

Xerox Financial Services Danmark A/S

Industriparken 21A

2750 Ballerup

CVR No. 29622337

Annual Report 2020

. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2021

Michael Almind
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Xerox Financial Services Danmark A/S for the financial year 1 January 2020 - 31 December 2020.

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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, 30 June 2021

Executive Board

Harriet Jane Preest
Man. Director

Supervisory Board

Pedro Miguel Sabino Galvão
Chairman

Steen Graugaard Larsen
Member

Michael Heinrich Almind
Member

Independent Auditors' Report

To the shareholders of Xerox Financial Services Danmark A/S

Opinion

We have audited the financial statements of Xerox Financial Services Danmark A/S for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditors' Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

København V, 30 June 2021

BDO Statsautoriseret revisionsaktieselskab

Søren Søndergaard Jensen
State Authorised Public Accountant
mne32069

Xerox Financial Services Danmark A/S

Company details

Company	Xerox Financial Services Danmark A/S Industriparken 21A 2750 Ballerup
CVR No.	29622337
Supervisory Board	Pedro Miguel Sabino Galvão Steen Graugaard Larsen Michael Heinrich Almind
Executive Board	Harriet Jane Preest, Man. Director
Auditors	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 København V

Accounting Policies

Reporting Class

The Annual Report of Xerox Financial Services Danmark A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the byer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and net of sales discounts.

Other external expenses

Other external costs include costs for distribution, sales, advertising, administration, premises. loss of debtors,

Accounting Policies

operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Other operating expenses

Other operating expenses include items relating to activities secondary to the main activity of the enterprises.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Other fixtures and fittings, tools and equipment	3-10 years	0%
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Receivables

Accounting Policies

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

Income Statement

	Note	2020 tkr.	2019 tkr.
Gross profit		1.595	8.045
Employee benefits expense	1	-3.077	-2.486
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-2.526	-1.809
Profit from ordinary operating activities		-4.008	3.750
Other finance income	2	403	4
Finance expenses	3	-74	-89
Profit from ordinary activities before tax		-3.679	3.665
Tax expense on ordinary activities	4	435	808
Profit		-4.114	2.857
 Proposed distribution of results			
Retained earnings		-4.114	2.857
Distribution of profit		-4.114	2.857

Balance Sheet as of 31 December

	Note	2020 tkr.	2019 tkr.
Assets			
Fixtures, fittings, tools and equipment	5	6.690	7.864
Property, plant and equipment		6.690	7.864
Fixed assets		6.690	7.864
Short-term trade receivables	6	182.602	179.301
Short-term receivables from group enterprises		183	151
Current deferred tax		3.856	4.290
Other short-term receivables		228	533
Receivables		186.869	184.275
Cash and cash equivalents		1.754	4.358
Current assets		188.623	188.633
Assets		195.313	196.497

Balance Sheet as of 31 December

	Note	2020 tkr.	2019 tkr.
Liabilities and equity			
Contributed capital		2.000	2.000
Retained earnings		31.799	35.913
Equity	7	33.799	37.913
Other payables		0	118
Long-term liabilities other than provisions		0	118
Prepayments received from customers		491	263
Trade payables		1.258	1.426
Payables to group enterprises		158.108	152.021
Tax payables		0	1.923
Other payables		1.657	2.833
Short-term liabilities other than provisions		161.514	158.466
Liabilities other than provisions within the business		161.514	158.584
Liabilities and equity		195.313	196.497
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Notes

	2020	2019
1. Employee benefits expense		
Wages and salaries	2.747	2.207
Post-employment benefit expense	315	237
Social security contributions	15	42
	<u>3.077</u>	<u>2.486</u>
Average number of employees	<u>5</u>	<u>5</u>
2. Other finance income		
Other finance income	141	0
	1	0
	261	0
	<u>403</u>	<u>0</u>
3. Finance expenses		
Other finance expenses	<u>74</u>	<u>89</u>
	<u>74</u>	<u>89</u>
4. Tax expense		
Current tax expense	0	3.372
Adjustments for deferred tax	435	-1.115
Adjustments for current tax of prior period	0	-1.449
	<u>435</u>	<u>808</u>
	2020	2019
5. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	10.063	3.366
Addition during the year, incl. improvements	4.205	7.558
Disposal during the year	-4.264	-861
Cost at the end of the year	<u>10.004</u>	<u>10.063</u>
Depreciation and amortisation at the beginning of the year	-2.199	-690
Amortisation for the year	-2.526	-1.809
Reversal of impairment losses and amortisation of disposed assets	1.411	300
Impairment losses and amortisation at the end of the year	<u>-3.314</u>	<u>-2.199</u>
Carrying amount at the end of the year	<u>6.690</u>	<u>7.864</u>
6. Short-term trade receivables		
Billed Contract FR	113.884	118.679
	<u>113.884</u>	<u>118.679</u>

Notes

7. Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity, beginning balance	2.000	35.913	37.913
	0	-4.114	-4.114
	2.000	31.799	33.799

The share capital has remained unchanged for the last 5 years.

8. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of XYZ Holding ApS which is the administration company in the joint taxation. (Can be omitted in the administration company)

9. Text note