

# **Toshiba Global Commerce Solutions (Denmark) ApS**

**c/o TMF Denmark A/S  
Købmagergade 60, 1. tv  
1150 Copenhagen K**

**CVR no. 32 32 44 60**

**Annual Report 2017**

The annual report was presented and  
adopted at the annual general meeting of  
the Company on



Chairman

MAGNUS BOTER-LARSEN

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## Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January - 31 December 2017.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

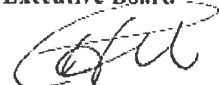
In my opinion, the Financial Statements give a true and fair view of the Company assets, liabilities and financial position at 31 December 2017 and of the Company operations for the year 1 January - 31 December 2017.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 29 May 2018

Executive Board



Toshiharu Higuchi  
Director

## Independent Auditor's Report

To the shareholder of Toshiba Global Commerce Solutions (Denmark) ApS

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company's assets, liabilities at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

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

### Management's responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Independent Auditor's Report (continued)

### Auditor's responsibilities for the audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- 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

## Independent Auditor's Report (continued)

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.

Copenhagen,  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR - no. 33 77 12 31



Jan Boje Andreassen  
State Authorised Public Accountant  
mne no 2338

## Company Information

|                        |   |
|------------------------|---|
| <b>The Company</b>     | Toshiba Global Commerce Solutions (Denmark) ApS<br>c/o TMF Denmark, Købmagergade 60, 1.tv.<br>1150 Copenhagen K<br><br>CVR - no.: 32 32 44 60<br>Financial Period: 1 January - 31 December<br>Registered office: Copenhagen |
| <b>Executive Board</b> | Toshiharu Higuchi, director   |
| <b>Auditors</b>        | PricewaterhouseCoopers<br>Statsautoriseret Revisionspartnerselskab<br>Strandvejen 44<br>DK-2900 Hellerup  |
| <b>General meeting</b> | The Annual General Meeting is held on   |

## Management's Review

### Core activity

The principal activities in the company are point of sales solutions, sale of related software, service and advisory.

### Development in activities and financial matters

Toshiba Global Commerce Solutions (Denmark) ApS started as a company on July 1<sup>st</sup> 2012 with the transfer of the IBM RSS business occurring on November 30<sup>th</sup> 2012. TGCS is committed to the Danish market and development of the business, both in terms of growing the market and increasing its share of the market.

The business performance in 2017 was positively impacted mainly by growth of hardware sales to several customers that are growing locally and internationally, and to a lesser extent to maintenance and services revenue. Revenues forecasted are to remain stable over the next three years with slight growth expected given the evolution of the Danish retail business creating more opportunities. A number of medium to large customers has purchased new Toshiba solutions and existing customers are increasing their installations as they open new stores. The Danish business is 100% through channel partners and thus there are a number of different routes to end users.

### Financing and going concern

As at 31 December 2017, the company's current assets amount to DKK 23,986 thousand and the current liabilities amounts to DKK 20,603 thousand. The company is covered by the Group's treasury policy. The treasury policy ensures that the company will have sufficient liquidity to settle its obligations as they are due.

On this basis, management has prepared the financial statements under going concern assumption.

### Significant events after the balance sheet date

Other than the events referred to in section "Financing and going concern" there has been no significant events after the balance sheet date.



## Financial Statements 1 January - 31 December

### Income Statement 1 January - 31 December

|  | <u>Note</u> | <u>2017</u><br>DKK    | <u>2016</u><br>DKK    |
|--|-------------|-----------------------|-----------------------|
| <b>Gross profit</b>                                |             | <b>1,080,499</b>      | <b>1,244,798</b>      |
| Staff costs  | 2           | <u>-843,923</u>       | <u>-729,915</u>       |
| <b>Profit before financial income and expenses</b> |             | <b>236,576</b>        | <b>514,883</b>        |
| Financial income                                   |             | 628,780               | 182,157               |
| Financial costs                                    | 3           | <u>-365,442</u>       | <u>-211,364</u>       |
| <b>Profit before tax</b>                           |             | <b>499,914</b>        | <b>485,676</b>        |
| Tax on Profit for the year                         | 4           | <u>478,384</u>        | <u>-68,669</u>        |
| <b>Profit for the year</b>                         |             | <u><b>978,298</b></u> | <u><b>417,007</b></u> |
| <br>   |             |                       |                       |
| Retained earnings                                  |             | <u>978,298</u>        | <u>417,007</u>        |
|  |             | <u><b>978,298</b></u> | <u><b>417,007</b></u> |

## Financial Statements 1 January - 31 December (continued)

### Balance Sheet at 31 December

|                                     | Note | 2017<br>DKK       | 2016<br>DKK       |
|-------------------------------------|------|-------------------|-------------------|
| <b>Assets</b>                       |      |                   |                   |
| Goodwill                            |      | 0                 | 0                 |
| <b>Intangible assets</b>            | 5    | <u>0</u>          | <u>0</u>          |
| <b>Non-current assets</b>           |      | <u>0</u>          | <u>0</u>          |
| Finished goods and goods for resale |      | 0                 | 46,726            |
| <b>Inventories</b>                  |      | <u>0</u>          | <u>46,726</u>     |
| Trade receivables                   |      | 144,825           | 1,672,588         |
| Receivables from group entities     |      | 20,038,420        | 19,614,956        |
| Other receivables                   |      | 21,879            | 702,416           |
| Deferred tax assets                 |      | 327,323           | 475,859           |
| <b>Receivables</b>                  |      | <u>20,532,447</u> | <u>22,465,819</u> |
| <b>Cash at bank and in hand</b>     |      | <u>3,454,045</u>  | <u>991,859</u>    |
| <b>Total current assets</b>         |      | <u>23,986,492</u> | <u>23,504,404</u> |
| <b>Total assets</b>                 |      | <u>23,986,492</u> | <u>23,504,404</u> |

## Financial Statements 1 January - 31 December (continued)

### Balance Sheet at 31 December (continued)

|   | Note | 2017<br>DKK              | 2016<br>DKK              |
|---|------|--------------------------|--------------------------|
| <b>Equity and liabilities</b>                                   |      |                          |                          |
| Share capital   |      | 80,100                   | 80,100                   |
| Share premium account   |      | 721,900                  | 721,900                  |
| Retained earnings   |      | <u>2,581,725</u>         | <u>1,603,427</u>         |
| <b>Total equity</b>   | 6    | <b><u>3,383,725</u></b>  | <b><u>2,405,427</u></b>  |
| Trade payables  |      | 457,683                  | 573,445                  |
| Payables to group entities                                      |      | 17,485,398               | 17,572,768               |
| Corporation tax   |      | 0                        | 404,922                  |
| Other payables  |      | 2,261,363                | 2,405,870                |
| Deferred income   |      | <u>398,323</u>           | <u>141,972</u>           |
| <b>Current liabilities</b>                                      |      | <b><u>20,602,767</u></b> | <b><u>21,098,977</u></b> |
| <b>Total liabilities</b>  |      | <b><u>20,602,767</u></b> | <b><u>21,098,977</u></b> |
| <b>Total equity and liabilities</b>                             |      | <b><u>23,986,492</u></b> | <b><u>23,504,404</u></b> |
| Related ownership   | 7    |                          |                          |
| Contingent assets, liabilities, and other financial obligations | 8    |                          |                          |

## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report

#### 1 Accounting policies

The Annual Report of Toshiba Global Commerce Solutions (Denmark) ApS for 2017 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

##### Reporting currency

The financial statements are presented in Danish Kroner.

##### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-current assets acquired in foreign currencies are measured at the exchange rate at the transaction date.

##### Income Statement

##### Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company's revenue is not stated.

Gross profit comprise revenue, other operating income, expenses for raw materials and consumables and other external costs.

## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report (continued)

#### Revenue

Revenue comprise income from the sale of goods, Point of sale solutions, trade of related software and maintenance and consultancy.

Income from the sale of goods and point of sale solutions is recognized in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue related to equipment that requires installation is recognized when the installation of the equipment is completed, the equipment is accepted by the customer and other specific criteria of the equipment are demonstrated by the company.

Revenue from services, such as maintenance service for plant and other systems, that are priced and sold separately from the equipment is recognized ratably over the contract term or as the services are provided.

Revenue from arrangements with multiple elements, which may include any combination of products, equipment, installment and maintenance, is allocated to each element based on its relative selling price if such element meets the criteria for treatment as a separate unit of accounting. Otherwise, revenue is deferred until the undelivered elements are fulfilled as a single unit of accounting.

Revenue is measured at the fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

To the extent that customers are offered a right of return in connection with the sale, revenue corresponding to the Company's experience with returns is recognised. In cases where the Company has no experience from similar transactions, no revenue is recognised until the return period has expired.

#### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

#### Other external expenses

Other external costs comprise costs for distribution, sale, advertising, administration, premises, bad debt losses, operating leases, etc.

#### Staff costs

Staff costs comprise salaries and wages, including holiday allowance, pension and other social security costs, etc. to the Company's employees.

## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report (continued)

#### Other operating income

Other operating income include items of a secondary nature relative to the enterprise's core business.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financial include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax-scheme, etc.

#### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement.

### Balance Sheet

#### Intangible assets

On initial recognition, intangible assets are measured at cost.

Goodwill acquired is subsequently measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated useful life estimated at 4 years.

#### Inventories

Inventories are measured at cost in accordance with FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, which comprises the cost acquisition plus delivery costs as well as other costs directly attributable to the acquisition.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report (continued)

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of the receivables and the present values of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as a discount rate.

Other receivables include the office rent deposit and advanced payments for expenses that will be recognized in the following year.

#### Cash

Cash comprises bank balances.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised on the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities comprising trade payables, payables to group enterprises and other liabilities.

Other liabilities are measured at net realisable value.

## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report (continued)

#### Deferred income

The portion of the revenue from the sale of goods or services that was not yet delivered is recorded as a liability until delivery is made, at which time it is converted into revenue, according to the revenue recognition principle.

|  | <u>2017</u><br>DKK     | <u>2016</u><br>DKK     |
|--|------------------------|------------------------|
| <b>2 Staff costs</b>                                   |                        |                        |
| Wages and salaries                                     | 780,607                | 674,977                |
| Pensions   | <u>63,316</u>          | <u>54,938</u>          |
|  | <b><u>843,923</u></b>  | <b><u>729,915</u></b>  |
| <b>3 Financial costs</b>                               |                        |                        |
| Interest paid to group entities                        | 102,006                | 48,685                 |
| Other financial costs                                  | <u>263,436</u>         | <u>162,679</u>         |
|  | <b><u>365,442</u></b>  | <b><u>211,364</u></b>  |
| <b>4 Tax on profit for the year</b>                    |                        |                        |
| Current tax for the year                               | 0                      | -38,544                |
| Deferred tax for the year                              | 109,981                | 107,213                |
| Adjustment of tax concerning previous years            | <u>-588,365</u>        | <u>0</u>               |
|  | <b><u>-478,384</u></b> | <b><u>68,669</u></b>   |
| <b>5 Intangible assets</b>                             |                        |                        |
|  |                        | <u>Goodwill</u><br>DKK |
| Cost at 1 January 2017                                 |                        | <u>4,638,184</u>       |
| Cost at 31 December 2017                               |                        | <u>4,638,184</u>       |
| Impairment losses and amortisation at 1 January 2017   |                        | <u>4,638,184</u>       |
| Impairment losses and amortisation at 31 December 2017 |                        | <u>4,638,184</u>       |
| <b>Carrying amount at 31 December 2017</b>             |                        | <b><u>0</u></b>        |



## Financial Statements 1 January - 31 December (continued)

### Notes to the Annual Report (continued)

#### 6 Equity

|                                   | Share capital<br>DKK | Share premium<br>account<br>DKK | Retained<br>earnings<br>DKK | Total<br>DKK     |
|-----------------------------------|----------------------|---------------------------------|-----------------------------|------------------|
| Equity at 1 January 2017          | 80,100               | 721,900                         | 1,603,427                   | 2,405,427        |
| Net profit for the year           | 0                    | 0                               | 978,298                     | 978,298          |
| <b>Equity at 31 December 2017</b> | <b>80,100</b>        | <b>721,900</b>                  | <b>2,581,725</b>            | <b>3,383,725</b> |

#### 7 Related parties

Toshiba Global Commerce Solutions (Denmark) ApS related parties comprise the following: Toshiba Global Commerce Solutions Holdings Corporation, 3040 Cornwallis Road, Research Triangle Park, North Carolina 27709, United States, which controls the Company.

##### Controlling interest

Toshiba Tec Corporation, Tokyo, Japan  
Toshiba Global Commerce, Solutions Holdings Corporation

#### 8 Contingent assets, liabilities and other financial obligations

The company is jointly taxed with affiliated branches of foreign entities, and has limited and alternative liability together with other jointly taxed entities for payment of income taxes for the income year 2016 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 1 July 2012.

Payments under operating leases concerning rental and cars DKK 217,614 (2016: DKK 39,307).

##### Information about consolidated financial statements

| Parent  | Domicile     | Requisitioning of the<br>parent's consolidated<br>financial statement |
|---|--------------|---|
| Toshiba Tec Corporation                                   | Tokyo, Japan | 1-11-1, Osaki, Shingawa<br>ku. Tokyo 141-8562, Japan                  |
| Toshiba Global Commerce<br>Solutions Holdings Corporation | Tokyo, Japan | The financial statements are<br>not made available to the<br>public   |