

Xerox Financial Services Danmark A/S

Lautruphøj 1
2750 Ballerup

CVR no. 29 62 23 37

Annual report for 2022

Adopted at the annual general meeting on
5. juli 2023

Michael Heinrich Almind
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Xerox Financial Services 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, 5 July 2023

Executive board

Celina le Sage de Fontenay
CEO

Supervisory board

Michael Heinrich Almind
chairman

Steen Graugaard Larsen

Celina le Sage de Fontenay

Karen Elizabeth McKay

Independent auditor's report

To the shareholder 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 - 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.

Independent auditor's report

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 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 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.

Independent auditor's report

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, 5. juli 2023

CVR no. 20 22 26 70



Søren Søndergaard Jensen

Statsautoriseret revisor

MNE no. mne32069

Company details

The company

Xerox Financial Services Danmark A/S
Lautruphøj 1
2750 Ballerup

CVR no.: 29 62 23 37

Reporting period: 1 January - 31 December 2022

Incorporated: 20 June 2006

Domicile: Ballerup

Supervisory board

Michael Heinrich Almind, chairman
Steen Graugaard Larsen
Celina le Sage de Fontenay
Karen Elizabeth McKay

Executive board

Celina le Sage de Fontenay, CEO

Auditors

BDO
Statsautoriseret Revisionsaktieselskab
Havneholmen 29
1561 København V

Management's review

Business review

The company's activities consists of, apart from operating as a credit institution under the Financial Business Act, 1) purchase and leasing (both financial and operational leasing) and rental of equipment, software and service and associated subscriptions provided by group-affiliated companies and these companies' dealers, distributors and other business partners, 2) finance inventory, including showrooms, at dealers, distributors and other business partners, 3) provide loans to dealers, distributors and other business partners, as well as any other business related to this at the discretion of the board of directors. The business can be carried on either directly or through capital investments in other companies.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of TDKK 2.973, and the balance sheet at 31 December 2022 shows equity of TDKK 42.335.

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.

Accounting policies

The annual report of Xerox Financial Services 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 TDKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned based on the following criteria:

- Delivery has taken place before the end of the financial year,
- There is a binding sales agreement,
- The selling price has been determined, and
- The payment has been received or can reasonably be expected to be received at the time of the sale.

Revenue is recognized in the income statement as it is earned. In addition, value adjustments are recognized on financial assets and liabilities measured at fair value or amortized cost. Costs incurred to achieve the year's earnings are recognized in the income statement as well, including depreciation, write-downs and provisions. Reversals as a result of changed accounting estimates that have been previously recognized in the income statement are also included.

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.

Accounting policies

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, other operating income less costs of other external expenses including leasing costs.

Revenue

When selling goods, net turnover is recognized when benefits and risks relating to the sold goods have been transferred to the buyer, the net turnover can be reliably measured and it is likely that the financial benefits of the sale will accrue to the company.

Services are recognized in step with the performance of the service to which the contract relates using the production method, whereby the net turnover corresponds to the sales value of the service performed for the year. The method is used when the total income and costs of the service provision and the degree of completion on the balance sheet date can be calculated reliably, and it is likely that the financial benefits, including payments, will accrue to the company. As degree of completion, retained costs are used in relation to the expected total costs of the service.

Taking into account the company's significant financing activity, interest income is recognized from leasing contracts as net revenue.

The net turnover is measured at the remuneration received and is recognized exclusive of VAT and with the deduction of discounts in connection with the sale.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is jointly taxed with Danish group company. The tax effect of the joint taxation with the sister company is distributed to both profit-making and loss-making companies in relation to these taxable incomes (full distribution with refund regarding tax losses). The jointly taxed companies are included in the advance tax scheme.

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.

Accounting policies

Balance sheet

Tangible assets

Other fixtures and fittings, tools and equipment consists of assets that are rented out via operational leasing and 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.

The useful life and scrap value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

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

Useful life

Other fixtures and fittings, tools and equipment 3-5 years

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.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

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.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

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

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

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.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement
1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Gross profit		9.062	9.836
Staff costs	1	-3.429	-2.340
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-2.206</u>	<u>-1.992</u>
Profit/loss before net financials		3.427	5.504
Financial income	2	449	68
Financial costs		<u>-65</u>	<u>-71</u>
Profit/loss before tax		3.811	5.501
Tax on profit/loss for the year	3	<u>-838</u>	<u>63</u>
Profit/loss for the year		<u>2.973</u>	<u>5.564</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>2.973</u>	<u>5.564</u>
		<u>2.973</u>	<u>5.564</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Assets			
Other fixtures and fittings, tools and equipment	4	<u>4.017</u>	<u>4.978</u>
Tangible assets		<u>4.017</u>	<u>4.978</u>
Total non-current assets		<u>4.017</u>	<u>4.978</u>
Trade receivables	5	211.960	228.826
Receivables from group enterprises		26	68
Other receivables		1.285	963
Deferred tax asset		<u>9.354</u>	<u>8.118</u>
Receivables		<u>222.625</u>	<u>237.975</u>
Cash at bank and in hand		<u>6.604</u>	<u>1.973</u>
Total current assets		<u>229.229</u>	<u>239.948</u>
Total assets		<u><u>233.246</u></u>	<u><u>244.926</u></u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> TDKK	<u>2021</u> TDKK
Equity and liabilities			
Share capital		2.000	2.000
Retained earnings		40.335	37.363
Equity		42.335	39.363
Prepayments received from customers		736	458
Trade payables		2.427	1.728
Payables to group enterprises		182.612	195.962
Corporation tax		2.075	1.595
Other payables		3.061	5.820
Total current liabilities		190.911	205.563
Total liabilities		190.911	205.563
Total equity and liabilities		233.246	244.926
Contingent liabilities	6		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	2.000	37.362	39.362
Net profit/loss for the year	0	2.973	2.973
Equity at 31 December 2022	<u>2.000</u>	<u>40.335</u>	<u>42.335</u>

Notes

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
1 Staff costs		
Wages and salaries	3.046	2.077
Pensions	352	232
Other social security costs	31	31
	<u>3.429</u>	<u>2.340</u>
Average number of employees	<u>4</u>	<u>4</u>
2 Financial income		
Gain from sale of other tangible assets	<u>449</u>	<u>68</u>
	<u>449</u>	<u>68</u>
3 Tax on profit/loss for the year		
Current tax for the year	2.075	1.595
Deferred tax for the year	-1.237	-383
Adjustment of tax concerning previous years	0	-1.275
	<u>838</u>	<u>-63</u>

Notes

4 Tangible assets

	<u>Other fixtures and fittings, tools and equipment</u>
Cost at 1 January 2022	8.723
Additions for the year	1.529
Disposals for the year	<u>-2.292</u>
Cost at 31 December 2022	<u>7.960</u>
Impairment losses and depreciation at 1 January 2022	3.745
Depreciation for the year	2.206
Reversal of impairment and depreciation of sold assets	<u>-2.008</u>
Impairment losses and depreciation at 31 December 2022	<u>3.943</u>
Carrying amount at 31 December 2022	<u><u>4.017</u></u>

5 Trade receivables

The following trade receivables fall due for payment more than 1 year after year end

	<u>2022</u>	<u>2021</u>
	TDKK	TDKK
	<u>84.615</u>	<u>158.402</u>

6 Contingent liabilities

The company is jointly taxed with its sister company, Xerox A/S and are jointly liable for taxes relating to joint taxation. The total amount of due corporation tax is presented in the annual report for Xerox A/S.