

COOP TRADING A/S

ANNUAL REPORT

2023

**The Annual Report has been presented and adopted
at the Company's Annual General Meeting
on 23 / April / 2024**

**Rasmus Muff
Chairman of the Meeting**

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COMPANY INFORMATION

Company Coop Trading A/S
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Helgeshøj Allé 57
2630 Taastrup
Denmark

Telephone: +45 88 53 00 00

Website: www.cooptrading.com

CVR No.: 20 40 61 94

Registered Office: Høje Taastrup Municipality

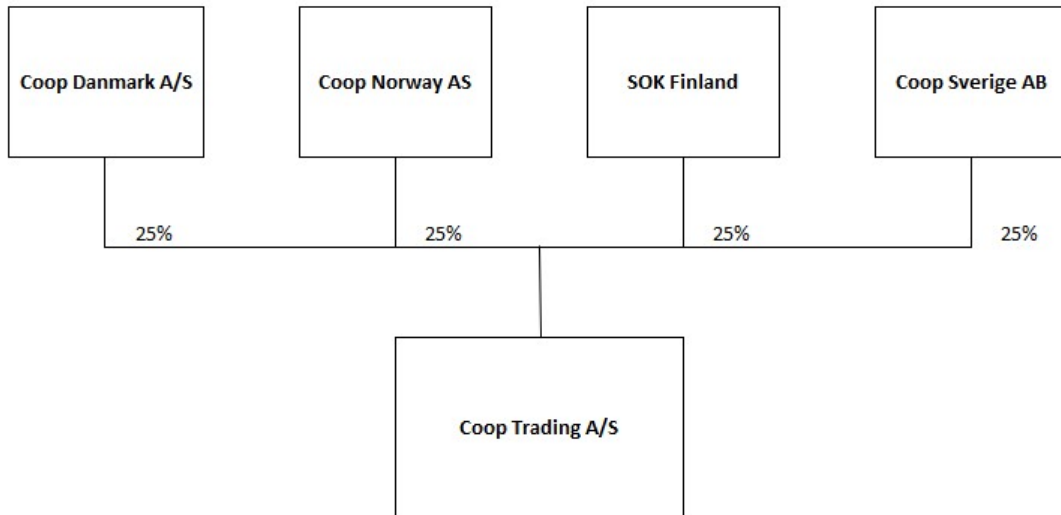
Financial Year 1 January – 31 December

Board of Directors Per Thau, Chairman
Jeff Salter
Arttu-Perttu Laine
Ingrid Amundsen
Charlotte Nilsson Norby
Johan Nichlas Olofsson
Jari Juhani Simolin
Örjan Grandin
Bent Aamotsmo

Management Michael La Cour

Auditor BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 København V

Group Structure:



STATEMENT BY BOARD OF DIRECTORS AND MANAGEMENT

The Board of Directors and Management have discussed and approved the Annual Report of Coop Trading A/S for the financial year 1 January to 31 December 2023.

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

The management's review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend that the Annual Report be approved at the annual general meeting.

Taastrup, on 23 April 2024

Management:

Michael La Cour

Board of Directors:

Per Thau
Chairman

Arttu-Perttu Laine

Ingrid Amundsen

Jeff Salter

Charlotte Nilsson Norby

Johan Nichlas Olofsson

Jari Juhani Simolin

Bent Aamotsmo

Örjan Grandin

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Coop Trading

Opinion

We have audited the Financial Statements of Coop Trading for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company on 31 December 2023, and of the results of the Company operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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 about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed; we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 23 April 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Brian Olsen Halling
State Authorised Public Accountant
MNE no. 32094

KEY FIGURES

DKK ('000)

	2023	2022	2021	2020	2019
Income statement					
Gross profit	123,370	123,061	115,134	114,005	109,063
Operating profit.....	(6,160)	4,567	2,807	3,243	1,498
Financial income and expenses, net.....	2,223	149	(262)	140	(156)
Profit for the year.....	(4,439)	4,716	2,545	3,383	1,342
Balance sheet					
Balance sheet total	108,355	82,151	75,324	81,814	99,761
Equity	56,718	61,156	56,440	53,896	75,508
Employees					
Average number of employees	133	123	111	103	103

MANAGEMENT'S REVIEW

Principal activities

The principal activities are like previous year's development and sourcing of Private Brand, Fruits and Vegetables, Indirect Goods and preparation of common, Nordic supplementary agreements with common Nordic Branded Goods suppliers for the company's current and former owners in Denmark, Sweden, Norway and Finland.

Principal events 2023

In 2023, Coop Trading A/S has primarily focused on developing & maintaining our large portfolio (4500+ products) of private brand products.

Results for the year

The result for the year shows a loss of TDKK (4,439) which is in line with Management's expectations.

The development in activities and economic conditions

This year's gross profit of Mdkk 123 versus prior year Mdkk 123 is driven by increased focus upon branded business and increased activity within sourcing and quality assurance and control.

The management consider the result of the year as satisfactory.

Risk management

Financial risks

Coop Trading A/S' results and capital are affected by the usual financial risk factors. These financial risks are controlled by the company in cooperation with Coop Denmark A/S' central finance department in accordance with well-defined frames and authorizations by the Board of Directors.

Liquidity Risk

Coop Trading A/S' cash requirements are covered by the company's cash deposits. There is no need for bank overdraft facilities or committed credit facilities.

Foreign currency risk

As the main part of the future transactions in foreign currencies will be intercompany transactions, the company has decided not to hedge these transactions.

MANAGEMENT'S REVIEW

Events after the end of the financial year

No events have occurred from the balance sheet date and to this date that will change the assessment of the annual report.

Expectations to 2024

Operating expenses expected to exceed budget in accordance with board approval. This is driven by One Coop implementation from 2023 up until 2026, redesigning a vast number of products in the Coop portfolio. For 2024 the expected operating expenses are expected in an interval of 4-9 MDKK.

Corporate Social Responsibility and environmental conditions

Coop Trading is committed to responsible business conduct throughout our supply chains, while as of our purpose – creating leading Nordic private brands for our 27 million consumers.

Through our code of conduct we require suppliers to comply with the principles of the Business Social Compliance Initiative in relation to working conditions.

We are setting responsible product and quality standards towards our suppliers for the products to live up upon our standards. For all our customers can be given healthy and safe food and non-food products, while maintaining sustainable conditions.

In Coop Trading we strive to be an exceptional workplace for our employees. We are focused to have a balance between working life, family life and our personal life.

For further information about CSR and environmental conditions we refer to Coop Denmark. information can be found at.

<https://info.coop.dk/kontakt/pressekontakt/aarsrapporter/>

Diversity and gender

In Coop Trading we strive to keep a high level of diversity hereof in our recruitments. But first and foremost, professional, and personal competencies come first. We are focused upon having balanced teams with a good diversity when it comes to gender, age, ethnicity etc.

In Coop Trading we are having a gender distribution of 2/3 of women driven by some business areas traditional have a predominance of women in the candidate field.

Among leaders with personnel responsibilities the distribution is 60%. 12 leaders are women, and 8 leaders are men. Which is in accordance with the target number defined by the Danish Business Authority of minimum 40%.

For further information regarding our corporate and social commitment, we refer to www.coop-trading.com

Data ethics

As we Coop Trading handles private label sourcing for the biggest cooperative retail companies in the Nordic region, we are highly aware of how we handle our data. We are using our data to enrich and identify ideas and bring them to the market.

Data types, use and third party

In our daily work we work two main areas of data concerning our products and vendors.

1. For our products this includes prices, specifications, logistics, volumes etc.
2. For our vendors this includes sites, contact persons, corporate responsibility information etc.

Data ethical principles

We are committed to account for upon how we receive, enrich, and share our data that are related to our employees, partners and customers.

We take our employees into account when we collect and use data for optimizing ways of working.

For further information we refer to Coop Denmark, as Coop Trading has several IT-services being handled by Coop Denmark. This information can be found at.

<https://info.coop.dk/kontakt/pressekontakt/aarsrapporter/>

ACCOUNTING POLICIES

The annual report of Coop Trading A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for medium sized enterprises in reporting class C.

The annual report has been presented in accordance with the accounting policies used last year.

General information about recognition or measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will flow out of the company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation of the difference between cost and nominal amount.

The recognition or measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

INCOME STATEMENT

Sale of services

Sale of services is recognised in the income statement when the income generating activities have taken place.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Depreciation, amortisation and write-down

Depreciation, amortisation and write-down of material and immaterial assets consists of the accounting year's depreciations and write-downs, calculated based on both the calculated residual values and the expected useful lives of the of the assets, and testing of the write-down, and through profit and loss through sale of both material and immaterial assets.

ACCOUNTING POLICIES

Other operating expenses

Other operating expenses include expenses, incurred during the year in relation to the management and administration of the enterprise, including expenses related to office premises, stationery etc.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year, is recognised in the income statement by the portion that can be attributed to the profit for the year and is recognised directly in the equity by the portion that can be attributed to entries directly to the equity

BALANCE SHEET

Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value as follows:

	Useful life
Other plants, fixtures and equipment	3-10 Years

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised as depreciation in the income statement.

Fixed asset investment

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Accounts receivable

Accounts receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash

Cash include cash and current investments.

Provision for liabilities

Provisions for liabilities include the expected cost of warranty commitments, restructuring etc. and deferred tax.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date will be applicable when the deferred tax is expected to crystallise as current tax. The tax rate applied for the current year is 22%.

ACCOUNTING POLICIES

Liabilities

Other liabilities which include debt to suppliers, affiliates and associates and other debt are measured at amortised cost which usually corresponds to the nominal value. Accruals recognised as liabilities include payments received regarding income in subsequent years.

Accrued income under liabilities comprise deferred income received in current accounting year but is related to income in subsequent year. Other liabilities are measured at nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Accounts receivable, payable and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivable or payable is recognised in the income statement as financial income or expenses.

The income statements of foreign subsidiary enterprises and associates fulfilling the criteria for being independent entities are translated at an average exchange rate for the month and balance sheet items are translated at the rate of exchange on the balance sheet date. Exchange differences arising from translation of the equity of the foreign subsidiaries at the beginning of the year to the rates of the balance sheet date and from translation of income statements from average rate to the rates of the balance sheet date are recognised directly in the equity.

CASH FLOW STATEMENT

The cash flow statement shows the company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash of the year and cash at beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital, corporation tax paid, and payment of dividend to shareholders.

Cash flows from investing activities

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt.

INCOME STATEMENT 1 JANUARY – 31 DECEMBER

(DKK '000)

	Note	2023	2022
Sale of services	1	123,370	123,061
GROSS PROFIT		123,370	123,061
Staff costs	2	(93,349)	(89,373)
Other operating expenses	3	(36,181)	(29,121)
OPERATING PROFIT		(6,160)	4,567
Financial income	4	2,223	735
Financial expenses	4	(502)	(586)
PROFIT BEFORE TAX		(4,439)	4,716
Tax on profit for the year		0	0
LOSS/PROFIT FOR THE YEAR		(4,439)	4,716
 PROPOSED DISTRIBUTION OF PROFIT			
Retained loss/ profit		(4,439)	4,716
TOTAL		(4,439)	4,716

BALANCE SHEET 31 DECEMBER

(DKK '000)

ASSETS	Note	2023	2022
Other plants, fixtures and equipment.....		0	0
Tangible fixed assets		0	0
Other receivables.....	5	13	13
Fixed asset investments.....		13	13
FIXED ASSETS		13	13
Receivables from associates		31,342	6,559
Prepayments	6	956	548
Other receivables		1,725	16,660
Accounts receivable.....		34,023	23,767
Cash.....		74,319	58,370
CURRENT ASSETS.....		108,342	82,137
ASSETS		108,355	82,150
 Contingent assets	 7		

BALANCE SHEET 31 DECEMBER

(DKK '000)

EQUITY AND LIABILITIES	Note	2023	2022
Share capital	8	50,004	50,004
Retained profit		6,714	11,153
EQUITY		56,718	61,157
Accruals		2,916	3,496
Debt to associates		30,071	7,400
Other debt		18,650	10,088
Current liabilities		51,637	20,993
LIABILITIES		51,637	20,993
EQUITY AND LIABILITIES		108,355	82,150

Equity
DKK ('000)

	Share capital	Retained earnings	Total
Equity 1 January 2023	50,004	11,153	61,157
Transactions with shareholders	0	0	0
Proposed distribution of profit for the year.....	0	-4,439	-4,439
Equity 31 December 2023	50,004	6,714	56,718

CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

(DKK '000)

	Note	2023	2022
Result before financial items		(6,160)	4,567
Depreciation.....		0	0
Changes in working capital.....	9	20,279	(6,267)
Cash flow generated from operation before financial items.....		14,119	(1,700)
Interests received		2,127	585
Interests paid		(297)	(547)
Company tax received		0	0
CASH FLOWS FROM OPERATING ACTIVITIES		15,949	(1,662)
Payments of debt from associates.....		0	0
Equity reduction		0	0
CASH FLOW FROM FINANCING ACTIVITIES.....		0	0
CASH FLOW FOR THE YEAR		15,949	(1,662)
Cash and cash equivalents at 1 January.....		58,370	60,032
CASH AND CASH EQUIVALENTS AT 31 DECEMBER.....		74,320	58,370

NOTES

(DKK '000)

Note

Sale of services

1

The item includes fee for joint administration of purchase of groceries and nonfood to the retail chains.

Split of sales and services per activity and geography is not disclosed in accordance with section 96 of the Danish Financial Statements Act.

	2023	2022	
Staff costs			2
Average number of employees	133	111	
Amount of total staff costs:			
Wages and salaries.....	77,023	(73,038)	
Pensions	8,385	(7,719)	
Other social security costs	2,390	(1,984)	
Other staff-related costs	5,551	(6,633)	
Total	(93,349)	(89,373)	

Remuneration of management is not disclosed in accordance with section 98 b (3) of the Danish Financial Statements Act.

Fee to auditors appointed by the General Meeting

3

Fee regarding statutory audit	(168)	(85)	
Total.....	(168)	(85)	

NOTES

(DKK '000)

	2023	2022	Note
Financial figures			4
Income			
Other financial income.....	2,134	585	
Interest income from associates.....	88	150	
Total.....	2,223	735	
Expenses			
Other financial costs.....	(339)	(527)	
Interest expenses to associates.....	(163)	(59)	
Total.....	(502)	(586)	

NOTES

(DKK '000)

	2023	2022	Note
Deposits			5
Cost 1 January.....	13	13	
Adjustment of deposits previous years	0	0	
Cost 31 December	13	13	
Carrying amount 31 December	13	13	
Prepayments			6
Prepaid expenses.....	956	548	
Total	959	548	

NOTES

(DKK '000)

Note

Contingent assets

7

The company has a deferred tax asset at *TDKK 1,252* which is not recognized in the financial statement. The deferred tax asset comprises deferred tax on tangible fixed assets and tax losses to be carried forward.

Contingent liabilities

The company's total rental and lease liabilities are *TDKK 2,351* at the balance sheet date. The average duration is approximately two years.

8

Share capital	2023	2022	2021	2020	2019
Share capital has developed as follows:					
Shared capital at 1. January	50,004	50,004	50,004	75,000	75,000
Capital decrease	0	0	0	24,996	0
Total	50,004	50,004	50,004	50,004	75,000

The share capital consists of 4 shares in the denomination of DKK ('000) 12,501 each.

The share capital is owned by Coop Danmark A/S, Coop Norge Handel AS, Suomen Osuuskauppojen Keskuskunta and Coop Sverige AB.

NOTES**NOTES**

(DKK '000)

	2023	2022	Note
Changes in working capital			9
Receivables from sales	0	0	
Receivables from associates	(24,783)	7,403	
Prepayments and accrued income	(408)	681	
Other receivables	14,935	(15,478)	
Other adjustments.....	-109	112	
Accruals.....	(580)	(789)	
Debt to associates	22.662	7,409	
Other debt	8.562	(5,605)	
Total	20,279	(6,267)	