444
Payables to group enterprises	16	186.120.975	151.436.597
Tax payables		0	0
Other payables		<u>11.536.218</u>	<u>25.572.047</u>
Current liabilities		<u>526.651.410</u>	<u>454.775.479</u>
Total liabilities		<u>528.560.729</u>	<u>457.029.911</u>
Total equity and liabilities		<u>616.326.391</u>	<u>601.164.176</u>
Proposed distribution of profit and loss	6		
Contingent liabilities and other economic liabilities	17		
Group relations and owner relationship	18		
Non-arm's length related party transactions	19		
Accounting policies	20		

Statement of changes in equity

	Share capital	Reserve for development projects	Proposed dividend	Retained earnings	Total equity
Equity at 1 st of January 2022	2.000.000	2.626.023	35.000.000	104.508.242	144.134.265
Profit for the year	0	0	0	-21.368.603	-21.368.603
Other Comprehensive income, net of tax	0	-750.292	0	750.292	0
Paid Dividend	0	0	-35.000.000	0	-35.000.000
Equity 31st of December 2022	<u>2.000.000</u>	<u>1.875.731</u>	<u>0</u>	<u>83.889.931</u>	<u>87.765.662</u>

Notes to the financial statement

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1. Staff costs		
Wages and salaries	102.298.200	99.884.807
Pension costs	6.687.401	8.190.821
Other social security costs	<u>2.237.386</u>	<u>2.601.698</u>
	<u>111.222.987</u>	<u>110.677.326</u>
Average number of employees	<u>225</u>	<u>246</u>
With reference to the Financial Statements Act § 98 B para. 3, the remuneration of the Executive Board is not stated.		
2. Depreciations intangibles and fixed tangibles assets		
Depreciations intangibles assets	7.566.638	7.490.565
Depreciations fixed tangibles assets	19.955.659	24.755.792
Profit/loss from sale of intangible assets and property, plant and equipment	<u>1.902.410</u>	<u>-2.642.947</u>
	<u>29.424.706</u>	<u>29.603.410</u>

Notes to the financial statement

	<u>2022</u>	<u>2021</u>
	DKK	DKK
3. Other financial income		
Interest income from subsidiary companies	540.063	526.742
Other financial interest	<u>108.244</u>	<u>0</u>
	<u>648.307</u>	<u>526.742</u>
4. Other financial expenses		
Interest expenses from subsidiary companies	2.062.414	571.491
Other financial expenses	5.974.494	6.710.517
Exchange rate losses on bank balance	<u>441.532</u>	<u>446.729</u>
	<u>8.478.440</u>	<u>7.728.737</u>
5. Tax recognized in the income statement		
Current tax on profit for the year	0	0
Adjustment for deferred tax	-6.150.460	-438.576
Joint tax expenses	-59.021	-4.125.123
Adjustment for current tax of prior periods	<u>3.220.989</u>	<u>4.207.291</u>
	<u>-2.988.493</u>	<u>-356.408</u>
6. Proposed distribution of profit and loss		
Retained earnings	-22.388.895	-71.500.584
Other comprehensive income, net of tax	750.292	750.292
Dividend	<u>0</u>	<u>35.000.000</u>
	<u>-21.368.603</u>	<u>-19.559.856</u>

Notes to the financial statement

7. Intangible assets

	<u>Acquired licenses</u>	<u>Development projects</u>	<u>Acquired Rights</u>	<u>Goodwill</u>
Costs 1 st of January	18.438.464	4.809.566	8.924.858	11.050.000
Additions	2.644.763	0	0	0
Disposal	0	-4.809.566	0	0
Costs 31 st of December	<u>21.083.227</u>	<u>0</u>	<u>8.924.858</u>	<u>11.050.000</u>
Amortisation and impairment losses 1. January	11.856.327	1.442.870	4.999.873	8.613.277
Amortisation	2.954.457	961.913	2.072.216	1.578.051
Reversal regarding disposals	0	-2.404.783	0	0
Amortisation and impairment losses 31 st of December	<u>14.810.784</u>	<u>0</u>	<u>7.072.088</u>	<u>10.191.328</u>
Carrying amount 31 st of December	<u>6.272.443</u>	<u>0</u>	<u>1.852.771</u>	<u>858.672</u>
Depreciations over	<u>5 year</u>	<u>5 year</u>	<u>7 year</u>	<u>7 year</u>

8. Fixed Tangible assets

	<u>Production and machinery</u>	<u>Leasehold improvements</u>
Costs 1 st of January	278.684.409	18.554.702
Additions	12.796.877	286.546
Disposal	-22.960.097	0
Costs 31 st of December	<u>268.521.188</u>	<u>18.841.248</u>
Amortization and impairment losses 1. January	209.905.108	15.523.409
Amortization	19.302.332	652.543
Reversal regarding disposals	-14.313.774	0
Amortization and impairment losses 31 st of December	<u>214.893.666</u>	<u>16.175.953</u>
Carrying amount 31 st of December	<u>53.627.522</u>	<u>2.665.295</u>
Depreciations over	<u>4-5 years</u>	<u>10 years</u>
Finance leases		<u>3.111.848</u>

Notes to the financial statement

	<u>2022</u>	<u>2021</u>
	DKK	DKK
9. Investments in Group subsidiaries		
Costs 1 st of January	141.800.000	144.148.093
Acquisition and capital injections	<u>0</u>	<u>-2.348.093</u>
Costs 31st of December	<u>141.800.000</u>	<u>141.800.000</u>
Impairment losses 1 st of January	-5.395.136	-12.096.999
Impairment losses	0	0
Reversal regarding disposals	0	552.077
Impairment gains	<u>4.067.001</u>	<u>6.149.789</u>
Impairment losses 31st of December	<u>-1.328.135</u>	<u>-5.395.136</u>
Carrying amount 31st of December	<u>140.471.865</u>	<u>136.404.864</u>
Subsidiaries:		
	Home	Equity
Name		interest
Loomis Teknik A/S	Taastrup	100%
		2022
		Dkk
10. Financial Assets		<u>Deposit</u>
Costs 1 st of January		1.824.449
Additions		<u>102.380</u>
Costs 31 st of December		<u>1.926.829</u>
Carrying amount 31st of December		<u>1.926.829</u>
	<u>2022</u>	<u>2021</u>
	DKK	DKK
11. Deferred tax		
Intangible assets	89.944	-1.521.920
Fixed Tangible assets	5.191.238	1.363.375
Finance Lease	-40.946	2.408.545
Bad debt	127.168	188.667
Tax loss carryforward	<u>2.330.952</u>	<u>2.330.218</u>
Deferred tax	<u>7.698.356</u>	<u>4.768.885</u>

Notes to the financial statement

	<u>2022</u>	<u>2021</u>
	DKK	DKK
11.. Deferred tax		
Deferred tax, 1 st of January	4.768.885	8.448.116
Recognised in the income statement	<u>2.929.471</u>	<u>-3.678.231</u>
Deferred tax, 31st of December	<u>7.698.356</u>	<u>4.768.885</u>

12. Prepaid costs and accrued income

Prepaid Costs and accrued income are related to prepaid costs for rent, insurance interest etc.

13. Cash and Bank

Cash and bank	173.129.529	157.448.573
Cash holdings for sale	<u>148.894.965</u>	<u>139.226.810</u>
Cash and bank	<u>322.024.494</u>	<u>296.675.383</u>

14. Long-term debt

Installments due within 1 year are entered under current liabilities. Other liabilities are recognized under non-current liabilities

The liability obligations fall due in the following order:

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Finance leases liability		
Between 1 and 5 year	1.909.319	2.254.432
Within 1 year	<u>1.016.412</u>	<u>8.693.500</u>
	<u>2.925.731</u>	<u>10.947.933</u>

Notes to the financial statement

15. Prepayments from customers

Prepayments from costumers is related to invoicing revenue related to next year

16. Sharecapital

	<u>Number</u>	<u>Par Value</u>	<u>Nominal Value Dkk</u>
Shares	2.000	1.000	2.000.000

17. Payables to group enterprises

Amounts owed to affiliated undertakings consist of funds held in a cash pooling arrangement and intercompany balance. No maturity date has been set for the intercompany balances. The cash pooling arrangement operates as a cash holding and it is therefore not possible to determine how much will be settled after one year.

18. Contingent liabilities and other economic liabilities

	<u>2022</u>	<u>2021</u>
Rent- and leases liabilities	DKK	DKK
Rent obligation, non-notice period up til 60 month		
Referral obligation related to financial leases:		
Expected value at contract end	5.239.436	6.567.306
Rent obligation, non-notice period up til 31 month	11.817.664	22.760.433

Other economic liabilities

On August 30 the Maritime and Commercial Court issued an appealable decision against Loomis. As previously reported, in 2018 a competitor filed a lawsuit against Loomis Danmark A/S and Loomis Teknik A/S relating to alleged competition law infringements in the Danish market. The decision relates to practices applied and agreements entered into between 2014 and 2016. Loomis has appealed the decision since Loomis is of the firm opinion that Loomis has acted in compliance with relevant laws. The court has in its decision not considered the question of damages as this is only expected to be addressed in a separate process after the appeal process has been finalized. The competitor´s total claim is DKK 227 million plus interest. Loomis is not reporting any provision in the balance sheet for this case as the criteria for provisions are not considered to be met.

The Group's Danish subsidiaries are jointly liable for tax of the corporation tax in the joint taxation unit. The total amount of corporation tax liability is DKK 0. Furthermore, the Group's Danish subsidiaries are jointly liable for withholding tax on dividends, interests and royalties. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail that the companies' liability may increase.

Notes to the financial statement

18. Group relations and owner relationship

Deciding influence

Loomis AB

Related parties with controlling interest

The Company is a part of the consolidated financial statement within the parent company Loomis AB, Stockholm, Sweden.

The consolidated annual report for Loomis AB can be required on following address:

Loomis AB
P.O. Box 702
SE-101 33 Stockholm
Sweden

19. Non-arm ´s length related party transactions

Only related party transactions not conducted on an arm ´s length basis is disclosed in the annual report.

No such transactions have been conducted in the financial year.

Notes to the financial statement

20. Accounting policies

The annual report for Loomis Denmark A/S has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (Medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Annual accounts have been presented in DKK.

Business combinations

The uniting-of-interests method is applied on mergers where the enterprises concerned are controlled by the Parent under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Consolidated Financial statements

Referring to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Loomis AB, no consolidated financial statements have been prepared.

Cash-flow

Referring to section 86 subsection 4 of the Financial Statements Act and to the cash flow statement in the consolidated financial statements of Loomis AB, no cash flow statement have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Notes to the financial statement

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. This is the case when;

- delivery has taken place before the end of the financial year,
- there is a binding sales agreement,
- the selling price is fixed, and
- the payment has been received or can be expected to be received with reasonable certainty.

Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Notes to the financial statement

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost plus revaluation and minus estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Notes to the financial statement

Plant and machinery 4-5 years

Leasehold improvements 10 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in subsidiaries

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value #plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivables are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years comprise of prepaid expenses relating to rent, insurance premiums, subscriptions and interest. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Notes to the financial statement

Equity

Dividends

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Financial highlights

Financial highlights definitions

Gross margin	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$
EBIT margin	$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$
Return on Assets	$\frac{\text{Operating profit/loss} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity end of year} \times 100}{\text{Total of assets ultimo}}$
Return on Equity	$\frac{\text{Profit/loss of the year} \times 100}{\text{Average equity}}$

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Lars-Henrik Bjerregård

Chairman of the General Meeting

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Anette Furbo

Board Member

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Anette Furbo

CEO

Serial number: 002d5409-2fdf-4486-a88a-75cad6d3227b

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Tom Christensen

Board Member

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KARIN STÅLHANDSKE

Board Member

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Tina Kruse Hansen

Board Member

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Eric Kristian Tobias Aceby

Chairman of the Board

Serial number: 19770921xxxx

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