
Sharp Business Systems Danmark A/S

Roholmsvej 14 A, DK-2620 Albertslund

Annual Report for 1 April 2020 - 31 March 2021

CVR No 36 53 85 89

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
15/9 2021

Klas Jonas Forsell
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 April - 31 March	5
Balance Sheet 31 March	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Sharp Business Systems Danmark A/S for the financial year 1 April 2020 - 31 March 2021.

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 financial position at 31 March 2021 of the Company and of the results of the Company operations for 2020/21.

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

Albertslund, 15 September 2021

Executive Board

Torben Lund Rasmussen
CEO

Board of Directors

Carl Gösta Henrik Flink
Chairman

Klas Jonas Forsell

Torben Lund Rasmussen

Independent Auditor's Report

To the Shareholder of Sharp Business Systems Danmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 2021 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Sharp Business Systems Danmark A/S for the financial year 1 April 2020 - 31 March 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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. 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 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

Independent Auditor's Report

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.

Hellerup, 15 September 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Anders Røjleskov
State Authorised Public Accountant
mne28699

Company Information

The Company

Sharp Business Systems Danmark A/S
Roholmsvej 14 A
DK-2620 Albertslund

CVR No: 36 53 85 89
Financial period: 1 April - 31 March
Municipality of reg. office: Albertslund

Board of Directors

Carl Gösta Henrik Flink, Chairman
Klas Jonas Forsell
Torben Lund Rasmussen

Executive Board

Torben Lund Rasmussen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Lawyers

WTC advokaterne
Slotsgade 36B, 3400 Hillerød

Bankers

Handelsbanken
Gustavslundsvägen 22, 16715 Bromma

Income Statement 1 April - 31 March

	Note	2020/21 DKK	2019/20 DKK
Gross profit/loss		21,278,567	17,930,011
Staff expenses	2	-20,619,935	-16,699,592
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-664,484	-330,930
Profit/loss before financial income and expenses	3	-5,852	899,489
Financial income		10,080	0
Financial expenses	4	-205,150	-643,565
Profit/loss before tax		-200,922	255,924
Tax on profit/loss for the year	5	7,849	-115,054
Net profit/loss for the year		-193,073	140,870

Distribution of profit

Proposed distribution of profit

Retained earnings		-193,073	140,870
		-193,073	140,870

Balance Sheet 31 March

Assets

	Note	2020/21 DKK	2019/20 DKK
Other fixtures and fittings, tools and equipment		1,340,210	1,107,429
Property, plant and equipment	6	1,340,210	1,107,429
Fixed assets		1,340,210	1,107,429
Inventories		11,513,459	9,466,138
Trade receivables		10,750,433	6,675,736
Receivables from group enterprises		1,065,517	3,806,314
Other receivables		377,691	258,362
Deferred tax asset		39,829	0
Corporation tax		0	10,349
Prepayments		579,483	203,167
Receivables		12,812,953	10,953,928
Cash at bank and in hand		1,037,013	3,872,447
Currents assets		25,363,425	24,292,513
Assets		26,703,635	25,399,942

Balance Sheet 31 March

Liabilities and equity

	Note	2020/21 DKK	2019/20 DKK
Share capital		510,000	500,000
Retained earnings		3,943,864	2,185,063
Equity		4,453,864	2,685,063
Provision for deferred tax		0	1,280
Provisions		0	1,280
Other payables		1,839,444	1,111,387
Long-term debt	7	1,839,444	1,111,387
Trade payables		3,793,632	2,509,779
Payables to group enterprises		12,513,596	17,200,000
Corporation tax		256,928	7,980
Other payables	7	3,846,171	1,884,453
Short-term debt		20,410,327	21,602,212
Debt		22,249,771	22,713,599
Liabilities and equity		26,703,635	25,399,942
Key activities	1		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Subsequent events	10		
Accounting Policies	11		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 April	500,000	2,185,063	2,685,063
Net effect from merger	10,000	1,951,874	1,961,874
Adjusted equity at 1 April	510,000	4,136,937	4,646,937
Net profit/loss for the year	0	-193,073	-193,073
Equity at 31 March	510,000	3,943,864	4,453,864

Notes to the Financial Statements

1 Key activities

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

	<u>2020/21</u>	<u>2019/20</u>
	DKK	DKK
2 Staff expenses		
Wages and salaries	18,695,680	15,502,251
Pensions	1,039,443	818,716
Other social security expenses	78,954	65,334
Other staff expenses	<u>805,858</u>	<u>313,291</u>
	<u>20,619,935</u>	<u>16,699,592</u>
Average number of employees	<u>34</u>	<u>30</u>
3 Special items		
Received salary compensation, Covid-19	468,587	0
Profit on sale of fixed assets	<u>76,336</u>	<u>0</u>
	<u>544,923</u>	<u>0</u>
4 Financial expenses		
Interest paid to group enterprises	142,026	566,997
Other financial expenses	37,763	48,299
Exchange loss	<u>25,361</u>	<u>28,269</u>
	<u>205,150</u>	<u>643,565</u>
5 Tax on profit/loss for the year		
Current tax for the year	0	107,074
Deferred tax for the year	-41,109	7,980
Adjustment of tax concerning previous years	<u>33,260</u>	<u>0</u>
	<u>-7,849</u>	<u>115,054</u>

Notes to the Financial Statements

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 April	1,919,715
Net effect from merger and acquisition	1,248,848
Additions for the year	324,451
Disposals for the year	-253,448
Cost at 31 March	<u>3,239,566</u>
Impairment losses and depreciation at 1 April	812,286
Net effect from merger and acquisition	516,452
Depreciation for the year	664,484
Reversal of impairment and depreciation of sold assets	-93,866
Impairment losses and depreciation at 31 March	<u>1,899,356</u>
Carrying amount at 31 March	<u>1,340,210</u>

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2020/21	2019/20
	DKK	DKK
Other payables		
Between 1 and 5 years	1,839,444	1,111,387
Long-term part	<u>1,839,444</u>	<u>1,111,387</u>
Other short-term payables	3,846,171	1,884,453
	<u>5,685,615</u>	<u>2,995,840</u>

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has entered operational lease agreements totalling DKK 2.6 million (2020: DKK 2.7 million)

9 Related parties

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.

10 Subsequent events

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

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of Sharp Business Systems Danmark A/S for 2020/21 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2020/21 are presented in DKK.

In the financial year 2020/21, the Company merged with Sharp Center Århus ApS using the book value method. Comparative figures are not adjusted.

The merger between Sharp Business Systems Danmark A/S and Sharp Center Århus ApS is effected with accounting effect from 1 April 2020.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Notes to the Financial Statements

11 Accounting Policies (continued)

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Income Statement

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 external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Notes to the Financial Statements

11 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale 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.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

11 Accounting Policies (continued)

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 in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions etc.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Notes to the Financial Statements

11 Accounting Policies (continued)

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.