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Lobyco A/S

Vallensbæk Torvevej 9
2620 Albertslund
CVR No. 41480025

Annual report 01.07.2020 - 31.12.2021

The Annual General Meeting adopted the annual report on 28.04.2022

Rasmus Muff
Chairman of the General Meeting

Contents

Entity details

Entity

Lobyco A/S

Vallensbæk Torvevej 9

2620 Albertslund

Business Registration No.: 41480025

Registered office: Brøndby

Financial year: 01.07.2020 - 31.12.2021

Board of Directors

Kræn Østergård Nielsen, chairman

Thomas Brebøl Christensen

Marc Phillippe Fischli

Niels Hartvig Rasch

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 01.07.2020 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.07.2020 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Albertslund, 27.04.2022

Executive Board

Jan Madsen

Ole Buch

Anders Mittag

Board of Directors

Kræn Østergård Nielsen
chairman

Thomas Brebøl Christensen

Marc Phillippe Fischli

Niels Hartvig Rasch

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 01.07.2020 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2021 and of the results of its operations for the financial year 01.07.2020 - 31.12.2021 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 under the Danish Financial Statements Act.

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

Copenhagen, 27.04.2022

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

	2020/21 DKK'000
Key figures	
Revenue	141,768
Gross profit/loss	41,976
Operating profit/loss	(357)
Net financials	5
Profit/loss for the year	(216)
Total assets	107,345
Investments in property, plant and equipment	1,162
Equity	76,203
Ratios	
Gross margin (%)	29.61
EBIT margin (%)	(0.25)
Net margin (%)	(0.15)
Equity ratio (%)	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 (%):
Gross profit/loss * 100
Revenue

EBIT margin (%):
Operating profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Equity ratio (%):
Equity * 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

Since the foundation in September 2020, Lobyco A/S has incurred a small loss of 0,2 mDKK.
Lobyco A/S has been profitable in the first full calendar year in 2021 and the turnover reached more than 100 mDKK. The financial result is considered satisfactory.

Lobyco has during 2021 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. The direct customer satisfaction is high, and the related app has been the number one app in appstore in multiple markets on several occasions.

Outlook

The war in Ukraine is expected to impact Lobyco during 2022 as most of the development employees are located in the vest of Ukraine. Daily operation has been secured, but some development projects are expected to be impacted during 2022. Management expects a result for 2022 around the level of 2021 due to continued customer implementation and customer product launches and considering the uncertainty related to the war in Ukraine.

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.

Events after the balance sheet date

There are no events after the reporting period, which is impacting the financial position in this annual report. The war in Ukraine is, however, expected to impact the 2022 performance as most of the development employees are located in Ukraine. The war in Ukraine is not expected to have a material impact on the financial situation of Lobyco in 2022 but will impact some development projects during the year.

Income statement for 2020/21

	Notes	2020/21 DKK
Revenue		141,767,533
Own work capitalised	1	26,953,954
Cost of sales		(107,341,427)
Other external expenses		(19,404,264)
Gross profit/loss		**41,975,796**
Staff costs	2	(41,946,324)
Depreciation, amortisation and impairment losses	3	(385,995)
Operating profit/loss		**(356,523)**
Income from investments in group enterprises		62,060
Other financial income	4	13,875
Other financial expenses	5	(8,534)
Profit/loss before tax		**(289,122)**
Tax on profit/loss for the year		73,618
Profit/loss for the year	6	**(215,504)**

Balance sheet at 31.12.2021

Assets

	Notes	2020/21 DKK
Development projects in progress		0
Intangible assets	7	**0**
Other fixtures and fittings, tools and equipment		776,014
Property, plant and equipment	8	**776,014**
Investments in group enterprises		129,536
Receivables from group enterprises		70,000,000
Deposits		285,155
Financial assets	9	**70,414,691**
Fixed assets		**71,190,705**
Trade receivables		3,780,233
Contract work in progress	10	4,969,521
Receivables from group enterprises		20,767,881
Deferred tax	11	29,000
Other receivables		1,052,728
Prepayments	12	913,320
Receivables		**31,512,683**
Cash		**4,641,619**
Current assets		**36,154,302**
Assets		**107,345,007**

Equity and liabilities

	Notes	2020/21 DKK
Contributed capital		601,000
Other reserves		61,269
Retained earnings		75,540,856
Equity		**76,203,125**
Prepayments received from customers	13	10,405,756
Contract work in progress	10	4,875,785
Trade payables		7,639,261
Payables to group enterprises		679,558
Joint taxation contribution payable		351,145
Other payables		5,517,436
Deferred income	14	1,672,941
Current liabilities other than provisions		**31,141,882**
Liabilities other than provisions		**31,141,882**
Equity and liabilities		**107,345,007**
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 2020/21

	Contributed capital DKK	Share premium DKK	Other reserves DKK	Retained earnings DKK	Total DKK
Contributed upon formation	500,000	0	0	0	500,000
Effect of mergers and business combinations	100,000	489,420	0	0	589,420
Increase of capital	1,000	75,329,000	0	0	75,330,000
Transferred from share premium	0	(75,818,420)	0	75,818,420	0
Exchange rate adjustments	0	0	0	(791)	(791)
Profit/loss for the year	0	0	61,269	(276,773)	(215,504)
Equity end of year	**601,000**	**0**	**61,269**	**75,540,856**	**76,203,125**

Notes

1 Own work capitalised

Own work capitalised comprise costs recognized under cost of sales at first recognition but related to intragroup development projects capitalized under development projetcs in progress.

2 Staff costs

	2020/21 DKK
Wages and salaries	49,788,287
Pension costs	4,817,936
Other social security costs	634,319
	55,240,542
Staff costs classified as assets	(13,294,218)
	41,946,324

Average number of full-time employees	**50**

	Remuneration of Management 2020/21 DKK
Executive Board	4,422,970
Board of Directors	176,000
	4,598,970

3 Depreciation, amortisation and impairment losses

	2020/21 DKK
Depreciation of property, plant and equipment	385,995
	385,995

4 Other financial income

	2020/21 DKK
Exchange rate adjustments	13,875
	13,875

5 Other financial expenses

	2020/21 DKK
Other interest expenses	8,534
	8,534

6 Proposed distribution of profit and loss

	2020/21 DKK
Retained earnings	(215,504)
	(215,504)

7 Intangible assets

	Development projects in progress DKK
Additions	40,248,173
Disposals	(40,248,173)
Cost end of year	**0**
Carrying amount end of year	**0**

Development projects comprise work performed by Lobyco A/S staff related to intragroup development projects and software platforms. According to intragroup agreements, all generic development projects of software and IP rights are transferred to the parent company Lobyholco A/S upon development.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	1,162,009
Cost end of year	**1,162,009**
Depreciation for the year	(385,995)
Depreciation and impairment losses end of year	**(385,995)**
Carrying amount end of year	**776,014**

9 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Additions	68,267	70,000,000	285,155
Cost end of year	**68,267**	**70,000,000**	**285,155**
Share of profit/loss for the year	62,060	0	0
Revaluations end of year	**62,060**	**0**	**0**
Exchange rate adjustments	(791)	0	0
Impairment losses end of year	**(791)**	**0**	**0**
Carrying amount end of year	**129,536**	**70,000,000**	**285,155**

Investments in subsidiaries	Registered in	Equity interest %
LoByCo Romania S.R.L.	Bucharest	100.00

10 Contract work in progress

	2020/21 DKK
Contract work in progress	31,647,309
Progress billings regarding contract work in progress	(31,553,573)
Transferred to liabilities other than provisions	4,875,785
	4,969,521

11 Deferred tax

	2020/21 DKK
Property, plant and equipment	24,000
Receivables	5,000
Deferred tax	**29,000**

Changes during the year	2020/21 DKK
Recognised in the income statement	29,000
End of year	**29,000**

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.

12 Prepayments

Prepayments 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 an intragroup service level agreements and will cover agreed and future development projects.

14 Deferred income

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

15 Unrecognised rental and lease commitments

	2020/21 DKK
Liabilities under rental or lease agreements until maturity in total	2,175,516

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

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).

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

Non-comparability
This is the company's first financial period why no comparable figures are presented.

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 goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. 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:

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.