
Loomis Danmark A/S

Litauen Alle 1, 2630 Taastrup

Annual report for 2021

CVR-no. 10 08 23 66

The Annual report was
presented and adopted at the
Annual General Meeting of
the Company on 20th of June
2022

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 01.01.2021 - 31.12.2021

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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, 23st of May 2022

Executive Board

Anette Furbo

Board of Directors

Kristian Aceby
Chairman

Geir Wulsch

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 01.01.2021 - 31.12.2021 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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, 23rd of May 2022

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

Geir Wulsch

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>2021</u> TDKK	<u>2020</u> TDKK	<u>2019</u> TDKK	<u>2018</u> TDKK	<u>2017</u> TDKK
Key figures					
Income statement					
Revenue	200.066	261.442	336.033	371.821	390.156
Operating result	120.865	182.670	232.168	257.594	249.972
Profit before financial items	-19.416	9.327	55.193	50.348	31.753
Financial items	-1.052	-5.663	-6.864	-10.796	-33.029
Profit for the year	-20.112	3.394	39.995	31.313	7.068
Balance sheet					
Total assets	609.437	829.294	768.313	1.736.689	1.245.362
Equity	143.582	163.694	160.300	155.305	136.992
Investment in Fixed assets	14.185	18.530	23.686	23.993	51.707
Average number of employees	246	268	313	364	403
Financial ratios					
Gross margin	60%	70%	69%	69%	64%
EBIT margin	-10%	4%	16%	14%	8%
Return on Capital Employed	-3,2%	1,1%	7,3%	2,9%	2,5%
Solvency ratio	23,7%	19,7%	21,2%	9,0%	11,0%
Return on Equity	-13,1%	2,1%	25,3%	21,4%	5,3%

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 also in 2021 strongly affected by COVID-19 restrictions in Denmark as our customers within the retail segment have been subject to severe restrictions during the year, and the restrictions have also had a negative spillover effect on cash usage in the society which in turn has reduced the financial institutions demand for cash handling services.

At the end of March 2021 a large customer terminated the contract with Loomis Danmark A/S which has had a significant impact on Net Revenue in 2021.

Loomis Danmark A/S has during 2021 continued the strong focus on efficiency and optimization of business processes with the intention to reduce costs and adjust the organization to the lower activity and revenue level. During Q1 2021 a number of employees were notified so that the average number of full-time employees were reduced from 281 in 2021 to 246 in 2022. At the end of 2021 the number of full-time employees amount to 232 versus 268 at the end of 2020.

During 2021 Loomis Danmark A/S has spent significant sales resources and gained satisfactory sales results on Loomis Pay, offering electronic payments solutions for retail customers through the company Loomis Digital Solutions AB. Steps have been taken to intensify these efforts in 2022.

In May 2021 Loomis Danmark A/S strengthened its position on the cash FX market with the acquisition of Jyske Bank's cash FX business.

Management considers the Net result of -19,5 mill DKK in 2021 (3.4 mill DKK in 2020), despite being significantly influenced by COVID-19, to be unsatisfactory.

The Equity as of 31st of December 2021 amounts to 144.1 mill DKK versus 163,7 mill DKK at the end of 2020.

Profit/loss for the year in relation to expected developments

2022 will 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 Danmark A/S expects a higher Net Revenue in 2022 and a positive Net Profit. The estimates are however subject to uncertainty due to developments in the financial and political climate in Europe as well as the long-time effects of COVID-19 on the behavior of consumers and corporate customers.

Main activities (Continued)

Risks

Market risks

The Danish market for cash handling services had 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.

Strategy and targets

Loomis 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.

2022 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.

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.

Statutory report on corporate social responsibility

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>

Statutory report on the underrepresented gender

The Board consist at present of 3 women and 3 men, whereof 2 members elected by the employees. The Company has focus on Gender Representation in the Board. The Board recommends that election of members to the Board is based on the candidates' competences and experience whereas the Board acknowledges the importance of diversity in Management and amongst employees.

The Company's Mangement team consisted at the end of 2021 of 6 members, whereof 1 woman. The Board has focus on the Gender Representation in the Management Team and recommends that employment of managerial employees is based on the candidates' competences and experience. The target is to at least keep the current share of female members of the Management team towards 2025.

The Board of Directors and the Management is focused on ensuring equal opportunities for both genders in the Group.

Main activities (Continued)

Data Ethics

Due to an increased digitalization of all processes in Loomis Danmark A/S, IT is a corner stone in the business. In the digitalization, data on employees, customers and suppliers are in focus. Loomis has an ongoing focus on securing the employees' awareness of data ethics, IT security and GDPR legislation through campaigns, internal systems and education.

At present, Loomis Danmark A/S does not have a policy for Data Ethics.

IT Security

Loomis Danmark A/S is working purposefully with IT security and handling of sensitive personal information about customers, employees and other stake holders.

Important data are constantly protected against unauthorized and illegal storage, handling, access or publication. We have done an assessment of which employees must have access to which data and customized data access accordingly.

Loomis Danmark A/S has also in 2021 strengthened the IT security organization through a significant strengthening of the global IT security organization in the Loomis Group and in 2022 we will continue to improve the level of IT security by working with employees, internal processes and the implemented technological platforms in Loomis Danmark A/S.

Data protection / GDPR

Loomis Danmark A/S' Compliance function is constantly working with managers in all parts of the company in securing that personal data is safeguarded and we comply with the Data Protection Regulation (GDPR). We secure that a complete overview of personal data is updated, that Data Processing Agreements are in place and updated and that any breach is reported to the Data Inspectorate ("Datatilsynet").

Loomis Danmark A/S has implemented a specific policy for personal data specifying the handling of personal data in Loomis Danmark A/S.

Uncertainty relating to recognition and measurement

Recognition of Deferred Tax is subject to uncertainty.

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 228 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 2021 is not influenced by unusual conditions.

Events after the balance sheet date

No events with significant influence on the content of the Annual Report have occurred after the balance sheet date.

Income statement 1. January - 31. December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Revenue	1	200.065.602	261.442.226
Other external expenses		-85.604.364	-85.120.556
Other Operating income		<u>6.403.363</u>	<u>6.348.359</u>
Gross profit/loss		120.864.601	182.670.029
Staff costs	2	-110.677.326	-141.403.651
Depreciation, amortization and impairment losses	3	<u>-29.603.410</u>	<u>-31.939.181</u>
Operating profit/loss		-19.416.135	9.327.197
Income from investments in group enterprises	10	6.701.866	2.489.060
Other financial income	4	526.742	1.053.787
Other financial expenses	5	<u>-7.728.737</u>	<u>-9.205.601</u>
Profit before tax		-19.916.264	3.664.443
Tax on profit/loss for the year	6	<u>356.408</u>	<u>-270.757</u>
Profit for the year	7	<u>-19.559.856</u>	<u>3.393.686</u>

Balance sheet 31. December

Assets	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Acquired licenses		6.582.137	8.568.810
Acquired rights		3.924.985	2.868.040
Goodwill		2.436.723	4.015.294
Development projects in progress		<u>3.366.696</u>	<u>4.328.609</u>
Intangible assets	8	<u>16.310.541</u>	<u>19.780.753</u>
Plant and machinery		68.779.301	90.424.319
Leasehold improvements		<u>3.031.293</u>	<u>3.960.499</u>
Property, plant and equipment	9	<u>71.810.594</u>	<u>94.381.818</u>
Investments in group enterprises	10	136.404.864	132.051.094
Deposits	11	1.824.449	1.756.773
Deferred tax	12	<u>4.768.885</u>	<u>8.447.116</u>
Financial Assets		<u>142.998.198</u>	<u>142.254.983</u>
Long-term assets		<u>231.119.333</u>	<u>256.420.554</u>
Trade receivables		28.660.733	44.408.185
Receivables from group enterprises		23.425.750	21.093.100
Tax receivables		4.125.123	0
Other receivables		21.835.157	10.371.531
Prepayments	13	<u>3.595.859</u>	<u>3.727.578</u>
Receivables		<u>81.642.622</u>	<u>79.600.394</u>
Cash	14	<u>288.402.221</u>	<u>493.273.089</u>
Short-term assets		<u>370.044.843</u>	<u>572.873.483</u>
Assets		<u>601.164.176</u>	<u>829.294.037</u>

Balance sheet 31. December

Liabilities

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Share Capital		2.000.000	2.000.000
Retain earnings	7	104.508.242	158.317.791
Reserve for development projects		2.626.023	3.376.315
Proposed dividend	7	<u>35.000.000</u>	<u>0</u>
Equity		<u>144.134.265</u>	<u>163.694.106</u>
Lease liabilities	15	<u>2.254.432</u>	<u>7.793.422</u>
Non-current liabilities		<u>2.254.432</u>	<u>7.793.422</u>
Bank loans		78.603.056	41.078.688
Lease liabilities	15	8.693.500	9.972.135
Prepayments received from customers	16	140.870.835	454.129.266
Trade Payables		49.599.444	54.035.445
Payables to group enterprises		151.436.597	62.440.342
Tax payables		0	1.398.888
Other payables		<u>25.572.047</u>	<u>34.751.745</u>
Current liabilities		<u>454.775.479</u>	<u>657.806.509</u>
Total liabilities		<u>457.029.911</u>	<u>665.599.931</u>
Total equity and liabilities		<u>601.164.176</u>	<u>829.294.037</u>
Proposed distribution of profit and loss	7		
Contingent liabilities and other economic liabilities	17		
Group relations and ownership	18		
Mention of significant events that occurred after the end of the financial year	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 2021	2.000.000	3.376.315	0	158.317.806	163.964.121
Profit for the year	0	0	0	-19.559.856	-19.559.856
Other Comprehensive income, net of tax	0	-750.292	0	750.292	0
Proposed dividend	0	0	35.000.000	-35.000.000	0
Equity 31st of December 2021	2.000.000	2.626.023	35.000.000	104.508.242	144.134.265

Notes to the financial statement

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1. Revenue		
Segments		
Transportation (CIT)	105.540.682	146.775.634
Cash Management Service (CMS)	<u>94.524.920</u>	<u>114.666.592</u>
	<u>200.065.602</u>	<u>261.442.226</u>
No geographical areas are disclosed, as the company's most significant revenue can be attributed to Denmark.		
2. Staff costs		
Wages and salaries	99.884.807	129.950.313
Pension costs	8.190.821	9.430.641
Other social security costs	<u>2.601.698</u>	<u>2.628.126</u>
	<u>110.677.326</u>	<u>141.043.651</u>
Average number of employees	<u>246</u>	<u>281</u>
With reference to the Financial Statements Act § 98 B para. 3, the remuneration of the Executive Board is not stated.		
3. Depreciations intangibles and fixed tangibles assets		
Depreciations intangibles assets	7.490.565	6.010.358
Depreciations fixed tangibles assets	24.755.792	25.912.974
Profit/loss from sale of intangible assets and property, plant and equipment	<u>-2.642.947</u>	<u>15.849</u>
	<u>29.603.410</u>	<u>31.939.181</u>

Notes to the financial statement

	<u>2021</u>	<u>2020</u>
	DKK	DKK
4. Other financial income		
Interest income from subsidiary companies	526.742	513.750
Other financial interest	<u>0</u>	<u>540.037</u>
	<u>526.742</u>	<u>1.053.787</u>
5. Other financial expenses		
Interest expenses from subsidiary companies	571.491	173.273
Other financial expenses	6.710.517	8.817.530
Exchange rate losses on bank balance	<u>446.729</u>	<u>214.799</u>
	<u>7.728.737</u>	<u>9.205.601</u>
6. Tax recognized in the income statement		
Current tax on profit for the year	0	0
Adjustment for deferred tax	-438.576	-1.128.131
Joint tax expenses	-4.125.123	1.398.888
Adjustment for current tax of prior periods	<u>4.207.291</u>	<u>0</u>
	<u>-356.408</u>	<u>270.757</u>
7. Proposed distribution of profit and loss		
Retained earnings	-53.809.564	3.393.686
Other comprehensive income, net of tax	-750.292	0
Dividend	<u>35.000.000</u>	<u>0</u>
	<u>-19.559.856</u>	<u>3.393.686</u>

Notes to the financial statement

8. Intangible assets

	Acquired licenses	Development projects	Acquired Rights	Goodwill
Costs 1 st of January	17.381.611	4.809.566	5.961.359	11.050.000
Additions	1.056.854	0	2.963.500	0
Disposal	0	0	0	0
Costs 31 st of December	<u>18.438.464</u>	<u>4.809.566</u>	<u>8.924.858</u>	<u>11.050.000</u>
Amortisation and impairment losses 1. January	8.812.801	480.957	3.093.318	7.034.706
Amortisation	3.043.526	961.913	1.906.555	1.578.671
Reversal regarding disposals	0	0	0	0
Amortisation and impairment losses 31 st of December	<u>11.856.327</u>	<u>1.442.870</u>	<u>4.999.873</u>	<u>8.613.277</u>
Carrying amount 31 st of December	<u>6.582.137</u>	<u>3.366.696</u>	<u>3.924.985</u>	<u>2.436.723</u>
Depreciations over	<u>5 year</u>	<u>5 year</u>	<u>7 year</u>	<u>7 year</u>

9. Fixed Tangible assets

	Production and machinery	Leasehold improvements
Costs 1 st of January	300.596.843	18.537.756
Additions	10.146.651	16.947
Disposal	-32.059.084	0
Costs 31 st of December	<u>278.684.409</u>	<u>18.554.702</u>
Amortization and impairment losses 1. January	210.172.524	14.577.257
Amortization	23.809.63	946.152
Reversal regarding disposals	-24.077.055	0
Amortization and impairment losses 31 st of December	<u>209.905.108</u>	<u>15.523.409</u>
Carrying amount 31 st of December	<u>68.779.301</u>	<u>3.031.293</u>
Depreciations over	<u>4-5 year</u>	<u>10 year</u>
Finance leases		<u>10.700.716</u>

Notes to the financial statement

	<u>2021</u>	<u>2020</u>
	DKK	DKK
10. Investments in Group subsidiaries		
Costs 1 st of January	144.148.093	141.800.000
Acquisition and capital injections	<u>-2.348.093</u>	<u>2.348.093</u>
Costs 31st of December	<u>141.800.000</u>	<u>144.148.093</u>
Impairment losses 1 st of January	-12.096.999	-14.856.059
Impairment losses	0	-552.077
Reversal regarding disposals	552.077	0
Impairment gains	<u>6.149.789</u>	<u>3.041.137</u>
Impairment losses 31st of December	<u>-5.395.136</u>	<u>-12.096.999</u>
Carrying amount 31st of December	<u>136.404.864</u>	<u>132.051.094</u>

Subsidiaries:

<u>Name</u>	<u>Home</u>	<u>Share capital</u>	<u>Owner-ship</u>	<u>Equity</u>	<u>Profit for the year</u>
Loomis Teknik A/S	Taastrup	260.000.000	100%	136.404.864	6.149.789

11. Financial Assets

	<u>Deposit</u>
	DKK
Costs 1 st of January	1.756.773
Disposal	<u>67.676</u>
Costs 31 st of December	<u>1.824.449</u>
Carrying amount 31st of December	<u>1.824.449</u>

Notes to the financial statement

	<u>2021</u>	<u>2020</u>
	DKK	DKK
12. Deferred tax		
Intangible assets	-1.521.920	-2.260.313
Fixed Tangible assets	1.363.375	-5.474.587
Finance Lease	2.408.545	3.908.423
Bad debt	188.667	113.364
Accounting liabilities	0	1.153.489
Tax loss carryforward	2.330.218	11.006.739
Deferred tax	<u>4.768.885</u>	<u>8.447.116</u>
Deferred tax, 1 st of January	8.447.116	7.318.895
Recognised in the insome statement	<u>-3.678.231</u>	<u>1.128.131</u>
Deferred tax, 31st of December	<u>4.768.885</u>	<u>8.447.116</u>
13. Prepaid Costs and Accrued income		
Prepaid Costs and accrued income are related to prepaid costs for rent, insurance interest etc.		
	<u>2021</u>	<u>2020</u>
	DKK	DKK
14. Cash and Bank		
Cash and bank	157.448.573	361.846.268
Cash holdings for sale	<u>139.226.810</u>	<u>131.426.822</u>
Cash and bank	<u>296.675.383</u>	<u>493.273.089</u>
15. 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>2021</u>	<u>2020</u>
	DKK	DKK
Finance leases liability		
Between 1 og 5 year	2.254.432	7.793.422
Within 1 year	<u>8.693.500</u>	<u>9.972.135</u>
	<u>10.947.933</u>	<u>17.765.557</u>

Notes to the financial statement

16. Prepayments from customers

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

17. Contingent liabilities and other economic liabilities

	<u>2021</u>	<u>2020</u>
Rent- and leases liabilities	DKK	DKK
Lease liability from operational leases. Total future leases:		
Within 1 year	8.693.500	9.972.135
Between 1 and 5 years	<u>2.254.432</u>	<u>7.793.422</u>
	<u>10.947.933</u>	<u>17.765.557</u>
Rent obligation, non-notice period up til 60 month		
Referral obligation related to financial leases:		
Expected value at contract end	6.567.306	8.629.795
Rent obligation, non-notice period up til 43 month	22.760.433	29.578.057

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 228 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

Transactions

No persons have deciding influence on the company.

All transaction with related parties are made on market terms.

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. **Mention of significant events that occurred after the end of the financial year**

No events with significant influence on the content of the Annual Report have occurred after the balance sheet date.

Notes to the financial statement

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 (large).

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

Segment information on Revenue

Information about activities is based on the company's returns and risks as well as on the basis of internal financial management. Business segments are considered the primary segment area.

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 Capital Employed	$\frac{\text{Operating profit/loss} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity end of year} \times 100}{\text{Total of assets ultimo}}$
Return on Equity	$\frac{\text{Profit/loss of the year} \times 100}{\text{Average equity}}$