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BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
DK-1561 København V
CVR no. 20 22 26 70

# SHARP BUSINESS SYSTEMS DANMARK A/S

**MARIELUNDVEJ 46C, 2730 HERLEV**

**ANNUAL REPORT**

**1 APRIL 2022 - 31 MARCH 2023**

**The Annual Report has been presented and adopted at the Company's Annual General Meeting on 29 September 2023**

_____
**Fredrik Westerdahl**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 36 53 85 89**

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## COMPANY DETAILS

| | |
|---|---|
| **Company** | SHARP BUSINESS SYSTEMS DANMARK A/S<br>Marielundvej 46C<br>2730 Herlev |
| | CVR No.: 36 53 85 89<br>Established: 4 February 2015<br>Municipality: Herlev<br>Financial Year: 1 April 2022 - 31 March 2023 |
| **Board of Directors** | Henrik Flink, chairman<br>Thomas Lyck Holm Jensen<br>Fredrik Westerdahl |
| **Executive Board** | Thomas Lyck Holm Jensen |
| **Auditor** | BDO Statsautoriseret revisionsaktieselskab<br>Havneholmen 29<br>1561 Copenhagen V |
| **Bank** | Handelsbanken Danmark<br>Vesterbrogade 9<br>1780 Copenhagen V |

**MANAGEMENT'S STATEMENT**

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SHARP BUSINESS SYSTEMS DANMARK A/S for the financial year 1 April 2022 - 31 March 2023.

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 Company's assets, liabilities and financial position at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Herlev, 28 September 2023

Executive Board

_____
Thomas Lyck Holm Jensen

Board of Directors

| | | |
|---|---|---|
| _____ | _____ | _____ |
| Henrik Flink<br>Chairman | Thomas Lyck Holm Jensen | Fredrik Westerdahl |

## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of SHARP BUSINESS SYSTEMS DANMARK A/S**

**Opinion**
We have audited the Financial Statements of SHARP BUSINESS SYSTEMS DANMARK A/S for the financial year 1 April 2022 - 31 March 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 assets, liabilities and financial position of the Company at 31 March 2023 and of the results of the Company's operations for the financial year 1 April 2022 - 31 March 2023 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**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 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 judgment and maintain professional skepticism 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.

**INDEPENDENT AUDITOR'S REPORT**

- 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 Commentary**
Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Copenhagen, 28 September 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

## MANAGEMENT COMMENTARY

**Principal activities**
The Company's main activity is to handle electronic appliance sales for the SHARP Group, mainly copying and printing machines.

**Significant events after the end of the financial year**
No events have occurred after the end of the financial year of material importance for the Company's financial position.

## INCOME STATEMENT 1 APRIL - 31 MARCH

| | Note | 2022/23<br>DKK | 2021/22<br>DKK |
|---|---|---|---|
| **GROSS PROFIT** | | **18.521.663** | **22.345.198** |
| Staff costs | 1 | -16.995.455 | -20.882.397 |
| Depreciation, amortisation and impairment losses | | -464.300 | -604.112 |
| Other operating expenses | | -159.782 | 0 |
| **OPERATING PROFIT** | | **902.126** | **858.689** |
| Other financial income | | 13.754 | 13.990 |
| Other financial expenses | 2 | -295.001 | -92.185 |
| **PROFIT BEFORE TAX** | | **620.879** | **780.494** |
| Tax on profit/loss for the year | 3 | -102.268 | -156.112 |
| **PROFIT FOR THE YEAR** | | **518.611** | **624.382** |

## PROPOSED DISTRIBUTION OF PROFIT

| | | |
|---|---|---|
| Retained earnings | 518.611 | 624.382 |
| **TOTAL** | **518.611** | **624.382** |

## BALANCE SHEET AT 31 MARCH

| ASSETS | Note | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Other plant, machinery tools and equipment | | 746.786 | 1.073.748 |
| **Property, plant and equipment** | 4 | **746.786** | **1.073.748** |
| **NON-CURRENT ASSETS** | | **746.786** | **1.073.748** |
| Finished goods and goods for resale | | 1.061.804 | 1.513.853 |
| Prepayments | | 9.178.387 | 9.197.809 |
| **Inventories** | | **10.240.191** | **10.711.662** |
| Trade receivables | | 8.698.139 | 9.444.487 |
| Receivables from group enterprises | | 120.075 | 112.037 |
| Deferred tax assets | | 76.156 | 19.008 |
| Other receivables | | 571.671 | 507.750 |
| Prepayments | | 625.878 | 731.909 |
| **Receivables** | | **10.091.919** | **10.815.191** |
| **Cash and cash equivalents** | | **6.286.266** | **2.950.588** |
| **CURRENT ASSETS** | | **26.618.376** | **24.477.441** |
| **ASSETS** | | **27.365.162** | **25.551.189** |

## BALANCE SHEET AT 31 MARCH

| EQUITY AND LIABILITIES | Note | 2023<br>DKK | 2022<br>DKK |
|---|---|---|---|
| Share capital | | 510.000 | 510.000 |
| Retained earnings | | 5.086.863 | 4.568.252 |
| **EQUITY** | | **5.596.863** | **5.078.252** |
| Trade payables | | 2.138.285 | 3.289.397 |
| Debt to Group companies | | 15.487.419 | 12.876.217 |
| Corporation tax payable | | 52.560 | 122.502 |
| Other liabilities | | 4.090.035 | 4.184.821 |
| **Current liabilities** | | **21.768.299** | **20.472.937** |
| **LIABILITIES** | | **21.768.299** | **20.472.937** |
| **EQUITY AND LIABILITIES** | | **27.365.162** | **25.551.189** |
| **Contingencies etc.** | 5 | | |
| **Related parties** | 6 | | |

## EQUITY

| | Share capital | Retained earnings | Total |
|---|---|---|---|
| Equity at 1 April 2022 | 510.000 | 4.568.252 | 5.078.252 |
| Proposed profit allocation | | 518.611 | 518.611 |
| **Equity at 31 March 2023** | **510.000** | **5.086.863** | **5.596.863** |

NOTES

| | | | Note |
|---|---|---|---|
| **Staff costs** | | | 1 |
| Average number of employees | 28 | 33 | |
| Wages and salaries | 15.409.190 | 18.979.690 | |
| Pensions | 940.246 | 968.943 | |
| Social security costs | 63.285 | 111.612 | |
| Other staff costs | 582.734 | 822.152 | |
| | **16.995.455** | **20.882.397** | |
| **Other financial expenses** | | | 2 |
| Group enterprises | 261.374 | 47.919 | |
| Other interest expenses | 33.627 | 44.266 | |
| | **295.001** | **92.185** | |
| **Tax on profit/loss for the year** | | | 3 |
| Calculated tax on taxable income of the year | 186.560 | 167.656 | |
| Adjustment of tax in previous years | -27.144 | 7.464 | |
| Adjustment of deferred tax | -57.148 | -19.008 | |
| | **102.268** | **156.112** | |

**Property, plant and equipment** 4

| | Other plant, machinery tools and equipment |
|---|---|
| Cost at 1 April 2022 | 3.155.941 |
| Additions | 297.120 |
| Disposals | -511.060 |
| **Cost at 31 March 2023** | **2.942.001** |
| Depreciation and impairment losses at 1 April 2022 | 2.082.193 |
| Reversal of depreciation of assets disposed of | -351.278 |
| Depreciation for the year | 464.300 |
| **Depreciation and impairment losses at 31 March 2023** | **2.195.215** |
| **Carrying amount at 31 March 2023** | **746.786** |

**Contingencies etc.** 5

**Contingent liabilities**

The company has entered operational lease agreements totalling DKK 2.5 million (21/22 DKK 2.5 million)

**Related parties** 6

The consolidated financial statements of Sharp Electronics Europe GmbH, which is ultimately owned by Sharp Corporation, Japan, can be obtained at the following address: Sharp Electronics Europe GbmH, Nagelsweg 33-35, Hamburg, Germany.

## ACCOUNTING POLICIES

The Annual Report of SHARP BUSINESS SYSTEMS DANMARK A/S for 2022/23 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

## INCOME STATEMENT

**Net revenue**
Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

**Other operating income**
Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains on the sale of intangible assets and property, plant and equipment.

**Other operating expenses**
Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses on the sale of intangible assets and property, plant and equipment.

**Cost of sales**
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

**Other external expenses**
Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

**Staff costs**
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Company's employees.

**Financial income and expenses**
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

**Tax**
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

## BALANCE SHEET

**Tangible fixed assets**

## ACCOUNTING POLICIES

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

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

| | Useful life | Residual value |
|---|---|---|
| Other plant, fixtures and equipment..... | 3-5 years | 0 |

**Impairment of fixed assets**
The carrying amount of tangible assets, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

**Inventories**
Inventories are measured at the lower of cost based on weighted average prices and net realisable value.
The net realisable value of inventories is calculated at the amount expected to be generated by sale of the
inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.
The cost of goods for resale and consumables equals landed cost.

**Receivables**
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

**Accruals, assets**
Comprise prepaid expenses concerning rent, insurance premiums, subscriptions etc.

## ACCOUNTING POLICIES

**Tax payable and deferred tax**
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

**Liabilities**
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.