Business Center Nord- og Midtsjælland A/S

Lautrupvang 2 B
2750 Ballerup

CVR no. 26 99 64 65

Annual report for the period 1 April 2017 – 31 March 2018

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

12 June 2018

Kazuyuki Tsukamoto
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Business Center Nord- og Midtsjælland A/S for the financial year 1 April 2017 – 31 March 2018.

The annual report has been 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 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018.

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

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

Ballerup, 12 June 2018
Executive Board:

Lars Wørzner
CEO

Board of Directors:

Kazuyuki Tsukamoto Chairman	Jørgen Mohr Henriksen	Lars Wørzner

KPMG

Independent auditor's report

To the shareholders of Business Center Nord- og Midtsjælland A/S

Opinion

We have audited the financial statements of Business Center Nord- og Midtsjælland A/S for the financial year 1 April 2017 – 31 March 2018 comprising income statement, balance sheet 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 March 2018 and of the results of the Company's operations for the financial year 1 April 2017 – 31 March 2018 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.

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.

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.

KPMG

Independent auditor's report

- 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.

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.

Copenhagen, 12 June 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen

Henrik O. Larsen
State Authorised
Public Accountant
MNE no. 15839

Management's review

Company details

Business Center Nord- og Midtsjælland A/S
Lautrupvang 2 B
2750 Ballerup

Telephone:	70229010
CVR no.:	26 99 64 65
Established:	1 January 2004
Registered office:	Ballerup
Financial year:	1 April – 31 March

Board of Directors

Kazuyuki Tsukamoto, Chairman
Jørgen Mohr Henriksen
Lars Wørzner

Executive Board

Lars Wørzner, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

About Business Center Nord- og Midtsjælland A/S

In 2016, Business Center Midt- & Nordsjælland was acquired by Konica Minolta Solutions Denmark a/s as part of Konica Minolta's strategy to be the largest copy and print provider in the Danish market. Based on this, the new name became Konica Minolta Business Center.

Thus, Konica Minolta Business Center became part of Konica Minolta's strong nationwide service organisation, continuously servicing almost 40,000 installations in Denmark, both on and off site.

Furthermore, Konica Minolta Business Center has gained the opportunity to offer our customers a number of IT infrastructure solutions that help both public and private companies manage the large and rapidly increasing amount of data, as well as offer a wide range of IT services.

Konica Minolta Business Solutions Denmark a/s is part of Konica Minolta Business Solutions Europe GmbH, which is part of the global Konica Minolta, Inc. with its headquarter in Tokyo and more than 40,000 employees worldwide.

Development in activities and financial position

Revenue for 2017/18 amounted to DKK 35 million, and the result before tax amounted to DKK 3,2 million. Management considers the results satisfactory.

In the 2017/18 financial year, Konica Minolta Business Center was successful in selling office and production printers. Similarly, the accessories and the online sales departments showed great results with a high coverage ratio.

In addition, Konica Minolta Business Center successfully offered customers new and value-adding solutions within document and IT-related areas.

Events after the balance sheet date

After the balance sheet date, it has been decided to merge Business Center Nord- og Midtsjælland A/S with Konica Minolta Business Solutions Denmark a/s, which in 2016 acquired the company. The merger is effective as of 1 April 2018.

Customers and employees

The Board of Directors and Executive Board wish to thank the employees for a constructive and goal-oriented effort and a positive attitude through this financial year. We also wish to thank our loyal customers as well as our new customers for good and positive co-operation.

Management's review

Operating review

Ownership

Business Center Nord- og Midtsjælland A/S is owned by Konica Minolta Business Solutions Denmark A/S, which is owned by Konica Minolta Business Solutions Europe GmbH., Germany, which is owned by Konica Minolta, Inc., Tokyo, Japan.

Additional information can be obtained by contacting:

Konica Minolta Business Solutions Europe GmbH.
Europaallee 17
30855 Langenhagen/Hannover
Germany

Tel.: +49 511 7404-0
Fax: +49 511 741050
www.konicaminoltaeurope.eu

Financial statements 1 April – 31 March

Income statement

DKK	Note	2017/18	2016/17
Gross profit		13,539,198	13,212,246
Staff costs	2	-9,979,722	-10,451,288
Depreciation, amortisation and impairment		-344,278	-300,558
Operating profit		3,215,198	2,460,400
Financial income		5,410	34,581
Financial expenses		-48,949	-6,010
Profit before tax		3,171,659	2,488,971
Tax on profit/loss for the year	3	-831,618	-558,625
Profit for the year		2,340,041	1,930,346

Proposed profit appropriation

Retained earnings	2,340,041	1,930,346
	2,340,041	1,930,346

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2017/18	2016/17
ASSETS			
Fixed assets			
Intangible assets	4		
Goodwill		483,334	683,333
		483,334	683,333
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		14,293	158,572
		14,293	158,572
Financial assets			
Deposits		0	78,750
		0	78,750
Total fixed assets		497,627	920,655
Current assets			
Inventories			
Finished goods and goods for resale		0	145,105
		0	145,105
Receivables			
Trade receivables		669,118	5,224,937
Receivables from group entities		2,249,702	4,919,241
Other receivables		38,819	768,849
Deferred tax asset		38,178	327,163
Prepayments		0	30,345
		2,995,817	11,270,535
Cash at bank and in hand		10,855,177	2,552,603
Total current assets		13,850,994	13,968,243
TOTAL ASSETS		14,348,621	14,888,898

Financial statements 1 April – 31 March

Balance sheet

DKK	Note	2017/18	2016/17
EQUITY AND LIABILITIES			
Equity	6		
Contributed capital		504,000	504,004
Retained earnings		9,001,981	6,661,847
Total equity		9,505,981	7,165,851
Liabilities other than provisions			
Current liabilities other than provisions			
Deferred income		1,870,641	2,781,895
Trade payables		447,724	1,318,942
Corporation tax		516,491	570,727
Other payables		2,007,784	3,051,483
		4,842,640	7,723,047
Total liabilities other than provisions		4,842,640	7,723,047
TOTAL EQUITY AND LIABILITIES		14,348,621	14,888,898

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Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of Business Center Nord- og Midtsjælland A/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

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

Income statement

Revenue

IIncome from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue from the sale of goods where installation is a condition for significant risks being considered to have been transferred to the buyer is recognised as revenue when installation has been completed.

Revenue from the sale of goods where delivery has been postponed at the buyer's request is recognised as revenue when ownership of the goods has been transferred to the buyer.

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

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 income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Business Center Nord- og Midtsjælland is included in the joint taxation from the 1 May 2016 when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation 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 used the losses to reduce their own taxable profit.

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 profit/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.

Balance sheet

Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The depreciable amount, which is calculated as cost less any projected residual values after the end of the useful life, is depreciated on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

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.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

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.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Intangible assets

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

2 Staff costs

DKK	2017/18	2016/17
Wages and salaries	9,023,391	9,555,087
Pensions	860,283	732,545
Other social security costs	52,339	67,786
Other staff costs	43,709	95,870
	9,979,722	10,451,288
Average number of full-time employees	14	17

Financial statements 1 April – 31 March

Notes

3 Tax on profit/loss for the year

DKK	2017/18	2016/17
Deferred tax for the year	831,618	558,625
	831,618	558,625

4 Intangible assets

DKK	Goodwill
Cost at 1 April 2017	1,000,000
Cost at 31 March 2018	1,000,000
Amortisation and impairment losses at 1 April 2017	-316,667
Amortisation	-200,000
Amortisation and impairment losses at 31 March 2018	-516,667
Carrying amount at 31 March 2018	483,333

5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 April 2017	1,197,588
Cost at 31 March 2018	1,197,588
Depreciation and impairment losses at 1 April 2017	-1,039,019
Depreciation	-144,278
Depreciation and impairment losses at 31 March 2018	-1,183,297
Carrying amount at 31 March 2018	14,291

6 Equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 April 2017	504,004	6,661,936	7,165,940
Profit of the year	0	2,340,041	2,340,041
Equity at 31 March 2018	504,004	9,001,977	9,505,981

7 Contractual obligations, contingencies, etc.

The Company is obligated towards the leasing companies to settle/buyout contracts breached by lessees. The maximum obligation is approximately DKK 119,4 thousand (2016/17 DKK 220 thousand).

Financial statements 1 April – 31 March

Notes

8 Related party disclosures

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Konica Minolta Business Solutions Denmark A/S, Lautrupvang 2 B, 2750 Ballerup