

# Toshiba Global Commerce Solutions (Denmark) ApS

c/o TMF Denmark  
Købmagergade 60, 1. tv.  
1150 København K  
Denmark

CVR no. 32 32 44 60

## **Annual report 2020**

The annual report was presented and approved at  
the Company's annual general meeting on

9 July 2021

Toshiharu Higuchi  
Chairman

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**Toshiba Global Commerce Solutions (Denmark) ApS**  
Annual report 2020  
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## **Statement by the Executive Board**

The Executive Board has today discussed and approved the annual report of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January – 31 December 2020.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

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

Copenhagen, 9 July 2021  
Executive Board:

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Toshiharu Higuchi

## Independent auditor's report

### To the shareholders of Toshiba Global Commerce Solutions (Denmark) ApS

#### Opinion

We have audited the financial statements of Toshiba Global Commerce Solutions (Denmark) ApS for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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 Statements 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

### 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 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.

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, 9 July 2021  
**Pricewaterhouse Coopers**  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

Maj-Britt Nørskov Nannestad  
State Authorised  
Public Accountant  
mne32198

**Toshiba Global Commerce Solutions (Denmark) ApS**  
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## **Management's review**

### **Company details**

Toshiba Global Commerce Solutions (Denmark) ApS  
c/o TMF Denmark  
Købmagergade 60, 1. tv.  
1150 København K  
Denmark

CVR no.:	32 32 44 60
Established:	1 July 2012
Registered office:	Copenhagen
Financial year:	1 January – 31 December

### **Executive Board**

Toshiharu Higuchi

### **Auditor**

Pricewaterhouse Coopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's review**

### **Operating review**

#### **Principal activities**

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

#### **Development in activities and financial position**

Toshiba Global Commerce Solutions (Denmark) ApS started as a company on 1 July 2012 with the transfer of the IBM RSS business occurring on 30 November 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 2020 was negatively impacted by Covid 19 causing customers to delay their roll out (due to stores being closed). Also, the Company's supply was impacted, as manufacturing of parts and products in the Far East was delayed. Another reason for the decrease in revenue is that some customers are now purchasing their goods from TGCS Sweden due to the fulfilment service needed (stock keeping and warehouse services).

The Company expects that retailers following the crisis will be more cautious in regards of their growth. At the same time there will be some retailers that in fact will see this is a growth opportunity and increase the number of new stores.

As at 31 December 2020, the Company's current assets amount to DKK 11,871 thousand and the current liabilities amount to DKK 8,665 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.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2020	2019
<b>Gross profit</b>		1,180,547	1,394,470
Staff costs	2	<u>-774,591</u>	<u>-1,028,155</u>
<b>Profit before financial income and expenses</b>		405,956	366,315
Financial expenses	3	<u>-173,360</u>	<u>-248,454</u>
<b>Profit before tax</b>		232,596	117,861
Tax on profit for the year	4	<u>0</u>	<u>-145,768</u>
<b>Profit/loss for the year</b>		<u>232,596</u>	<u>-27,907</u>
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		<u>232,596</u>	<u>-27,907</u>
		<u>232,596</u>	<u>-27,907</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		<u>34,014</u>	<u>43,498</u>
<b>Receivables</b>			
Trade receivables		1,408,348	8,512,947
Receivables from group entities		5,786,916	5,225,764
Other receivables		<u>11,067</u>	<u>17,479</u>
		<u>7,206,331</u>	<u>13,756,190</u>
<b>Cash at bank and in hand</b>		<u>4,630,227</u>	<u>2,738,569</u>
<b>Total current assets</b>		<u>11,870,572</u>	<u>16,538,257</u>
<b>TOTAL ASSETS</b>		<u><u>11,870,572</u></u>	<u><u>16,538,257</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2020	2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		80,100	80,100
Share premium		721,900	721,900
Retained earnings		<u>2,403,430</u>	<u>2,170,834</u>
<b>Total equity</b>		<u>3,205,430</u>	<u>2,972,834</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables		<u>0</u>	<u>36,644</u>
<b>Current liabilities</b>			
Trade payables		535,086	282,306
Payables to group entities		4,851,607	9,407,022
Other payables		2,073,228	2,446,924
Deferred income		<u>1,205,221</u>	<u>1,392,527</u>
		<u>8,665,142</u>	<u>13,528,779</u>
<b>Total liabilities</b>		<u>8,665,142</u>	<u>13,565,423</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>11,870,572</u></u>	<u><u>16,538,257</u></u>
<b>Contractual obligations, contingencies, etc.</b>	5		
<b>Related party disclosures</b>	6		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2020	80,100	721,900	2,170,834	2,972,834
Transferred over the profit appropriation	<u>0</u>	<u>0</u>	<u>232,596</u>	<u>232,596</u>
<b>Equity at 31 December 2020</b>	<u><u>80,100</u></u>	<u><u>721,900</u></u>	<u><u>2,403,430</u></u>	<u><u>3,205,430</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Toshiba Global Commerce Solutions (Denmark) ApS for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 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, 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.

#### Gross profit

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

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

#### Revenue

Revenue comprises 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 recognised 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 recognised 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 recognised 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Revenue is measured at the fair value of the agreed consideration, e.g. 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 costs

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

#### Staff costs

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

#### Financial expenses

Financial expenses comprise interest expense and losses on transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

#### Inventories

Inventories are measured at cost in accordance with the 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.

#### Receivables

Receivables are measured at amortised cost.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication 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 receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in 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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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 value.

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 as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Cash at bank and in hand

Cash comprises bank balances.

#### Liabilities

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

Other liabilities are measured at net realisable value.

#### Deferred income

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

## Financial statements 1 January – 31 December

### Notes

DKK	<u>2020</u>	<u>2019</u>
<b>2 Staff costs</b>		
Wages and salaries	767,321	961,509
Pensions	<u>7,270</u>	<u>66,646</u>
	<u>774,591</u>	<u>1,028,155</u>
Average number of full-time employees	<u>1</u>	<u>1</u>
<b>3 Financial expenses</b>		
Interest expense to group entities	23,993	80,926
Other financial costs	<u>149,367</u>	<u>167,528</u>
	<u>173,360</u>	<u>248,454</u>
<b>4 Tax on profit for the year</b>		
Deferred tax for the year	<u>0</u>	<u>145,768</u>
	<u>0</u>	<u>145,768</u>

### 5 Contractual obligations, contingencies, etc.

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 and 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 256,907 (2019: DKK 19,292).

### Contingent assets

The company has an unrecognised deferred tax asset of DKK 2,283,526 which relates to tax losses carried forward

## **Financial statements 1 January – 31 December**

### **Notes**

#### **6 Related party disclosures**

Toshiba Global Commerce Solutions (Denmark) ApS' related parties comprise the following:

Toshiba Global Commerce Solutions Holdings Corporation, 2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664, Japan, who controls the Company.

#### **Control**

Toshiba Global Commerce Solutions Holdings Corporation, 2-17-2, Higashi Gotanda, Shinagawa-ku, Tokyo 141-8664, Japan.

Toshiba Global Commerce Solutions Holdings Corporation holds the majority of the contributed capital in the Company.

Toshiba Global Commerce Solutions (Denmark) ApS is part of the consolidated financial statements of Toshiba Global Commerce Solutions Holdings Corporation, Tokyo, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Toshiba Global Commerce Solutions Holdings Corporation can be obtained by contacting the company at the above address.