



## Lobyco A/S

Vallensbæk Torvevej 9  
2620 Albertslund  
CVR No. 41480025

## Annual report 2023

The Annual General Meeting adopted the annual report on 17.06.2024

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**Rasmus Muff**

Chairman of the General Meeting

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# Entity details

## Entity

Lobyco A/S

Vallensbæk Torvevej 9

2620 Albertslund

Business Registration No.: 41480025

Registered office: Brøndby

Financial year: 01.01.2023 - 31.12.2023

## Board of Directors

Thomas Brebøl Christensen, Chairman

Christian Laumand Holm

Marc Phillippe Fischli

## Executive Board

Jan Madsen

Ole Buch

Anders Mittag

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lobyco A/S for the financial year 01.01.2023 - 31.12.2023.

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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

Albertslund, 05.06.2024

## Executive Board

**Jan Madsen**

**Ole Buch**

**Anders Mittag**

## Board of Directors

**Thomas Brebøl Christensen**  
Chairman

**Christian Laumand Holm**

**Marc Phillippe Fischli**

# Independent auditor's report

## To the shareholder of Lobyco A/S

### Opinion

We have audited the financial statements of Lobyco A/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 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 by relevant law and regulations.

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, 05.06.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Jens Sejer Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne14986

**Henrik Hartmann Olesen**

State Authorised Public Accountant  
Identification No (MNE) mne34143

# Management commentary

## Financial highlights

|   | 2023    | 2022    | 2020/21 |
|---|---------|---------|---------|
|   | DKK'000 | DKK'000 | DKK'000 |
| <b>Key figures</b>                              |         |         |         |
| Revenue   | 156,151 | 142,965 | 141,768 |
| Gross profit/loss                               | 74,544  | 67,191  | 55,270  |
| Operating profit/loss                           | 11,256  | 13,588  | (357)   |
| Net financials                                  | (343)   | 237     | 5       |
| Profit/loss for the year                        | 8,960   | 11,174  | (216)   |
| Total assets                                    | 155,665 | 115,065 | 107,345 |
| Investments in property,<br>plant and equipment | 0       | 0       | 1,162   |
| Equity  | 96,335  | 87,377  | 76,203  |
| <b>Ratios</b>                                   |         |         |         |
| Gross margin (%)                                | 47.74   | 47.00   | 38.99   |
| EBIT margin (%)                                 | 7.21    | 9.50    | (0.25)  |
| Net margin (%)                                  | 5.74    | 7.82    | (0.15)  |
| Equity ratio (%)                                | 61.89   | 75.94   | 70.99   |

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

### Gross margin (%):

$\frac{\text{Gross profit/loss}}{\text{Revenue}} * 100$

Revenue

### EBIT margin (%):

$\frac{\text{Operating profit/loss}}{\text{Revenue}} * 100$

Revenue

### Net margin (%):

$\frac{\text{Profit/loss for the year}}{\text{Revenue}} * 100$

Revenue

### Equity ratio (%):

$\frac{\text{Equity}}{\text{Total assets}} * 100$

Total assets



### Primary activities

The principal activity of the company is to develop, sell, maintain and support software solutions, other IT-systems as well as any other related business. This can be done directly or indirectly through subsidiaries and associated companies.

### Development in activities and finances

2023 revenue increased slightly compared to 2022 and reached 156 mDKK. Revenue in 2023 was positively impacted by winning a new customer as well as revenue recognition related to re-scoping of a contract delivery. Total profit in 2023 was 9 mDKK, which was a small decrease compared to 2022 due to significant investment in commercial activities and global expansion. The financial result is considered satisfactory.

Lobyco has during 2023 expanded its business by launching new innovative customer loyalty solutions for international grocery customers as well as developed and launched additional solutions for existing customers. Lobyco now have customers on three continents.

The direct customer satisfaction is high, and the related app has also in 2023 seen a huge growth in app downloads and use.

### Profit/loss for the year in relation to expected developments

Total profit in 2023 was 9 mDKK, which is lower than last year. The financial result is considered satisfactory.

### Outlook

The macro-economic outlook for retailers is expected more stable than the prior couple of years and Lobyco expect to expand the customer base even more during 2024. Some of the development employees are located in the west of Ukraine and may thus be directly impacted by the war. Daily operation has been very stable and secured during 2023. Management expects a result for 2024 around the level of 2023 due to continued customer implementation and customer product launches combined with continued investment in our product and services.

### Statutory report on corporate social responsibility

CSR-initiatives and CSR-results for Lobyco A/S is included in Coop ambas annual report, which is available at [www.coop.dk/årsrapport](http://www.coop.dk/årsrapport).

### Events after the balance sheet date

There are no events after the reporting period, which is impacting the financial position in this annual report.

# Income statement for 2023

|  | Notes | 2023<br>DKK       | 2022<br>DKK       |
|--|-------|-------------------|-------------------|
| Revenue  |       | 156,151,409       | 142,964,840       |
| Own work capitalised                             | 1     | 43,447,960        | 52,986,226        |
| Cost of sales                                    |       | (97,877,356)      | (101,964,588)     |
| Other external expenses                          |       | (27,178,215)      | (26,795,976)      |
| <b>Gross profit/loss</b>                         |       | <b>74,543,798</b> | <b>67,190,502</b> |
| Staff costs                                      | 2     | (63,037,968)      | (53,306,159)      |
| Depreciation, amortisation and impairment losses | 3     | (250,146)         | (296,051)         |
| <b>Operating profit/loss</b>                     |       | <b>11,255,684</b> | <b>13,588,292</b> |
| Income from investments in group enterprises     |       | 389,270           | 365,414           |
| Other financial income                           | 4     | 114,865           | 352,564           |
| Other financial expenses                         | 5     | (457,899)         | (115,717)         |
| <b>Profit/loss before tax</b>                    |       | <b>11,301,920</b> | <b>14,190,553</b> |
| Tax on profit/loss for the year                  |       | (2,341,649)       | (3,016,258)       |
| <b>Profit/loss for the year</b>                  | 6     | <b>8,960,271</b>  | <b>11,174,295</b> |

# Balance sheet at 31.12.2023

## Assets

|  | Notes | 2023<br>DKK        | 2022<br>DKK        |
|--|-------|--------------------|--------------------|
| Other fixtures and fittings, tools and equipment |       | 229,817            | 479,963            |
| <b>Property, plant and equipment</b>             | 7     | <b>229,817</b>     | <b>479,963</b>     |
| Investments in group enterprises                 |       | 881,597            | 494,440            |
| Deposits   |       | 285,155            | 285,155            |
| <b>Financial assets</b>                          | 8     | <b>1,166,752</b>   | <b>779,595</b>     |
| <b>Fixed assets</b>                              |       | <b>1,396,569</b>   | <b>1,259,558</b>   |
| Trade receivables                                |       | 14,740,067         | 3,740,936          |
| Contract work in progress                        | 9     | 5,327,535          | 10,587,974         |
| Receivables from group enterprises               | 10    | 129,817,315        | 94,371,695         |
| Deferred tax                                     | 11    | 1,747,173          | 0                  |
| Other receivables                                |       | 1,692,173          | 840,419            |
| Prepayments                                      | 12    | 943,807            | 1,504,898          |
| <b>Receivables</b>                               |       | <b>154,268,070</b> | <b>111,045,922</b> |
| <b>Cash</b>                                      |       | <b>0</b>           | <b>2,759,588</b>   |
| <b>Current assets</b>                            |       | <b>154,268,070</b> | <b>113,805,510</b> |
| <b>Assets</b>                                    |       | <b>155,664,639</b> | <b>115,065,068</b> |

**Equity and liabilities**

|  | <b>Notes</b> | <b>2023<br/>DKK</b> | <b>2022<br/>DKK</b> |
|--|--------------|---------------------|---------------------|
| Contributed capital  |              | 601,000             | 601,000             |
| Reserve for net revaluation according to the equity method |              | 424,060             | 426,173             |
| Retained earnings  |              | 95,310,008          | 86,349,737          |
| <b>Equity</b>  |              | <b>96,335,068</b>   | <b>87,376,910</b>   |
| Deferred tax   | 11           | 0                   | 1,615,390           |
| <b>Provisions</b>  |              | <b>0</b>            | <b>1,615,390</b>    |
| Prepayments received from customers                        | 13           | 20,210,121          | 0                   |
| Contract work in progress                                  | 9            | 12,945,793          | 2,987,583           |
| Trade payables   |              | 6,024,125           | 14,746,891          |
| Payables to group enterprises                              |              | 1,942,777           | 678,407             |
| Joint taxation contribution payable                        |              | 5,767,937           | 1,443,987           |
| Other payables   |              | 10,659,623          | 5,813,600           |
| Deferred income  | 14           | 1,779,195           | 402,300             |
| <b>Current liabilities other than provisions</b>           |              | <b>59,329,571</b>   | <b>26,072,768</b>   |
| <b>Liabilities other than provisions</b>                   |              | <b>59,329,571</b>   | <b>26,072,768</b>   |
| <b>Equity and liabilities</b>                              |              | <b>155,664,639</b>  | <b>115,065,068</b>  |
| Unrecognised rental and lease commitments                  | 15           |                     |                     |
| Contingent liabilities                                     | 16           |                     |                     |
| Related parties with controlling interest                  | 17           |                     |                     |
| Non-arm's length related party transactions                | 18           |                     |                     |
| Group relations  | 19           |                     |                     |

# Statement of changes in equity for 2023

|                           | Contributed<br>capital<br>DKK | Reserve for<br>net<br>revaluation<br>according to<br>the equity<br>method<br>DKK | Retained<br>earnings<br>DKK | Total<br>DKK      |
|---------------------------|-------------------------------|--|-----------------------------|-------------------|
| Equity beginning of year  | 601,000                       | 426,173  | 86,349,737                  | 87,376,910        |
| Exchange rate adjustments | 0                             | (2,113)  | 0                           | (2,113)           |
| Profit/loss for the year  | 0                             | 0  | 8,960,271                   | 8,960,271         |
| <b>Equity end of year</b> | <b>601,000</b>                | <b>424,060</b>   | <b>95,310,008</b>           | <b>96,335,068</b> |

# Notes

## 1 Own work capitalised

Own work capitalised comprise costs recognized under cost of sales, staff costs and other external costs at first recognition but related to intragroup development projects transferred to Lobyholco A/S and capitalized under development projects in progress.

## 2 Staff costs

|                                       | <b>2023</b>       | <b>2022</b>       |
|---------------------------------------|-------------------|-------------------|
|                                       | <b>DKK</b>        | <b>DKK</b>        |
| Wages and salaries                    | 57,181,748        | 47,663,056        |
| Pension costs                         | 5,214,867         | 4,868,525         |
| Other social security costs           | 641,353           | 774,578           |
|                                       | <b>63,037,968</b> | <b>53,306,159</b> |
| Average number of full-time employees | <b>64</b>         | <b>62</b>         |

|                    | <b>Remuneration<br/>of<br/>Management<br/>2023<br/>DKK</b> | <b>Remuneration<br/>of<br/>Management<br/>2022<br/>DKK</b> |
|--------------------|--|--|
| Executive Board    | 9,647,247  | 7,747,179  |
| Board of Directors | 437,975  | 176,000  |
|                    | <b>10,085,222</b>  | <b>7,923,179</b>   |

## 3 Depreciation, amortisation and impairment losses

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>DKK</b>     | <b>DKK</b>     |
| Depreciation of property, plant and equipment | 250,146        | 296,051        |
|   | <b>250,146</b> | <b>296,051</b> |

## 4 Other financial income

|   | <b>2023</b>    | <b>2022</b>    |
|---|----------------|----------------|
|   | <b>DKK</b>     | <b>DKK</b>     |
| Financial income from group enterprises | 110,162        | 352,564        |
| Other financial income                  | 4,703          | 0              |
|   | <b>114,865</b> | <b>352,564</b> |

## 5 Other financial expenses

|                           | <b>2023</b>    | <b>2022</b>    |
|---------------------------|----------------|----------------|
|                           | <b>DKK</b>     | <b>DKK</b>     |
| Other interest expenses   | 254            | 37,060         |
| Exchange rate adjustments | 457,645        | 78,657         |
|                           | <b>457,899</b> | <b>115,717</b> |

## 6 Proposed distribution of profit and loss

|                   | <b>2023</b>      | <b>2022</b>       |
|-------------------|------------------|-------------------|
|                   | <b>DKK</b>       | <b>DKK</b>        |
| Retained earnings | 8,960,271        | 11,174,295        |
|                   | <b>8,960,271</b> | <b>11,174,295</b> |

## 7 Property, plant and equipment

|   | <b>Other fixtures<br/>and fittings,<br/>tools and<br/>equipment<br/>DKK</b> |
|---|---|
| Cost beginning of year                                | 1,162,009   |
| <b>Cost end of year</b>                               | <b>1,162,009</b>  |
| Depreciation and impairment losses beginning of year  | (682,046)   |
| Depreciation for the year                             | (250,146)   |
| <b>Depreciation and impairment losses end of year</b> | <b>(932,192)</b>  |
| <b>Carrying amount end of year</b>                    | <b>229,817</b>  |

## 8 Financial assets

|                                    | <b>Investments<br/>in group<br/>enterprises<br/>DKK</b> | <b>Deposits<br/>DKK</b> |
|------------------------------------|---|-------------------------|
| Cost beginning of year             | 68,267  | 285,155                 |
| <b>Cost end of year</b>            | <b>68,267</b>   | <b>285,155</b>          |
| Revaluations beginning of year     | 426,173   | 0                       |
| Exchange rate adjustments          | (2,113)   | 0                       |
| Share of profit/loss for the year  | 465,547   | 0                       |
| Other adjustments                  | (76,277)  | 0                       |
| <b>Revaluations end of year</b>    | <b>813,330</b>  | <b>0</b>                |
| <b>Carrying amount end of year</b> | <b>881,597</b>  | <b>285,155</b>          |

| <b>Investments in subsidiaries</b> | <b>Registered in</b> | <b>Corporate form</b> | <b>Equity interest %</b> | <b>Equity DKK</b> | <b>Profit/loss DKK</b> |
|------------------------------------|----------------------|-----------------------|--------------------------|-------------------|------------------------|
| LoByCo Romania S.R.L.              | Bucharest            | SRL                   | 100.00                   | 881,597           | 465,547                |

### 9 Contract work in progress

|   | <b>2023<br/>DKK</b> | <b>2022<br/>DKK</b> |
|---|---------------------|---------------------|
| Contract work in progress                             | 140,237,983         | 83,477,948          |
| Progress billings regarding contract work in progress | (147,856,241)       | (75,877,557)        |
| Transferred to liabilities other than provisions      | 12,945,793          | 2,987,583           |
|   | <b>5,327,535</b>    | <b>10,587,974</b>   |

### 10 Receivables from group enterprises

A part of receivables from group enterprises consist of a group cash pool arrangement between the Group's main bank connections and Lobyco A/S. The cash is available for daily operations according to the Group's instructions.

### 11 Deferred tax

|                               | <b>2023<br/>DKK</b> | <b>2022<br/>DKK</b> |
|-------------------------------|---------------------|---------------------|
| Property, plant and equipment | 71,156              | 56,696              |
| Receivables                   | 1,676,017           | (1,672,086)         |
| <b>Deferred tax</b>           | <b>1,747,173</b>    | <b>(1,615,390)</b>  |

| <b>Changes during the year</b>     | <b>2023<br/>DKK</b> | <b>2022<br/>DKK</b> |
|------------------------------------|---------------------|---------------------|
| Beginning of year                  | (1,615,390)         | 29,000              |
| Recognised in the income statement | 3,362,563           | (1,644,390)         |
| <b>End of year</b>                 | <b>1,747,173</b>    | <b>(1,615,390)</b>  |

### Deferred tax assets

Recognition of deferred tax assets are based on future expected taxable income in the joint taxation. Deferred tax relates to tangible assets and contract work in progress.

### 12 Prepayments

Prepayments recognised as assets comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### 13 Prepayments received from customers

Prepayments received from customer relates to up-front payments related to services to be delivered in subsequent years.



#### 14 Deferred income

Deferred income comprise income received to be recognized in subsequent years.

#### 15 Unrecognised rental and lease commitments

|  | 2023             | 2022             |
|--|------------------|------------------|
|  | DKK              | DKK              |
| Liabilities under rental or lease agreements until maturity in total | <b>1,425,774</b> | <b>1,731,329</b> |

#### 16 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Coop Amba serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, and also secondarily liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 17 Related parties with controlling interest

Lobyholco A/S, Vallensbæk Torvevej 9, 2620 Albertslund owns all shares in the Entity, thus exercising control.

#### 18 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

#### 19 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:  
Coop Amba, Roskildevej 45, 2620 Albertslund, CVR. Nr. 43636510

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Coop Danmark A/S, Roskildevej 65, 2620 Albertslund, CVR. Nr. 26259495,

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

## Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements 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.

## Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc 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.

## **Income statement**

### **Revenue**

Revenue from the sale of services and licenses is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

### **Own work capitalised**

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

### **Cost of sales**

Cost of sales comprises subcontracted services and software license payments directly related to revenue consumed in the financial year measured at cost.

### **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.

### **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 plant and equipment and comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of assets, 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, and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **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

### 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. Land is not depreciated.

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.

The basis of depreciation is cost less 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:

|  | <b>Useful life</b> |
|--|--------------------|
| Other fixtures and fittings, tools and equipment | 3-5 years          |

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 group enterprises

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.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

**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.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**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.

**Joint taxation contributions payable or receivable**

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

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

**Cash flow statement**

According to § 86(4) of the Danish Financial Statements Act, the cash flow statement has not been prepared, as this is contained in the annual report for the parent company Coop Danmark A/S.