

KOFAX DANMARK A/S
Lyskær 5, 3.
Herlev

Annual report for 2022

Adopted at the annual general meeting on
20 July 2023

Martin Gustav Oberholzer
chairman

CVR-nr. 19 23 45 09

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory board and Director have today discussed and approved the annual report of Kofax Danmark A/S for the financial year 1 January - 31 December 2022.

The annual report is 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 financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

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

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 20 July 2023

Director

Christian Jörg Franz Hefner
Director

Supervisory board

Martin Gustav Oberholzer
chairman

Cort Steven Townsend

Christian Jörg Franz Hefner

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Kofax Danmark A/S

Opinion

We have audited the financial statements of Kofax Danmark A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

INDEPENDENT AUDITOR'S REPORT

Statement on management's review

Management is responsible for management's review.

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

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

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

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

Copenhagen, 20 July 2023

MAZARS

Statsautoriseret Revisionspartnerselskab

CVR no. 31 06 17 41

Monica Häckert Raavig

State Authorized Public Accountant

MNE no. mne48484

COMPANY DETAILS

The company	Kofax Danmark A/S Lyskær 5, 3. 2730 Herlev
	CVR no.: 19 23 45 09
	Reporting period: 1 January - 31 December 2022
	Domicile: Herlev
Supervisory board	Martin Gustav Oberholzer, chairman Cort Steven Townsend Christian Jörg Franz Hefner
Director	Christian Jörg Franz Hefner
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Midtermolen 1, 2.tv. 2100 København Ø

MANAGEMENT'S REVIEW

Business review

The Company's activities are comprised of distribution of document driven business process automation solutions through its array of software and the provision of maintenance on the software.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 2.002.812, and the balance sheet at 31 December 2022 shows equity of DKK 41.139.006.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Expected development of the company, including specific prerequisites and uncertainties

For the year 2023 the Company expects a slow growth and a result in the same level as 2022 or slightly above.

ACCOUNTING POLICIES

The annual report of Kofax Danmark A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue less costs of raw materials and consumables and other external expenses.

Revenue

Revenue from the sale of services, etc. is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Service revenue from consulting and licences is recognized in the income statement as the services are provided.

Expenses for consumables

Costs of consumables include the consumables used in generating the year's revenue.

ACCOUNTING POLICIES

Other external costs

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financial income/loss includes interest income and expenses, financial expenses relating to surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

ACCOUNTING POLICIES

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Fixed asset investments

Other investments

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

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

As management company, Kofax Danmark A/S is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Other liabilities, which include payables to suppliers, payables to group entities, and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

INCOME STATEMENT
1 JANUARY 2022 - 31 DECEMBER 2022

	Note	2022 DKK	2021 TDKK
Gross profit		4.093.348	4.144
Staff costs	1	-2.760.866	-2.747
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-120.148	-50
Profit/loss before net financials		1.212.334	1.347
Financial income	2	1.333.944	1.284
Financial costs	3	-77.032	-246
Profit/loss before tax		2.469.246	2.385
Tax on profit/loss for the year	4	-466.434	-544
Profit/loss for the year		2.002.812	1.841
 Recommended appropriation of profit/loss			
Retained earnings		2.002.812	1.841
		2.002.812	1.841

BALANCE SHEET AT 31 DECEMBER 2022

	Note	2022 DKK	2021 TDKK
ASSETS			
Other fixtures and fittings, tools and equipment	5	119.435	6
Leasehold improvements	5	566.691	35
Tangible assets		686.126	41
Deposits		385.563	258
Fixed asset investments		385.563	258
Total non-current assets		1.071.689	299
Trade receivables		10.065.608	11.911
Receivables from group companies		56.907.011	52.658
Other receivables		0	283
Deferred tax asset		60.212	95
Joint taxation contributions receivable		587.528	1.232
Prepayments		239.259	188
Receivables		67.859.618	66.367
Cash at bank and in hand		3.181.456	9.146
Total current assets		71.041.074	75.513
Total assets		72.112.763	75.812

BALANCE SHEET AT 31 DECEMBER 2022

	Note	2022	2021
		DKK	TDKK
EQUITY AND LIABILITIES			
Share capital		501.000	501
Retained earnings		40.638.006	38.635
Equity		41.139.006	39.136
Trade payables		150.050	78
Payables to group companies		9.389.065	11.750
Corporation tax		0	1.078
Other payables		2.867.709	3.689
Deferred income		18.566.933	20.081
Total current liabilities		30.973.757	36.676
Total liabilities		30.973.757	36.676
Total equity and liabilities		72.112.763	75.812

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	501.000	38.635.194	39.136.194
Net profit/loss for the year	<u>0</u>	<u>2.002.812</u>	<u>2.002.812</u>
Equity at 31 December 2022	<u><u>501.000</u></u>	<u><u>40.638.006</u></u>	<u><u>41.139.006</u></u>

NOTES

	2022	2021
	DKK	TDKK
1 STAFF COSTS		
Wages and salaries	2.452.844	2.434
Pensions	244.484	253
Welfare Expenses	39.963	0
Other staff costs	23.575	60
	2.760.866	2.747
Average number of employees	4	4
2 FINANCIAL INCOME		
Interest received from group companies	1.316.010	1.268
Interest Income	11.628	0
Exchange gains	6.306	16
	1.333.944	1.284
3 FINANCIAL COSTS		
Interest paid to group entities	0	12
Other financial costs	7.073	1
Exchange loss	69.959	233
	77.032	246
4 TAX ON PROFIT/LOSS FOR THE YEAR		
Current tax for the year	431.868	500
Deferred tax for the year	34.566	34
Adjustment of tax concerning previous years	0	10
	466.434	544

NOTES

5 TANGIBLE ASSETS

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2022	143.102	235.270
Additions for the year	125.341	640.120
Cost at 31 December 2022	268.443	875.390
Impairment losses and depreciation at 1 January 2022	137.579	199.980
Impairment losses for the year	11.429	108.719
Impairment losses and depreciation at 31 December 2022	149.008	308.699
Carrying amount at 31 December 2022	119.435	566.691

6 CONTINGENT LIABILITIES

Rent obligation for 5 years totals TDKK 3.856.

In its capacity as administration company, the company is jointly taxed with its Danish group entities and is jointly and severally liable with the other jointly taxed entities for payment of income taxes and withholding taxes on dividends, interest and royalties.

7 RELATED PARTIES AND OWNERSHIP STRUCTURE

Consolidated financial statements

The company is reflected in the group report as the parent company Kofax Parent Limited

The group report of Kofax Parent Limited can be obtained at the following address:

Kofax Parent Limited
4th Floor St Paul's Gate 22-24 New Street St Helier Jersey
JE1 4TR
Jersey