



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 886 486 812  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CHG-MERIDIAN NORWAY AS  
Forretningsadresse: Stortorvet 7  
0155 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2022 - 31.12.2022

### Konsern

Mørselskap i konsern: Ja  
Konsernregnskap lagt ved: Ja

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler  
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Lena Gausen  
Dato for fastsettelse av årsregnskapet: 05.05.2023

### Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert  
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 18.06.2024



### Resultatregnskap

Beløp i: NOK	Note	2022	2021
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	2	36 883 402	24 144 831
<b>Sum inntekter</b>		<b>36 883 402</b>	<b>24 144 831</b>
<b>Kostnader</b>			
Lønnskostnad	4	21 899 014	14 962 196
Avskrivning på varige driftsmidler og immaterielle eiendeler	5	123 107	229 318
Annen driftskostnad	4	5 425 037	4 057 783
<b>Sum kostnader</b>		<b>27 447 158</b>	<b>19 249 297</b>
<b>Driftsresultat</b>		<b>9 436 244</b>	<b>4 895 534</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		106 377	-1 975
Annen finansinntekt		175	385
<b>Sum finansinntekter</b>		<b>106 552</b>	<b>-1 590</b>
Annen rentekostnad	6	3 195 532	170 962
Annen finanskostnad		42 138	32 076
<b>Sum finanskostnader</b>		<b>3 237 670</b>	<b>203 038</b>
<b>Netto finans</b>		<b>-3 131 118</b>	<b>-204 628</b>
<b>Ordinært resultat før skattekostnad</b>		<b>6 305 126</b>	<b>4 690 906</b>
Skattekostnad på ordinært resultat	7	1 403 735	1 047 849
<b>Ordinært resultat etter skattekostnad</b>		<b>4 901 391</b>	<b>3 643 057</b>
<b>Årsresultat</b>		<b>4 901 391</b>	<b>3 643 057</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital	8	4 901 391	3 643 056
<b>Sum overføringer og disponeringer</b>		<b>4 901 391</b>	<b>3 643 056</b>



### Balanse

Beløp i: NOK	Note	2022	2021
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
Utsatt skattefordel	7	57 289	71 038
<b>Sum immaterielle eiendeler</b>		<b>57 289</b>	<b>71 038</b>
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	5	165 511	106 901
<b>Sum varige driftsmidler</b>		<b>165 511</b>	<b>106 901</b>
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	3	12 785 896	12 785 896
Andre fordringer	9	452 441 448	294 542 342
<b>Sum finansielle anleggsmidler</b>		<b>465 227 344</b>	<b>307 328 238</b>
<b>Sum anleggsmidler</b>		<b>465 450 144</b>	<b>307 506 177</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	6	21 016 366	15 983 004
Andre fordringer	10	109 692 356	84 587 062
Konsernfordringer	6	15 849 286	15 849 286
<b>Sum fordringer</b>		<b>146 558 008</b>	<b>116 419 352</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	13 380 098	16 008 815
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>13 380 098</b>	<b>16 008 815</b>
<b>Sum omløpsmidler</b>		<b>159 938 106</b>	<b>132 428 167</b>
<b>SUM EIENDELER</b>		<b>625 388 250</b>	<b>439 934 344</b>

### BALANSE - EGENKAPITAL OG GJELD



## Balanse

Beløp i: NOK	Note	2022	2021
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Selskapskapital	8,12	499 500	499 500
Overkurs	8	24 665 188	24 665 188
Annen innskutt egenkapital	8	2 298 953	2 298 953
<b>Sum innskutt egenkapital</b>		<b>27 463 641</b>	<b>27 463 641</b>
<b>Opptjent egenkapital</b>			
Annen egenkapital	8	36 312 494	31 411 103
<b>Sum opptjent egenkapital</b>		<b>36 312 494</b>	<b>31 411 103</b>
<b>Sum egenkapital</b>		<b>63 776 135</b>	<b>58 874 744</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld	6	80 307 370	61 329 134
Betalbar skatt	7	1 389 986	1 057 775
Skyldige offentlige avgifter		1 182 984	730 475
Kortsiktig konserngjeld	6	73 590 804	30 239 204
Annen kortsiktig gjeld	10	405 140 972	287 703 012
<b>Sum kortsiktig gjeld</b>		<b>561 612 116</b>	<b>381 059 600</b>
<b>Sum gjeld</b>		<b>561 612 116</b>	<b>381 059 600</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>625 388 251</b>	<b>439 934 344</b>
<b>POSTER UTENOM BALANSEN</b>			
Garantistillelser	13	62 769 387	34 271 747



Wilbergjordet 2  
Postboks 812  
1609 Fredrikstad  
www.bdo.no

## Uavhengig revisors beretning

### Til generalforsamlingen i Chg-Meridian Norway AS

#### Konklusjon

Vi har revidert årsregnskapet til Chg-Meridian Norway AS.

#### Årsregnskapet består av:

- Balanse per 31. desember 2022,
- Resultatregnskap 2022
- Kontantstrømoppstilling for regnskapsåret avsluttet per 31. desember 2022
- Noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

#### Etter vår mening:

- Oppfyller årsregnskapet gjeldende lovkrav, og
- Gir årsregnskapet et rettviseende bilde av selskapets finansielle stilling per 31. desember 2022 og av dets resultater og kontantstrømmer for regnskapsåret i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

#### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under Revisors oppgaver og plikter ved revisjonen av årsregnskapet. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og International Code of Ethics for Professional Accountants (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

#### Annen informasjon

Styret og daglig leder (ledelsen) er ansvarlig for annen informasjon. Annen informasjon består av årsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke annen informasjon.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese annen informasjon. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom annen informasjon og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i annen informasjon ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom annen informasjon fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

#### Konklusjon om årsberetningen

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

#### Styret og daglig leders ansvar for årsregnskapet

Styret og daglig leder (ledelsen) er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil.



Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

#### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

For videre beskrivelse av revisors oppgaver og plikter vises det til:  
<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Vidar Hermansen  
statsautorisert revisor  
(elektronisk signert)

Penneo DokumentID: ENNMU-YOZ4E-8VWZG-BJQWD-ANI4E-8KEYE



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## Vidar Hermansen

Partner

På vegne av: BDO AS

Serienummer: 9578-5992-4-1650398

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# Årsregnskap 2022 CHG-MERIDIAN Norway AS

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Organisasjonsnr: 886 486 812



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## Resultatregnskap CHG-MERIDIAN Norway AS

Driftsinntekter og driftskostnader	Note	2022	2021
Salgsinntekt	2	36 883 402	24 144 831
<b>Sum driftsinntekter</b>		<b>36 883 402</b>	<b>24 144 831</b>
Lønnskostnad	4	21 899 014	14 962 196
Avskrivning av driftsmidler og immaterielle eiendeler	5	123 107	229 318
Annen driftskostnad	4	5 425 037	4 057 783
<b>Sum driftskostnader</b>		<b>27 447 158</b>	<b>19 249 298</b>
<b>Driftsresultat</b>		<b>9 436 244</b>	<b>4 895 533</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		106 377	-1 975
Annen finansinntekt		175	385
Annen rentekostnad	6	3 195 532	170 962
Annen finanskostnad		42 138	32 076
<b>Resultat av finansposter</b>		<b>-3 131 118</b>	<b>-204 628</b>
<b>Resultat før skattekostnad</b>		<b>6 305 126</b>	<b>4 690 905</b>
Skattekostnad på resultat	7	1 403 735	1 047 849
<b>Årsresultat</b>		<b>4 901 391</b>	<b>3 643 056</b>
<b>Overføringer</b>			
Avsatt til annen egenkapital	8	4 901 391	3 643 056
<b>Sum overføringer</b>		<b>4 901 391</b>	<b>3 643 056</b>



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## Balanse CHG-MERIDIAN Norway AS

Eiendeler	Note	2022	2021
<b>Anleggsmidler</b>			
<i>Immaterielle eiendeler</i>			
Utsatt skattefordel	7	57 289	71 038
<b>Sum immaterielle eiendeler</b>		<b>57 289</b>	<b>71 038</b>
<i>Varige driftsmidler</i>			
Driftsløsøre, inventar o.a. utstyr	5	165 511	106 901
<b>Sum varige driftsmidler</b>		<b>165 511</b>	<b>106 901</b>
<i>Finansielle anleggsmidler</i>			
Investeringer i datterselskap	3	12 785 896	12 785 896
Andre langsiktige fordringer	9	452 441 448	294 542 342
<b>Sum finansielle anleggsmidler</b>		<b>465 227 344</b>	<b>307 328 238</b>
<b>Sum anleggsmidler</b>		<b>465 450 144</b>	<b>307 506 177</b>
<b>Omløpsmidler</b>			
<i>Fordringer</i>			
Kundefordringer	6	21 016 366	15 983 004
Andre kortsiktige fordringer	10	109 692 356	84 587 062
Konsernfordringer	6	15 849 286	15 849 286
<b>Sum fordringer</b>		<b>146 558 008</b>	<b>116 419 352</b>
<i>Bankinnskudd, kontanter o.l</i>			
Bankinnskudd, kontanter o.l.	11	13 380 098	16 008 815
<b>Sum bankinnskudd, kontanter o.l</b>		<b>13 380 098</b>	<b>16 008 815</b>
<b>Sum omløpsmidler</b>		<b>159 938 106</b>	<b>132 428 167</b>
<b>Sum eiendeler</b>		<b>625 388 250</b>	<b>439 934 344</b>



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## Balanse CHG-MERIDIAN Norway AS

Egenkapital og gjeld	Note	2022	2021
<b>Egenkapital</b>			
<i>Innskutt egenkapital</i>			
Aksjekapital	8, 12	499 500	499 500
Overkurs	8	24 665 188	24 665 188
Annen innskutt egenkapital	8	2 298 953	2 298 953
<b>Sum innskutt egenkapital</b>		<b>27 463 641</b>	<b>27 463 641</b>
<i>Opptjent egenkapital</i>			
Annen egenkapital	8	36 312 494	31 411 103
<b>Sum opptjent egenkapital</b>		<b>36 312 494</b>	<b>31 411 103</b>
<b>Sum egenkapital</b>	<b>8</b>	<b>63 776 135</b>	<b>58 874 744</b>
<b>Gjeld</b>			
<i>Kortsiktig gjeld</i>			
Leverandørgjeld	6	80 307 370	61 329 134
Betalbar skatt	7	1 389 986	1 057 775
Skyldig offentlige avgifter		1 182 984	730 475
Kortsiktig konserngjeld	6	73 590 804	30 239 204
Annen kortsiktig gjeld	10	405 140 972	287 703 012
<b>Sum kortsiktig gjeld</b>		<b>561 612 115</b>	<b>381 059 600</b>
<b>Sum gjeld</b>		<b>561 612 115</b>	<b>381 059 600</b>
<b>Sum egenkapital og gjeld</b>		<b>625 388 250</b>	<b>439 934 344</b>
Gjenkjøpsforpliktelser	13	62 769 387	34 271 747

Oslo, 05.05.2023

Styret i CHG-MERIDIAN Norway AS

DocuSigned by:

Ulrich Matthias Bergmann  
styreleder

DocuSigned by:

Christian Vold  
styremedlem/daglig leder

DocuSigned by:

Lena Gausen  
styremedlem

DocuSigned by:

Lukas Tobias Trankle  
styremedlem



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## CHG-MERIDIAN Norway AS

KONTANTSTRØMSANALYSE	Note	2022	2021
<b>LIKVIDER TILFØRT/BRUKT PÅ VIRKSOMHETEN:</b>			
Ordinært resultat før skatt		6 305 126	4 690 905
+/- Tap/gevinst ved salg av aksjer		0	0
+ Ordinære avskrivninger	5	123 107	229 319
+ Nedskrivning anleggsmidler		0	0
- Betalbar skatt i fjor utbetalt i år	14	-1 057 775	-2 878 444
Tilført fra årets virksomhet		<b>5 370 458</b>	<b>2 041 780</b>
+/- Endring i lager, debitorer og kreditorer		13 944 874	40 332 008
+/- Endring i andre tidsavgrensningssposter		-65 113 932	-50 117 347
<b>A = Netto likviditetsendring fra virksomheten</b>		<b>-45 798 600</b>	<b>-7 743 559</b>
<b>LIKVIDER TILFØRT/BRUKT PÅ INVESTERINGER:</b>			
- Investeringer i varige driftsmidler	5	-181 717	-173 189
- lån til datterselskap	7	0	-5 194 176
<b>B = Netto likviditetsendring fra investering</b>		<b>-181 717</b>	<b>-5 367 365</b>
<b>LIKVIDER TILFØRT/BRUKT PÅ FINANSIERING:</b>			
+ Opptak av ny gjeld/nedbetaling av gammel gjeld	7	43 351 600	-7 872 889
+ Endring i egenkapital		0	0
<b>C = Netto likviditetsendring fra finansiering</b>		<b>43 351 600</b>	<b>-7 872 889</b>
<b>+ Likviditetsbeholdning 1.1.</b>		<b>16 008 815</b>	<b>36 992 628</b>
<b>A+B+C Netto endring i likvider gjennom året</b>		<b>-2 628 717</b>	<b>-20 983 813</b>
<b>= Likviditetsbeholdning 31.12.</b>		<b>13 380 098</b>	<b>16 008 815</b>



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

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### Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk.

#### *Salgsinntekter*

Inntektsføring ved salg av varer og tjenester skjer på leveringstidspunktet. Salgsinntekter er presentert med nettotall i regnskapet.

Selskapets system for registrering av avtaler er tilpasset konsernets metode for inntektsføring av avtaler. Dette er tilpasset til IFRS-logikk som er grunnlaget for CHG-MERIDIANS rapportering og er samtidig i tråd med god regnskapsskikk i Norge. Avtaler som inngås har i hovedsak løpetid på mellom 3 og 5 år.

Solgte leasingavtaler defineres som finansielle eller operasjonelle ut fra inntektskriterier. Finansielle avtaler blir balanseført til beregnet nåverdi av fremtidige leieinntekter inkludert restverdi. Restverdi ved salg av kontraktene inntektføres over kontraktens levetid.

#### *Vurdering og klassifisering av balanseposter*

Anleggsmidler er eiendeler ment til varig eie og bruk i virksomheten. Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter anskaffelsestidspunkt, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og antatt virkelig verdi.

#### *Fordringer*

Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

#### *Varige driftsmidler*

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede levetid dersom de har levetid over 3 år. Vedlikehold av driftsmidler kostnadsføres løpende, mens påkostninger eller forbedringer tillegges driftsmidlets kostpris og avskrives over resterende økonomisk levetid.

#### *Leieavtaler*

Leieavtaler er ikke balanseført. Selskapet har kun operasjonelle leieavtaler der de selv er leietaker.

#### *Valuta*

Pengeposter i utenlandsk valuta omregnes til balansedagens kurs. Løpende agio og disagio er ført som en del av netto salgsinntekter (inngår i varekost ved varekjøp).

#### *Skatt*

Skattekostnaden i resultatregnskapet omfatter periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Andre skattereduserende forskjeller er ikke utlignet, men balanseført dersom det er sannsynlig at foretaket kan utnytte dem, og eventuelt nettoført.



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 2 - Salgsinntekter

Selskapets virksomhet er basert på provisjon på oppnådd salg. Provisjonen mottas enten direkte fra avtalepartner eller fremkommer som en differanse mellom finansiert beløp og mottatte fakturaer for de objekt som finansieres. I selskapets årsregnskap er alle inntekter vist netto.

Totalt finansiert beløp tilsvarer en omsetning på kr 280 486 310 for 2022 mot kr 258 618 005 i fjor.

Netto salg fordelt per virksomhetsområde og geografisk fordeling:

Virksomhetsområder:	2022	2021
Salg av finansieringsløsninger inkl forsikring	25 120 935	16 712 701
Interne fellestjenester konsern	11 762 467	7 432 130
<b>Sum</b>	<b>36 883 402</b>	<b>24 144 831</b>

Geografisk fordeling:	2022	2021
Norge	25 505 614	19 147 833
Europa	11 377 788	4 996 998
<b>Sum</b>	<b>36 883 402</b>	<b>24 144 831</b>

### Note 3 - Datterselskap

Datterselskap er vurdert etter kost-metoden.

Selskapsnavn	Forretnings- kontor	Eierandel i %	Stemmeandel i %
<b>Datterselskap</b>			
CHG-MERIDIAN Sweden AB	Stockholm	100 %	100 %
CHG-MERIDIAN Denmark A/S	København	100 %	100 %
CHG-MERIDIAN Finland OY	Helsinki	100 %	100 %
CHG-MERIDIAN Skien AS	Skien	100 %	100 %

Konsernregnskap utarbeides i morselskapet.

Selskapsnavn	Anskaffelses- kost	Balanseført verdi	Resultat 2022 (I lokal valuta)	Egenkapital 31.12.2022 (I lokal valuta)
<b>Datterselskap</b>				
CHG-MERIDIAN Sweden AB (SEK)	3 765 427	3 765 427	2 048 914	10 693 671
CHG-MERIDIAN Denmark A/S (DKK)	6 657 256	6 657 256	5 219 670	4 815 733
CHG-MERIDIAN Finland OY (EUR)	15 494 238	1	230 742	249 072
CHG-MERIDIAN Skien AS	2 363 212	2 363 212	1 444 025	8 561 907

Det er ytet egenkapitalinnskudd til CHG-MERIDIAN Finland OY per 1.1.2022 på kr 15 394 636 inngår i kostprisen på aksjene. Det er tilsvarende ytet et egenkapitalinnskudd til CHG-MERIDIAN Danmark A/S på kr 5 679 200 per 1.1.2022 som inngår i kostpris på aksjene.



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 4 - Lønn, godtgjørelser m.v.

#### Lønnskostnader

	2022	2021
Lønninger	16 607 770	11 569 407
Arbeidsgiveravgift	2 611 953	1 910 642
Pensjonskostnader	1 381 360	857 154
Andre ytelser	1 297 931	624 993
<b>Sum</b>	<b>21 899 014</b>	<b>14 962 196</b>

Gjennomsnittlig antall årsverk 14,5 12,5

#### Godtgjørelser

	Lønn	Andre godtgjørelser
Daglig leder CHG-MERIDIAN Norway AS	2 136 130	0
Styreleder CHG-MERIDIAN Norway AS	0	0

Inkludert i lønn for daglig leder er provisjon og bonus med tilsammen kr 982 124.

#### Honorar til revisor:

	2022	2021
Revisjonstjenester	148 786	137 528
Bistand årsregnskap og lign.p.	33 000	32 000
Annen bistand	61 363	28 222
<i>Alle beløp er ekskl. mva</i>	<b>243 149</b>	<b>197 750</b>

Selskapet er pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon. Selskapets pensjonsordninger tilfredsstiller kravene i denne lov.

### Note 5 Anleggsmidler

	Driftsløsøre, inventar ol.	Sum
Anskaffelseskost pr. 01.01.22	7 685 454	7 685 454
+ Tilgang kjøpte driftsmidler	181 717	181 717
<b>= Anskaffelseskost 31.12.22</b>	<b>7 867 171</b>	<b>7 867 171</b>
Akkumulerte avskrivninger 31.12.22	7 698 138	7 698 138
+ Akkumulerte nedskrivninger 31.12.22	3 522	3 522
<b>= Av- og nedskrivninger pr. 31.12.22</b>	<b>7 701 660</b>	<b>7 701 660</b>
<b>= Bokført verdi 31.12.22</b>	<b>165 511</b>	<b>165 511</b>
Årets ordinære avskrivninger	123 107	123 107
Økonomisk levetid	0-5 år	



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 6 - Mellomværende med selskap i samme konsern m.v.

	2022	2021
	<b>Kundefordringer</b>	<b>Kundefordringer</b>
CHG-MERIDIAN Sweden AB	NOK 292 640	NOK 0
CHG-MERIDIAN Denmark A/S	NOK 238 388	NOK 0

	2022	2021
	<b>Leverandørgjeld</b>	<b>Leverandørgjeld</b>
CHG-MERIDIAN AG	NOK 0	NOK 3 195
CHG-MERIDIAN Skien AS	NOK 765 518	NOK 68 966
CHG-MERIDIAN Sweden AB	NOK 450 752	NOK 0
CHG-MERIDIAN Denmark A/S	NOK 1 086 942	NOK 0

	2022	2021
	<b>Kortsiktig fordring</b>	<b>Kortsiktig fordring</b>
CHG-MERIDIAN Finland OY	NOK 15 849 286	NOK 15 849 286

	2022	2021
	<b>Kortsiktig gjeld</b>	<b>Kortsiktig gjeld</b>
CHG-MERIDIAN Finland OY	NOK 4 737 761	NOK 0
CHG-MERIDIAN AG	NOK 68 853 043	NOK 25 045 028

Det er belastet renter på internt lån fra morselskapet med kr 3 187 006 i 2022.

### Note 7 Skatt

<b>Årets skattekostnad</b>	2022	2021
Resultatført skatt på ordinært resultat:		
Betalbar skatt	1 389 986	1 057 775
Endring i utsatt skattefordel	13 749	-9 926
<b>Skattekostnad ordinært resultat</b>	<b>1 403 735</b>	<b>1 047 849</b>
Skattepliktig inntekt:		
Resultat før skatt	6 305 126	4 690 905
Permanente forskjeller	75 484	72 044
Endring i midlertidige forskjeller	-62 492	45 118
<b>Skattepliktig inntekt</b>	<b>6 318 118</b>	<b>4 808 067</b>
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	1 389 986	1 057 775
<b>Sum betalbar skatt i balansen</b>	<b>1 389 986</b>	<b>1 057 775</b>

Skatteeffekten av midlertidige forskjeller som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2022	2021	Endring
Varige driftsmidler	-262 551	-322 899	-60 348
Fordringer	2 145	0	-2 145
<b>Sum</b>	<b>-260 406</b>	<b>-322 899</b>	<b>-62 492</b>
<b>Grunnlag for utsatt skattefordel</b>	<b>-260 406</b>	<b>-322 899</b>	<b>-62 492</b>
<b>Utsatt skattefordel (22 %)</b>	<b>-57 289</b>	<b>-71 038</b>	<b>-13 748</b>



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 8 - Egenkapital

	Aksjekapital	Overkurs	Annen inskutt EK	Annen Egenkapital	Sum
Egenkapital 01.01.2022	499 500	24 665 188	2 298 953	31 411 103	58 874 744
Årets resultat				4 901 391	4 901 391
<b>Egenkapital 31.12.2022</b>	<b>499 500</b>	<b>24 665 188</b>	<b>2 298 953</b>	<b>36 312 494</b>	<b>63 776 135</b>

### Note 9 - Langsiktige fordringer

Fordringer med forfall over ett år utgjør kr 271 858 785.

Langsiktige fordringer relatert til den ordinære leasingporteføljen har per 31.12.22 en saldo på kr 445 163 095. I 2021 var beløpet kr 285 161 984.

### Note 10 - Kortsiktige fordringer og kortsiktig gjeld

	2022	2021
Kortsiktige fordringer relatert til leasingportefølje	90 677 544	77 067 030
Andre kortsiktige fordringer	19 014 813	7 520 032
<b>Sum andre kortsiktige fordringer i regnskapet</b>	<b>109 692 357</b>	<b>84 587 062</b>

	2022	2021
Kortsiktig gjeld relatert til leasingportefølje	391 270 594	270 069 555
Annen kortsiktig gjeld	13 870 380	17 633 457
<b>Sum annen kortsiktig gjeld i regnskapet</b>	<b>405 140 974</b>	<b>287 703 012</b>

### Note 11 - Bundne midler

	2022	2021
I posten inngår bundne bankinnskudd på skattetrekkkonto med NOK	620 559	364 169



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 12 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen i CHG-MERIDIAN Norway AS pr. 31.12.2022 består av følgende aksjeklasser:

	Antall	Pålydende	Balansført
Ordinære - aksjer	1 110	100	499 500

#### Eierstruktur

Aksjonæren i CHG-MERIDIAN Norway AS pr. 31.12.2022 var:

	Ordinære - aksjer	Eierandel	Stemmeandel
CHG-MERIDIAN AG, Germany	1 110	100 %	100 %

Konsernregnskap utarbeides av CHG-MERIDIAN AG ved selskapets kontor i Tyskland, Franz-Beer-Strasse 111, 88250 Weingarten.  
Det utarbeides ikke konsernregnskap i Norge.

### Note 13 - Forpliktelser

Selskapet har forpliktet seg til gjenkjøp av utleiegjenstander etter leieperiodens utløp for til sammen kr 62 769 387. Av dette gjelder 51 182 771 ny portefølje og kr 11 499 506 NF Techfleet portefølje som inntektsføres over leieperioden for avtalene og kr 87 110 vedr eldre portefølje, hvor hele beløpet er inntektsført ved salg av avtalen.

Summene er fordelt på mange avtaler over tid. Gjenkjøpsavtalene gir som oftest en fortjeneste for selskapet ved utløp av kontraktene.



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## CHG-MERIDIAN Norway AS (org.nr.886 486 812)

### Note 14 - Transaksjoner med nærstående parter

Ytelser til ledende ansatte er omtalt i note 4, og mellomværende med konsernselskaper er omtalt i note 6.

### Selskapets transaksjoner med nærstående parter 2022

#### Salg av varer og tjenester:

Salg av utstyr EOL:	
Datterselskaper	13 693 408
Morselskap	32 949

Salg av forsikring:	
Datterselskaper	0

Interne fellestjenester:	
Datterselskaper	10 886 603
Morselskap	13 000
Søsterselskap	74 175
Andre nærstående selskap	828 445
Sum interne fellestjenester	11 802 223

#### Kjøp av varer og tjenester:

Kjøp av utstyr EOL:	
Datterselskaper	13 138 335
Morselskap	12 141

Kjøp av fellestjenester av administrativ art samt IT:	
Morselskap	6 493 118
Datterselskaper	1 801 007



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## CHG-MERIDIAN Norway AS

### ÅRSBERETNING 2022

CHG-MERIDIAN Norway AS holder til i Oslo hvor selskapet tilbyr leieløsninger av teknologisk utstyr for kunder og leverandører i det norske markedet. CHG-MERIDIAN Norway AS er et datterselskap av CHG-MERIDIAN AG fra Tyskland og morselskap for 4 datterselskap; CHG-MERIDIAN Skien AS, CHG-MERIDIAN Sweden AB, CHG-MERIDIAN Denmark A/S og CHG-MERIDIAN Finland Oy.

CHG-MERIDIAN Norway AS benytter eksterne finansierings- og forsikringsselskaper, mot sine samarbeidspartnere og deres sluttkunder. Selskapet opptre som tilrettelegger av finansielle leasingavtaler og operasjonelle leieavtaler, hvor verdikjende tjenester og kompetanse spiller en viktig rolle.

De verdikjende tjenestene er selskapets hovedfokus, herunder; produktutvikling og strukturering av gode løsninger sammen med leverandører, miljø konsepter, administrasjonsløsninger, forsikringshåndtering, og løsninger for håndtering av brukt utstyr.

CHG-MERIDIAN Norway AS er ikke eksponert for endringer i valutakurser, kun for konserninterne transaksjoner. Selskapet er heller ikke eksponert for endringer i rentenivået, da leieavtalene med kundene baseres på markedsrenten til enhver tid.

Risikoen for tap på fordringer er vurdert som lav, og selskapets har historisk sett ikke hatt vesentlige tap på fordringer. Dette kan forklares ved at avtalene overdras til eksterne finansieringspartnere som har kredittrisikoen på kundene.

Selskapet vurderer likviditeten i selskapet som god, men vi vil fortsatt ha fokus på forfalte fordringer.

Forutsetningen for fortsatt drift er etter styrets oppfatning til stede, og årsregnskapet for 2022 er satt opp under den forutsetningen. Selskapet forventer for kommende år å fortsette driften etter samme lest som tidligere.

Selskapet tok i januar over porteføljen og ansatt tilknyttet vårt tidligere søsterselskap NF Techfleet.

I henhold til gjeldende lover og forskrifter fører selskapet oversikt over totalt sykefravær blant selskapets ansatte. I 2022 var det noe fravær spesielt i forbindelse med Covid19, men lite utover dette. Vi anser sykefraværet til å være på et lavt nivå. Det er vår oppfatning at arbeidsmiljøet og den generelle trivsel på arbeidsplassen er god. Det har vært fem oppsigelser i løpet av året noe som har påvirket både salg og administrasjon. Vi har delvis erstattet disse høsten 2022. Det har ikke vært personskader i forbindelse med selskapets virksomhet i 2022. Ved utgangen av 2022 er det 13 ansatte med 12,5 årsverk, samt to innleide ressurser. Av alle ansatte er 5 kvinner.



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Styret har gjort en vurdering av antall ansatte og stillingskategorier ikke funnet det nødvendig og iverksette tiltak for å fremme likestillingen. Styret består av 3 menn og 1 kvinne.

Etter pandemien, tilbyr selskapet en hybrid arbeidsplass der det er normalt med to dager på hjemmekontor og tre fysisk på kontoret.

Selskapet forurenses ikke det ytre miljø, og det er følgelig ikke iverksatt tiltak på dette området i 2022.

Selskapet er opptatt av grunnleggende menneskerettigheter og anstendige arbeidsforhold i egen virksomhet og i leverandørkjeden, ref åpenhetsloven. Foretaket har per dags dato hatt ekstern kursing tilknyttet loven og dens krav og har gjennomført vurderinger av et utvalg av leverandører og samarbeidspartnere. Foreløpig har vi ikke publisert noe på vår nettside, noe som vil bli gjort innen 30.06.2023.

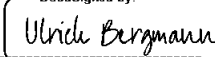
Selskapets styre og ledelse ser positivt på utviklingen i form av type kunder og grunnlag for videre fremtidig vekst. Selskapet opplever fortsatt stabil funding, grunnet tett samarbeid med et utvalg av fundingpartnere igjennom flere år.

Det er styrets oppfatning at det fremlagte årsregnskap gir tilfredsstillende informasjon for å bedømme selskapets stilling og resultat. Det er heller ikke inntrådt forhold etter regnskapsårets slutt som påvirker dette.

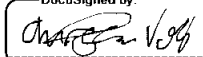
Styret foreslår følgende anvendelse av årets overskudd:

Avsatt til annen egenkapital	<u>NOK 4 901 391</u>
Sum overføringer	NOK 4 901 391

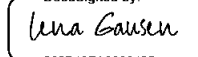
Oslo, 05.05.2023

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335D3497A844CB

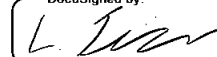
Ulrich Bergmann  
Styrets leder

DocuSigned by:  
  
12E0E878A5E6495

Christian Vold  
Daglig leder/styremedlem

DocuSigned by:  
  
268B43EA032043B

Lena Gausen  
Styremedlem

DocuSigned by:  
  
4E89A3B15A54B2

Lukas Tränkle  
Styremedlem



Convenience translation of the Original German Audit Report.  
Solely the original text in German is authoritative.

## Audit report

CHG-MERIDIAN AG  
Weingarten

Audit of the consolidated financial statements  
and the group management report  
for the financial year from 1 January 2022  
to 31 December 2022







Convenience translation of the Original German Audit Report.  
Solely the original text in German is authoritative.

## Audit report

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Weingarten

Audit of the consolidated financial statements  
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Please note that small deviations may occur due to the commercial rounding of figures and percentages.

References to provisions of the German Commercial Code (HGB) as well as to other laws and standards mentioned in the audit report refer to the version applicable to the audited financial year, unless otherwise indicated.





## LIST OF ABBREVIATIONS

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<u>Abbreviations</u>	<u>English translation of German terms</u>
Abs.	Paragraph (Absatz)
AG	German stock corporation (Aktiengesellschaft)
AktG	Stock Corporation Act (Aktiengesetz)
GET	General Engagement Terms for Public Auditors and Public Audit Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften)
GmbH	Limited liability company (Gesellschaft mit beschränkter Haftung)
HGB	German Commercial Code (Handelsgesetzbuch)
HR	Commercial Register (Handelsregister)
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standard(s)
IDW	Institute of Public Auditors in Germany, Incorporated Association (Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf)
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standard(s)
ISA	International Standard(s) on Auditing
ISA [DE]	Version translated into German by IDW of an ISA adopted by the IAASB of IFAC, in which the national specifics to be observed are added either as a so-called "D. text number" or in square brackets.
§	Paragraph
PS	Auditing standards of the Institute of Public Auditors in Germany (Prüfungsstandard des Instituts der Wirtschaftsprüfer in Deutschland e.V.)





## A. AUDIT ENGAGEMENT AND DECLARATION OF INDEPENDENCE

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### I. AUDIT ENGAGEMENT

---

- 1 The general meeting of  
CHG-MERIDIAN AG, Weingarten  
(hereinafter also referred to as „CHG AG“, „institute“, „entity“ or „parent company“)  
has appointed us on 27 June 2022 as group auditor for the financial year from 1 January 2022 to 31 December 2022.  
Thereupon, the supervisory board of the parent company engaged us to audit
- the consolidated financial statements as well as
  - the group management report
- for the financial year from 1 January 2022 to 31 December 2022 in accordance with §§ 317 et seqq. HGB. The term “group” comprises the CHG-MERIDIAN AG and all of the entities consolidated in the consolidated financial statements.
- 2 We were also engaged as the auditor of CHG-AG’s annual financial statements and the management report for the financial year from 1 January 2022 to 31 December 2022. We issue a separate report on this matter.
- 3 This report is solely intended for CHG-MERIDIAN AG, Weingarten.
- 4 The performance of the audit engagement and our responsibilities – also towards third parties – are subject to the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft (STC) as well as the General Engagement Terms for “Wirtschaftsprüfer” (German Public Auditors) and “Wirtschaftsprüfungsgesellschaften” (Public Audit Firms) as amended on 1 January 2017 (GET) accompanying this report as Appendix III.

### II. DECLARATION OF INDEPENDENCE

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- 5 In accordance with § 321 (4a) HGB, we confirm that we have complied with the applicable provisions on independence in our audit.

REPLICATION OF THE AUDITOR'S REPORT

**B. REPLICATION OF THE AUDITOR'S REPORT**

- 6 We have included the consolidated financial statements and the group management report of CHG-MERIDIAN AG, Weingarten, for the financial year from 1 January 2022 to 31 December 2022, in this report as Appendix I (consolidated financial statements) and Appendix II (group management report) in the versions, for which the unqualified audit opinion was signed and issued on 24 April 2023 in Frankfurt am Main as follows:

**INDEPENDENT AUDITOR'S REPORT**

To CHG-MERIDIAN AG, Weingarten

**AUDIT OPINIONS**

We have audited the consolidated financial statements of CHG-MERIDIAN AG, Weingarten, and its subsidiaries (the group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In addition, we have audited the group management report of CHG-MERIDIAN AG for the financial year from 1 January 2022 to 31 December 2022. In accordance with the German legal requirements we have not audited the content of those parts of the group management report listed in section "OTHER INFORMATION".

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022 and
- the accompanying group management report as a whole provides an appropriate view of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future



development. Our audit opinion on the group management report does not cover the contents of the parts of the group management report listed in section "OTHER INFORMATION".

Pursuant to § 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

## **BASIS FOR THE AUDIT OPINIONS**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

Our responsibilities under those requirements and principles are further described in the "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in compliance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

## **OTHER INFORMATION**

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the reference in section 2.6.2 of the Group management report to the separately published sustainability report
- the report of the Supervisory Board to the Annual General Meeting pursuant to Section 171 II of the German Stock Corporation Act (AktG)

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information, and consequently we do not express an audit opinion nor any other form of assurance conclusion thereon.



REPLICATION OF THE AUDITOR'S REPORT

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and that the consolidated financial statements in compliance with those requirements give a true and fair view of the assets, liabilities, financial position and financial performance of the group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinion on the consolidated financial statements and the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee, that an audit conducted in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and the group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the



## REPLICATION OF THE AUDITOR'S REPORT

related disclosures in the consolidated financial statements and in the group management report, or if such disclosures are inadequate, to modify our respective audit opinions. 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 group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.





## C. GENERAL STATEMENTS

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### I. COMMENTS ON THE EXECUTIVE DIRECTORS' ASSESSMENT OF THE GROUP'S POSITION

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- 7 From the group management report prepared by the executive directors of the parent company, we would like to point out the following assertions that we believe to be of particular importance for assessing the economic position of the group as well as its future development including opportunities and risks of the group:
- The lease origination volume – which is the sum of purchase invoices received for equipment leased out or sold to refinancing partners – amounted to EUR 2,231.8 million in the reporting year 2022, representing a year-on-year increase of 29.2 % (2021: EUR 1,726.8 million). With due regard to the coronavirus situation, the target set in April 2022 for the lease origination volume in 2022 in the range of EUR 1.8 billion to EUR 2.0 billion was thus significantly exceeded.
  - The CHG-MERIDIAN Group generated a profit from ordinary activities of EUR 135.9 million in 2022 (2021: EUR 151.5 million), underperforming the prior-year figure. The continued very positive development of net income from operating leases contrasts with a significant decline in net interest income and a substantial increase in staff and administrative expenses.
  - The write-downs and value adjustments on lease receivables and leased assets decreased by EUR 17.5 million to EUR 3.5 million during the reporting year. In the previous year, the increased allowance was mainly the result of the final impairment loss on capitalized hidden reserves in conjunction with the acquisition of equigroup Holdings Group in 2018.
  - The CHG-MERIDIAN was able to mobilize a sufficient financing volume of EUR 2,048.3 million in 2022 (PY: EUR 1,678.9 million). As in the previous year, the CHG-MERIDIAN Group thus funded the majority of its lease origination through external funding partners. The funding volume of EUR 2,048.3 million represents 91.8 % of lease origination volume in the reporting year.
  - The CHG-MERIDIAN Group also always maintained a very good, robust level of financial resources in 2022. In addition, very strong free cash flow of EUR 413.6 million as at December 31, 2022 (2021: EUR 419.6 million), the CHG-MERIDIAN Group also has substantial undrawn short-term credit lines of EUR 181.6 million available (2021: EUR 243.4 million).



## GENERAL STATEMENTS

- The profile of the future opportunities for the CHG-MERIDIAN Group stems from the growing international demand for complexity reduction within their own companies while sustainably addressing the trends and challenges of the modern world of work. CHG-MERIDIAN's flexible, customized solutions enable customers to maintain a constant focus on their core business, which in many cases has in any case often become more complex as a result of the global crises of recent years. The systematic expansion of the product and service portfolio thus provides the foundation for the CHG-MERIDIAN Group's continuing success. Thanks to our international network and a presence in 26 countries, we can also serve international customers locally and respond to their needs.
  - Taking into account the current economic situation and the war between Russia and Ukraine, we do not expect the economic environment to recover significantly in the course of 2023 but are nevertheless confident of generating growth in lease origination volume. We therefore expect the CHG-MERIDIAN Group to achieve a lease origination volume ranging between EUR 2.2 billion to EUR 2.35 billion.
  - The legal representatives of the parent company are optimistic about the gross margin as well and once again anticipate solid results in a range of EUR 345.0 million to EUR 360.0 million. Furthermore, we expect consolidated net income to remain unchanged, with staffing levels increasing slightly.
- 8 In our opinion, based on the findings of our audit, the group management report as a whole provides a suitable view of the Group's position. In all material respects, the group management report accurately presents the opportunities and risks of future development.

## II. CONSOLIDATED ACCOUNTING RELATED FINDINGS

### 1. GROUP OF ENTITIES CONSOLIDATED

- 9 The subsidiaries included in the consolidated financial statements are presented in the notes to the consolidated financial statements (Appendix I). The scope of the entities to be consolidated was defined in accordance with the principle of consistency.
- 10 Changes in the scope of consolidation compared with the previous year are explained in the Notes to the Consolidated Financial Statements. In comparison with the prior year, the following material changes in the group or entities consolidated occurred:
- 11 As of 1 January 2022, the companies CHG-MERIDIAN Belux NV, CHG-MERIDIAN Belgium NV and CSL Finance NV were merged to form CHG-MERIDIAN Belux NV.



- 12 In May 2022, devicenow GmbH, Weingarten, Germany, was established as a 70 % subsidiary of CHG-MERIDIAN AG. In September 2022, devicenow UK Limited, Egham, UK, was established as a wholly owned subsidiary of devicenow GmbH. The purpose of the devicenow companies is to buy, sell, and rent mobile information technology devices, including related services.
- 13 CHG-MERIDIAN Singapore Pte. Ltd., Singapore/Singapore, was established as a wholly owned subsidiary of CHG-MERIDIAN AG in September 2022. In addition to this newly established company, a 100 % stake was acquired in OPC Asset Solutions Private Limited, Mumbai, India. The purpose of this new company is to strengthen the Asia-Pacific region so that it can continue to drive forward international customer projects and the implementation of the CHG-MERIDIAN Group's solution strategy.
- 14 In addition, the following companies were deconsolidated in the financial year 2022 due to liquidation:
- NF Techfleet (Denmark) ApS, Vanløse, Denmark (100 % equity interest)
  - Flameace Limited, Egham, Surrey, Great Britain (100 % equity interest)
- 15 Due to the change in the scope of consolidation, comparability with the previous year is not materially affected.

## 2. AUDIT OF THE FINANCIAL INFORMATION OF THE COMPONENTS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

- 16 In the scope of auditing the consolidated financial statements, deviations may occur between the components under consideration and the subsidiaries consolidated as listed in the notes to the consolidated financial statements. The identification of components is decisively influenced by the structure of the group. Components may be either legally independent entities or legally dependent entities or entities defined by other criteria, such as functions, processes, products or geographic locations.
- 17 The necessary adjustments to the separate financial statements in order to conform to the recognition and measurement policies of the group were properly made.

## 3. CONSOLIDATED FINANCIAL STATEMENTS

- 18 The consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022 audited by us accompany this report in Appendix I. In our opinion based on the findings of our audit, they, in all material respects, comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e (1) HGB and – if applicable – the supplementary provisions of the articles of incorporation of the parent company.



## GENERAL STATEMENTS

- 19 The consolidated statement of financial position and the consolidated income statement as well as the consolidated statement of comprehensive income were properly derived from the financial information of the components included in the consolidated financial statements. The opening figures of the statement of financial position were properly carried over from the prior year financial statements. The consolidation methods applied, in all material respects, comply with IFRSs, as adopted by the EU; the consolidation measures were properly applied, and the foreign currency translations were properly performed. Consolidation bookings were appropriately continued. The Disclosures in the notes to the consolidated financial statements are, in all material respects, complete and appropriate. The consolidated statement of changes in equity and the consolidated statement of cash flows were, in all material respects, properly prepared.
- 20 According to our findings, the group-wide accounting-related internal control system is, in principle, suitable for ensuring the security of the accounting-related data processed in the group.
- 21 A presentation of the material measurement bases for the consolidated financial statements, that is necessary for understanding the overall statement, can be found in section F.II.
- 22 Our audit has led to the conclusion that the consolidated financial statements, as a whole, give a true and fair view of the group's assets, liabilities, financial position and financial performance in accordance with IFRSs, as adopted by the EU, and the additional German legal requirements pursuant to § 315e (1) HGB.

## 4. GROUP MANAGEMENT REPORT

- 23 The group management report for the financial year from 1 January 2022 to 31 December 2022 audited by us accompanies this report in Appendix II. In our opinion based on the knowledge we had obtained during the course of our audit, the group management report, as a whole, provides an appropriate view of the group's position. In all material respects, the group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.
- 24 Our audit opinion on the group management report does not cover the contents of the parts of the group management report mentioned in section "OTHER INFORMATION" of the auditor's report (section B.).



## D. SUBJECT OF THE AUDIT

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The subject of our audit covered the process of the preparation of the consolidated financial statements, including the evaluation of the delineation of the group of entities consolidated, of the consolidation measures performed, of the group-wide accounting-related controls and the financial information of the components included in the consolidated financial statements including the reconciliation of the financial information of the components by applying the applicable requirements for consolidated financial statements:

- 25 The subject of our audit was also the consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022. These include
- the consolidated financial statement,
  - the consolidated income statement,
  - the consolidated statement of comprehensive income,
  - the consolidated statement of changes in equity,
  - the consolidated statement of cash flows as well as
  - the notes to the consolidated financial statements, including a summary of significant accounting policies.
- 26 In addition, the group management report for the financial year from 1 January 2022 to 31 December 2022 was the subject of our audit.
- 27 In accordance with § 317 (4a) HGB, the audit did not extend to whether the ability to continue as a going concern of either the parent company or of another group entity or the effectiveness and efficiency of management can be assured.
- 28 We have described the responsibility for the consolidated financial statements and the group management report in the auditor's report (section B).



NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

## E. NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

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- 29 We have presented the main principles of our audit procedure in the auditor's report (section B.). In addition, we provide further explanations in the following:
- 30 The starting point of our audit was the consolidated financial statements as at 31 December 2021 attested by the German public auditor, Wirtschaftsprüfer KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, and approved by the supervisory board on 16 May 2022. The opening balances were audited in compliance with the International Standard on Auditing [DE] 510: "Initial Audit Engagements - Opening Balances" (ISA [DE] 510).

### Risk and system-based audit approach

- 31 Our risk and system-based audit approach is based on the development of an audit strategy. The required risk assessment is based on assessing the group's position, business risks, environment and the group's accounting-related internal control system. For this assessment, we furthermore consider our understanding of the process for preparing the consolidated financial statements, and the arrangements and measures (systems) the executive directors of the parent company have considered necessary for enabling the preparation of a group management report to be in accordance with the applicable German legal requirements and for providing sufficient appropriate evidence for the assertions in the group management report.
- 32 During our audit of the consolidated financial statements, the results from the financial statement audits of individual entities or components consolidated were taken into consideration.
- 33 On the basis of our risk assessment, we determined the materiality for the consolidated financial statements as a whole and identified the significant components. In response to the risks assessed, we determined the type of activities to be performed with regard to the financial information of the components consolidated as well as with regard to the consolidation process and the group-wide accounting-related control system. Accordingly, we determined the relevant audit areas as well as the key audit areas at the financial statement level or at the assertion level to be focused on and developed an audit plan. The nature and scope of the respective audit procedures were detailed in the audit plan.
- 34 If component auditors conducted audit procedures on the financial information of the components at our request, we acquired an understanding of these component auditors in advance, in particular on whether the applicable professional duties, including independence requirements, had been upheld, whether the component auditors had the necessary professional expertise and whether we could be included in the activities of the component auditors in the required scope.

## NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

- 35 In the case of the annual financial statements of the subdivisions included in the consolidated financial statements audited by other auditors, we assured ourselves of the independence of the auditors and evaluated their technical competence and professional qualifications as soon as the results of the audits were included in the audit of the consolidated financial statements.
- 36 The audit procedures for obtaining audit evidence comprised tests of design and controls, substantive analytical procedures and tests of details (other substantive procedures) for the audit areas selected. Materiality aspects were thereby taken into consideration.

### Description of the audit process

- 37 We have divided our audit process into phases starting with the acceptance/continuation of the engagement and extending to the completion of the engagement and the reporting. The following illustration summarises our audit process graphically.

1	2	3	4
<b>Definition of the subject matter and acceptance of the engagement</b> <ul style="list-style-type: none"> <li>▶ Decision on acceptance/continuation of engagement including assessment of independence</li> <li>▶ Coordination of the type and scope of the engagement including the determination of additional audit key points</li> <li>▶ Disposition of necessary professional resources in consideration of the professional principles</li> </ul>	<b>Risk assessment and development of the audit strategy</b> <ul style="list-style-type: none"> <li>▶ Obtaining an understanding of the group and business performance               <ul style="list-style-type: none"> <li>▶ Assessment of the adequacy of the accounting-related internal control system</li> </ul> </li> <li>▶ Detecting risks of material misstatements</li> <li>▶ Development and definition the risk-oriented audit strategy and audit plan</li> </ul>	<b>Obtaining audit evidence</b> <ul style="list-style-type: none"> <li>▶ Performing audit procedures to address the risks               <ul style="list-style-type: none"> <li>▶ Assessing the relevance and reliability of audit evidence</li> </ul> </li> </ul>	<b>Audit completion and reporting</b> <ul style="list-style-type: none"> <li>▶ Formation of an overall opinion on the basis of the audit results               <ul style="list-style-type: none"> <li>▶ Reporting on the audit results</li> </ul> </li> </ul>

- 38 The phases depicted take the German Generally Accepted Auditing Standards promulgated by the IDW into consideration.
- 39 We have defined the following as the focal points of our audit:
- Completeness and accuracy of consolidation journal entries
  - Uniform application of group accounting methods
  - First-time consolidation of OPC Asset Solutions Private Limited, Mumbai/India
  - Audit of prior year disclosures



## NATURE AND SCOPE OF THE ENGAGEMENT PERFORMED

- 40 All audit procedures were carried out on the basis of deliberately or representatively selected elements. The determination of the respective selection depended on our knowledge of the accounting-related internal control system as well as on the type and scope of the business transactions.
- 41 To the extent that separate financial statements of the entities or components included in the consolidated financial statements were audited by other statutory auditors, we assessed whether these financial statement audits could be used for the purpose of the consolidated financial statement audit and whether the work of such auditors as specified in § 317 (3) sentence 2 HGB could, to the extent relevant, be used. For evaluating whether the requirements are fulfilled by using the results of other statutory auditors or other auditing companies, we convinced ourselves beforehand of their independence and judged their professional expertise and professional qualifications. We have received confirmation of independence from the other statutory auditors and other audit firms.
- 42 We examined the group management report to determine whether it as a whole complies with the legal requirements and is consistent with the consolidated financial statements and the findings of our audit, and whether it as a whole provides an appropriate view of the group's position. We thereby performed audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence, we especially examined the assertions of the executive directors relating to the future, traced the underlying significant assumptions, and assessed whether the assertions relating to the future had accurately been derived.
- 43 We performed our audit in March and in April 2023.
- 44 At the end of the audit of the consolidated financial statements and group management report, the executive directors of the parent company provided us with a letter of representation dated 24 April 2023, in which they confirmed the completeness of all explanations and evidence made available to us as well as of the consolidated financial statements and of the group management report. The executive directors of the parent company provided us with all explanations and evidence requested. The executive directors of the subsidiaries consolidated or their financial statement auditors also provided us with all explanations and evidence requested without restriction.



## F. EXPLANATIONS ON THE CONSOLIDATED ACCOUNTING

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### I. ACCOUNTING STANDARDS

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- 45 The consolidated financial statements were to be prepared in accordance with IFRSs as adopted by the EU, and the and the additional requirements of German commercial law pursuant to § 315e (1) HGB.

### II. MATERIAL MEASUREMENT BASES

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- 46 Due to the statutory accounting options, the preparation of the consolidated financial statements requires a large number of accounting and valuation decisions on the part of the parent company's executive directors. In the following we, in compliance with § 321 (2) sentence 4 HGB, address the issue of
- the material measurement bases, including a summary of significant accounting policies as well as,
  - how material changes in the measurement bases may overall influence the presentation of the assets and liabilities, financial position and financial performance,
  - how the options exercised in the scope of consolidation may overall influence the presentation of the assets and liabilities, financial position and financial performance
  - how the use of discretionary judgment may overall influence the presentation of the assets and liabilities, financial position and financial performance.
- 47 The recognition and measurement policies are described in the notes to the consolidated financial statements (Appendix I).
- 48 In the following we have highlighted the material recognition and measurement policies as well as accounting options exercised, including any effects of changes in those methods, the options exercised as part of consolidation, and the use of discretionary judgment in detail:
- When classifying leases as finance leases or operating leases, CHG AG primarily uses the present value criterion in accordance with IFRS 16.63 (d), as the other examples and indicators in accordance with IFRS 16.63 and IFRS 16.64 would not lead to any different classifications for the contractual arrangements of CHG AG. According to this criterion, a finance lease is deemed to exist if the present value of the minimum lease payments is at least equal to the fair value of the leased asset. In all other cases, an operating lease is assumed. In cases where CHG AG is the lessee, the right-of-use asset acquired and a corresponding lease liability for the payment obligations incurred are recognized for all leases.



## EXPLANATIONS ON THE CONSOLIDATED ACCOUNTING

- The lease installments financed on a non-recourse basis, where the financier acquires the rights to receivables and assumes the full counterparty risk, meet the derecognition requirements of IFRS 9 and have been derecognized accordingly. The gain on non-recourse financing (difference between the present value of the leasing installments sold at the internal rate of return and the amount paid out by the financier and the liability to be taken into account from the administration and settlement obligation) amounts to EUR 22,771 thousand (previous year: EUR 25,458 thousand) and was recognized immediately in profit or loss under interest income from finance leases.
- CHG AG applies the simplified approach for trade receivables, contract assets and receivables from leases in accordance with IFRS 9.5.5.15. Impairment losses are mainly attributable to the leasing business and are recognized accordingly by CHG AG in the income statement under the item write-downs and value adjustments on lease receivables and leased assets.
- Judgement is applied with regard to the calculation of the useful life and thus the scheduled depreciation of the leased assets. Leased assets are depreciated on a straight-line basis over the term of the lease to the imputed residual value. This synchronizes the pattern of income and expense arising from rental income and depreciation. Impairment losses as defined in IAS 36 are recognized through impairment losses. If the recoverable amount is less than the carrying amount, the difference constitutes the impairment loss to be recognized. The recoverable amount corresponds to the net proceeds from the immediate sale (fair value less costs to sell). The fair value corresponds to the market prices of the assets or the prices derived from market transactions. Impairment losses are reversed if the reasons for an impairment loss recognized in previous years no longer apply. Impairment losses and reversals of impairment losses are recognized in the income statement under the item write-downs and value adjustments on lease receivables and leased assets.
- Judgement is exercised with regard to the recognition and subsequent measurement of unguaranteed residual values from finance leases. The unguaranteed residual values comprise estimated present value proceeds from lease extensions and realization. All proceeds from the leases are included in the present value calculation. If the present value of the lessee's lease payments does not cover the cost of the leased asset, there is outstanding amortization income. In the case of operating leases, too, the residual carrying amount of the leased asset after the end of the lease must be covered by further proceeds. Based on historical experience, CHG AG assumes that the outstanding amortization proceeds will be realized through lease extensions and sale at the end of the lease term. Remarketing proceeds are recognized as part of a best estimate based on a portfolio analysis. The estimated average remarketing yields for finance leases are 5.0 % to 7.5 % until 30 June 2015, 5.0 % to 10.0 % from 1 July 2015 to 30 June 2020 and 5.0 % to 15.0 % of the original acquisition cost since 1 July 2020. The recognition of unguaranteed residual values directly affects the Group's revenue recognition.



## EXPLANATIONS ON THE CONSOLIDATED ACCOUNTING

- Deferred taxes are calculated using the balance sheet-oriented method. Deferred tax liabilities and deferred tax assets are measured primarily using the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. As of 31 December 2022, deferred tax assets amounted to EUR 20,883 thousand (previous year: EUR 16,795 thousand), while deferred tax liabilities amounted to EUR 238,932 thousand (previous year: EUR 212,891 thousand). In accordance with IAS 12.71-76, deferred tax assets and liabilities are not offset.
- In determining the allowance under the expected credit loss method, there is judgement applied, as certain estimates and assumptions relating to the creditworthiness of customers, the type of financing, and experience with historical default rates come into play.
- Assets, equity and liabilities as well as contingent liabilities and other financial obligations denominated in foreign currencies are translated using the modified closing rate method. Income statement items are translated at the average exchange rate for the year. The difference resulting from the translation of equity in a balance sheet denominated in a foreign currency is shown in the consolidated equity under the item “Other reserves”.
- Intangible assets with indefinite useful lives are not amortized. These assets are tested for impairment annually and whenever there are indications of impairment. As of 31 December 2022, intangible assets with indefinite useful lives exist in the amount of the capitalized goodwill of equigroup Holdings Pty Limited, Sydney/Australia, of EUR 18,903 thousand (previous year: EUR 18,903 thousand).



CONCLUDING STATEMENT AND THE SIGNED AUDIT REPORT

## G. CONCLUDING STATEMENT AND THE SIGNED AUDIT REPORT

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49 We have issued this report on the audit of the consolidated financial statements and the group management report for the financial year from 1 January 2022 to 31 December 2022 of CHG-MERIDIAN AG, Weingarten, in accordance with the legal requirements and the Generally Accepted Standards for Audit Reporting of the Institute of Public Auditors in Germany, Düsseldorf (IDW AuS 450 revised (10.2021)).

50 The auditor's report issued by us has been replicated in section B. of this audit report.

Frankfurt am Main, 24 April 2023

BDO AG  
Wirtschaftsprüfungsgesellschaft

Signed by Gass  
Wirtschaftsprüferin  
(German Public Auditor)

Signed by Rist  
Wirtschaftsprüfer  
(German Public Auditor)



## APPENDICES

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**Consolidated income statement  
for financial year 2022  
of CHG-MERIDIAN AG, Weingarten**

1. Interest income from finance leases	5.1	88,866	94,626
2. Other interest income	5.2	1,787	1,207
3. Interest expenses	5.3	-44,047	-30,173
4. Income from operating leases	5.4	1,191,452	999,472
5. Expenses from operating leases	5.5	-967,558	-799,646
6. Income from remarketing	5.6	212,034	272,604
7. Expenses from remarketing	5.6	-143,283	-197,895
8. Write-downs and value adjustments on lease receivables and leased assets	5.7	-3,511	-21,008
9. Income from services rendered	5.8	69,350	68,503
10. Expenses for services rendered	5.9	-46,940	-45,768
11. Result from financial assets/liabilities at fair value through profit or loss	5.10	997	-5,468
12. Result from investments accounted for using the equity method	5.11	175	0
13. Staff expenses	5.12	-149,215	-131,671
14. Other administrative expenses	5.13	-54,814	-34,806
15. Amortization, depreciation and impairment losses on intangible assets, property, plant and equipment and right-of-use assets	5.14	-14,717	-14,367
16. Other operating income	5.15	21,099	18,151
17. Other operating expenses	5.15	-25,754	-22,282
<b>18. Profit from ordinary activities</b>		<b>135,921</b>	<b>151,479</b>
19. Income taxes	5.16	-35,603	-38,346
<b>20. Consolidated net income</b>		<b>100,318</b>	<b>113,133</b>
21. Profit attributable to non-controlling interests		25	-281
<b>22. Profit for the period attributable to the group</b>		<b>100,343</b>	<b>112,852</b>





**Consolidated statement of comprehensive income for the financial year  
2022 of CHG-MERIDIAN AG, Weingarten**

<b>Consolidated net income</b>			<b>100,318</b>	<b>113,133</b>
<b>Items that are reclassified subsequently to profit or loss</b>				
Foreign currency translation differences	<b>6.</b>		4,655	13,514
<b>Other comprehensive income</b>			<b>4,655</b>	<b>13,514</b>
<b>Total comprehensive income for the period</b>			<b>104,973</b>	<b>126,647</b>
thereof attributable to				
Non-Controlling interests			-25	281
Shareholders of CHG-MERIDIAN AG			104,998	126,366





**Consolidated statement of changes in equity of  
CHG-MERIDIAN AG, Weingarten**

Equity as at 1 January 2021	100,000	-1,328	18,100	396,703	-16,241	86,942	584,176	380	584,556
Net income for the year	-	-	-	-	-	112,852	112,852	281	113,133
Other comprehensive income/loss	-	-	-	-	13,514	-	13,514	-	13,514
<b>Total comprehensive income/loss</b>	-	-	-	-	<b>13,514</b>	<b>112,852</b>	<b>126,366</b>	<b>281</b>	<b>126,647</b>
Changes in treasury shares held	-	307	110	-	-	-	417	-	417
Dividend distribution	-	-	-	-28,766	-	-	-28,766	-	-28,766
Other changes	-	-	-	88,360	-	-86,942	1,418	-	1,418
<b>Equity as at 31 December 2021</b>	<b>100,000</b>	<b>-1,021</b>	<b>18,210</b>	<b>456,297</b>	<b>-2,727</b>	<b>112,852</b>	<b>683,611</b>	<b>661</b>	<b>684,272</b>
Equity as at 1 January 2022	100,000	-1,021	18,210	456,297	-2,727	112,852	683,611	661	684,272
Net income for the year	-	-	-	-	-	100,343	100,343	-25	100,318
Other comprehensive income/loss	-	-	-	-	4,655	-	4,655	-	4,655
<b>Total comprehensive income/loss</b>	-	-	-	-	<b>4,655</b>	<b>100,343</b>	<b>104,998</b>	<b>-25</b>	<b>104,973</b>
Changes in treasury shares held	-	-487	369	-	-	-	-118	-	-118
Dividend distribution	-	-	-	-57,075	-	-	-57,075	-	-57,075
Changes in ownership interest in a subsidiary	-	-	-	-	-	-	-	3,002	3,002
Other changes	-	-	-	107,216	-	-112,852	-5,636	-	-5,636
<b>Equity as at 31 December 2022</b>	<b>100,000</b>	<b>-1,508</b>	<b>18,579</b>	<b>506,438</b>	<b>1,928</b>	<b>100,343</b>	<b>725,780</b>	<b>3,638</b>	<b>729,418</b>





## Consolidated statement of cash flows for financial year 2022 of CHG-MERIDIAN AG, Weingarten

Profit from ordinary activities	135,921	151,479
Increase in deferred income from forfeiting transactions	-734,080	-734,769
Amortisation/ depreciation and impairment losses on leased assets under operating leases	936,549	778,738
Amortisation/ depreciation of intangible assets, property, plant and equipment and right-of-use assets	14,717	14,367
Net increase in other receivables from customers, other assets and other assets not attributable to investing or financing activities	-250,816	-27,916
Net increase in liabilities to customers, other liabilities and other liabilities not attributable to investing or financing activities	284,239	88,378
<b>Cash generated from operating activities</b>	<b>386,530</b>	<b>270,277</b>
Income taxes paid/ received	-28,672	-23,795
<b>Net cash from operating activities</b>	<b>357,858</b>	<b>246,482</b>
Acquisition of associated companies	-54,225	0
Acquisition of intangible assets, property, plant and equipment and right-of-use assets	-14,976	-17,422
Acquisition of leased assets under operating leases	-1,726,882	-1,406,399
Increase (PY: Decrease) in receivables from finance leases	-157,152	67,330
Sale of intangible assets and property, plant and equipment	778	507
Sale of leased assets under operating leases	207,615	252,016
<b>Net cash used in investing activities</b>	<b>-1,744,842</b>	<b>-1,103,968</b>
Dividends paid	-57,075	-28,766
Other changes in equity	3,002	0
Purchase/ sale of treasury shares	-5,754	1,835
Net cash from forfeiting proceeds	1,027,189	956,992
Net increase in liabilities to banks	408,946	37,140
<b>Net cash from financing activities</b>	<b>1,376,308</b>	<b>967,201</b>
Net cash increase/ decrease in cash and cash equivalents	-10,676	109,715
Changes due to currency translation	4,655	13,514
Cash and cash equivalents* at the beginning of the period	419,601	296,372
<b>Cash and cash equivalents* at the end of the period</b>	<b>413,580</b>	<b>419,601</b>

\* defined as the sum of the "cash reserve" and "receivables from banks (due at short notice)"





## Notes to the consolidated financial statements for the fiscal year 2022 of CHG-MERIDIAN AG, Weingarten

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## 1. General Information

CHG-MERIDIAN AG takes a form of a German cooperation [Aktiengesellschaft] and has its registered office at Sitz in der Franz-Beer-Straße 111, 88250 Weingarten/ Germany. The company is entered in the commercial register of the Ulm District Court, department B (file no HRB 551857), and is the parent company of the CHG-MERIDIAN Group (hereinafter referred to as 'CHG-MERIDIAN').

As the parent company, CHG-MERIDIAN AG, prepares the consolidated financial statements at the end of each financial year, taking account of all the separate financial statements of the Group's subsidiaries.

## 2. Basis of preparation

Pursuant to Section 315e (3) of the German Commercial Code [HGB], CHG-MERIDIAN AG prepared its consolidated financial statements for the year ended 31 December 2022, according to the International Financial Reporting Standards (IFRS). The consolidated financial statements of CHG-MERIDIAN AG comply with International Financial Reporting (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU) as at 31 December 2022 and the supplementary provision of German Commercial law pursuant to Section 315e HGB.

All IFRSs and International Accounting Standards (IAS) effective for financial year 2022 and the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and standing Interpretations Committee (SIC) were taken into account in these financial statements.

These consolidated financial statements are presented in euros (EUR). All amounts have been rounded to the nearest thousand euros (KEUR).

### a) Changes in accounting policies and disclosures

#### New financial Reporting standards and amendments applicable in 2022

The following amendments to standards that must be applied in the EU starting in the reporting year had no or only an immaterial impact on the consolidated financial statements of CHG-MERIDIAN AG:

- Amendments to IAS 16 "Property, plant and equipment" (recognition of proceeds from sales during a production/construction of an item of property, plant and equipment) (effective from 1 January 2022)
- Amendments to IAS 37 "Cost of performance of an onerous contract" (effective from 1 January 2022)
- Amendments to IFRS 3 "Reference to the framework concept" (Reference to Conceptual Framework 2018 for "Business Combinations") (effective from 1 January 2022)



- Annual Improvements to IFRS Standards 2018-2020 (effective from January 1, 2022):
  - IFRS 1 "First-time Adopters of Subsidiaries"
  - IAS 41 "Taxation of Fair Value Measurements"
  - IFRS 9 "Fees in the '10 % test' in relation to the derecognition of financial liabilities"
  - IFRS 16 "Lease Incentives"

### **Issued financial reporting standards that have not yet been applied**

In preparing the 2022 consolidated financial statements, CHG-MERIDIAN AG did not early adopt the following financial statements, interpretations and amendments issued by the IASB but not yet effective. The company does not plan to implement individual standards before their initial application becomes mandatory:

- Amendments to IAS 1 "Presentation of Financial Statements" (Disclosure of Accounting Policies) and amendments to the related Practice Statement 2 – Making Materiality Judgements (effective from 1 January 2023)
- IAS 1 "Classification of liabilities as current or non-current" (effective from 1 January 2024)
- Amendments to IAS 8 – "Definition of Accounting Estimates" (effective from 1 January 2023)
- Amendments to IFRS 17 "Insurance Contracts" (effective to 1 January 2023)
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a single transaction" (effective to 1 January 2023)

The Company currently does not expect the adoption of the above amendments to have a material impact on its consolidated financial statements.

## **b) Consolidation**

### **Basis of preparation of consolidated financial statements**

The consolidated financial statements of CHG-MERIDIAN AG cover the parent company, plus all subsidiaries over which CHG-MERIDIAN AG can exercise control. An investor (the parent company CHG-MERIDIAN AG) controls an investee (subsidiary) when CHG-MERIDIAN AG is exposed, or has rights (including on the basis of voting rights), to positive or negative variable returns from its involvement with the potential subsidiary and has the ability to affect those returns through its power over the potential subsidiary.

Group entities are consolidated from the day on which controls passes to the parent company. They are deconsolidated on the date the parent company ceases to have control.



The separate financial statements of the consolidated entities are generally prepared on the basis of the same accounting policies as at the reporting date of the consolidated financial statements. Income and expenses as well as receivables and liabilities between the consolidated entities are eliminated as part of the consolidation of income and expenses and consolidation of liabilities. Capital is consolidated by offsetting the carrying amounts of the investments in subsidiaries against the Group's share of their equity.

Changes in investments in subsidiaries that cause the Group's shareholding to increase or decrease without loss of control are recognized directly in equity as an equity transaction.

## Consolidated group

The following table shows the changes in the consolidated entities of the CHG-MERIDIAN AG

<b>Consolidated Entities</b>	<b>50</b>	<b>50</b>
thereof in Germany	6	5
thereof outside Germany	44	45

In addition to CHG-MERIDIAN AG (the parent company), the following subsidiaries were consolidated as at 31 December 2022:

<b>German subsidiaries</b>			
CHG-MERIDIAN Brokerage GmbH (before: CHG-MERIDIAN Leasing- Beteiligungs-Holding GmbH)	Weingarten, Germany	100	A
CHG-MERIDIAN Industrial Solutions GmbH	Weingarten, Germany	95	A
abakus Consulting GmbH	Ravensburg, Germany	100	A
circulee GmbH	Berlin, Germany	90	A
devicenow GmbH	Weingarten, Germany	70	A
<b>Foreign Subsidiaries</b>			
CHG-MERIDIAN Austria GmbH	Vienna, Austria	100	A
CHG-MERIDIAN Czech Republic s.r.o.	Prague, Czech Republic	100	A
CHG-MERIDIAN France SAS	Paris, France	100	A
CHG-MERIDIAN Ireland Limited	Dublin, Republic Ireland	100	A



CHG-MERIDIAN Italia S.p.A.	Vimercate, Italy	100	A
CHG-MERIDIAN Nederland BV	Rotterdam, Netherlands	100	A
CHG-MERIDIAN Polska sp. z o.o.	Warsaw, Poland	100	A
CHG-MERIDIAN Schweiz AG	Baden, Switzerland	100	A
CHG-MERIDIAN Slovakia s.r.o.	Bratislava, Slovakia	100	A
CHG-MERIDIAN Spain S.L.	Barcelona, Spain	100	A
CHG-MERIDIAN (Holdings) UK Limited	Egham, Surrey United Kingdom	100	A
CHG-MERIDIAN Limited	Egham, Surrey United Kingdom	100	A
CHG-MERIDIAN UK Limited	Egham, Surrey United Kingdom	100	A
CHG-MERIDIAN Capital Limited	Egham, Surrey United Kingdom	100	A
devicenow UK Limited	Egham, Surrey United Kingdom	100	A
Lease Support Desk Limited	Egham, Surrey United Kingdom	100	I
Wyse Finance Limited	Egham, Surrey United Kingdom	100	I
Wyse Leasing Limited	Egham, Surrey United Kingdom	100	I
CHG-MERIDIAN Belux NV	Grimbergen, Belgium	100	A
LLC "CHG-MERIDIAN"	Moscow, Russia	100	I
CHG-MERIDIAN tehnološki menedžment d.o.o.	Ljubljana, Slovenia	100	A
CHG-MERIDIAN Canada Limited	Windsor, Canada	100	A
CHG-MERIDIAN U.S. Holding Inc.	Los Angeles, USA	100	A
CHG-MERIDIAN USA Corp.	Los Angeles, USA	100	A
CHG-MERIDIAN México S.A.P.I. de C.V.	Mexico-City, Mexico	100	A
CHG Locare S.A. de C.V.	Mexico-City, Mexico	100	A



Leasing Consulting S.A. de C.V.	Mexico-City, Mexico	100	I
ECR Leasing Services S.A. de C.V.	Mexico-City, Mexico	100	A
CHG-MERIDIAN do Brasil Locação de Equipamentos Ltda.	São Paulo, Brazil	100	A
CHG-MERIDIAN do Brasil Arrendamento Mercantil S.A.	São Paulo, Brazil	100	A
CHG-MERIDIAN Norway AS	Oslo, Norway	100	A
CHG-MERIDIAN Sweden AB	Stockholm, Sweden	100	A
CHG-MERIDIAN Denmark A/S	Copenhagen, Denmark	100	A
CHG-MERIDIAN Finland Oy	Helsinki, Finland	100	A
CHG-MERIDIAN Skien AS	Skien, Norway	100	A
equigroup Holdings Pty Limited	Sydney, Australia	100	A
equigroup Pty Limited	Sydney, Australia	100	A
equigroup Limited	Auckland, New Zealand	100	A
equigroup Limited	London, United Kingdom	100	A
NF Techfleet AB	Stockholm, Sweden	100	A
CHG-MERIDIAN Australia Pty Limited	Sydney, Australia	100	A
CHG-MERIDIAN New Zealand Limited	Auckland, New Zealand	100	A
CHG-MERIDIAN Singapore Pte. Ltd.	Singapore, Singapore	100	A
OPC Asset Solutions Private Limited	Mumbai, India	100	A



## Changes in consolidated entities

CHG-MERIDIAN Singapore Pte. Ltd.	Singapore, Singapore	100	A
OPC Asset Solutions Private Limited	Mumbai, India	100	A
devicenow GmbH	Weingarten, Germany	70	A
devicenow UK Limited	Egham, Surrey United Kingdom	70	A

On January 1, 2022, the companies CHG-MERIDIAN Belux NV, CHG-MERIDIAN Belgium NV, and CSL Finance NV were merged to form CHG-MERIDIAN Belux NV.

In May 2022 devicenow GmbH, Weingarten/Germany, was newly established as a 70 % owned subsidiary of CHG-MERIDIAN AG. In September 2022, devicenow UK Limited, Egham, UK, was newly established as a wholly owned subsidiary of devicenow GmbH. The purpose of the devicenow companies is to buy, sell, and rent mobile information technology equipment and related services.




CHG-MERIDIAN Singapore Pte. Ltd., Singapore/Singapore, was established as a wholly owned subsidiary of CHG-MERIDIAN AG in September 2022.

In addition, CHG-MERIDIAN AG obtained control of the shares in OPC Asset Solutions Private Limited ("OPC Asset Solutions"), Mumbai, India, as at 30 September 2022. Like CHG-MERIDIAN, OPC Asset Solutions offers B2B customers lifecycle management for information, industrial, and medical technology on a leasing basis. The total purchase price paid for OPC Asset Solutions amounted to KEUR 45,942 plus future fixed purchase price components of KEUR 4,193. The shares were measured using the acquisition method (IFRS 3) at the time of acquisition. The revaluation resulted in an increase in equity of OPC Asset Solutions of KEUR 27,375. The main effect results from the anticipated remarketing potential of the current leasing portfolio. The fair values as of 30 September 2022 of the main classes of identifiable assets and liabilities of OPC Asset Solutions are as follows: Receivables from finance leases: KEUR 200,557, other assets: KEUR 78,146, liabilities to customers: KEUR 164,129. The revalued equity of OPC Asset Solutions does not result in any difference in assets or liabilities as of the date of initial consolidation.

The establishment of CHG-MERIDIAN Singapore Pte. Ltd. and the acquisition of a 100-percent stake in OPC Asset Solutions Private Limited are intended to strengthen the Asia-Pacific region in order to drive forward international client projects and the implementation of the CHG-MERIDIAN Group's Solution strategy.



Furthermore, the following entities were deconsolidated in financial year 2022 through liquidation:

		
NF Techfleet (Denmark) ApS	Vanløse, Denmark	100
Flameace Limited	Egham, Surrey United Kingdom	100

## c) Foreign currency translation

### Functional and presentation currency

The consolidated financial statements of CHG-MERIDIAN AG are presented in euros, the parent company's functional currency. The functional currency of the CHG-MERIDIAN Group entities is the currency of the primary economic environment in which they operate. Items included in the financial statements of group entities are measured using the respective entity's defined functional currency.

### Transactions in foreign currency

The group entities translate foreign currency transactions into their functional currency at the spot exchange rate prevailing on the date of initial recognition of the transactions. Monetary assets and liabilities denominated in foreign currency are translated at the closing rate on the reporting date. Non-monetary items measured at historical cost are translated using the historical exchange rate. Non-monetary items measured at fair value are translated using the exchange rates at the date when the fair value was measured. Foreign currency translation differences resulting from the translation of monetary items are recognized in other comprehensive income, the foreign currency translation differences are also recognized in other comprehensive income.

### Group entities

On consolidation, the assets and liabilities of the foreign CHG-MERIDIAN Group entities are translated into euros using the average spot exchange rate as at the reporting date. With the exception of net income, equity is reported at the historical exchange rates. Income and expenses are translated at the average exchange rate for the financial year. The foreign currency translation differences are recognized within equity under 'Other reserves'. In the event of a foreign operation's disposal, the pro-rata cumulative exchange differences contained in equity are recognized in profit or loss.



The changes in the main euro exchange rates used in the consolidated financial statements were as follows:

USD	0.93756	0.95091	0.88292	0.84538
CHF	1.01554	0.99563	0.96796	0.92500
MXN	0.04795	0.04731	0.04321	0.04169
RUB	0.01281	0.01444	0.01172	0.01148
GBP	1.12748	1.17321	1.19008	1.16302
CAD	0.69252	0.72837	0.69478	0.67442
CZK	0.04147	0.04072	0.04023	0.03900
PLN	0.21364	0.21353	0.21754	0.21912
BRL	0.17735	0.18432	0.15848	0.15687
NOK	0.09511	0.09906	0.10011	0.09842
SEK	0.08991	0.09413	0.09756	0.09858
DKK	0.13447	0.13442	0.13447	0.13446
AUD	0.63723	0.65956	0.64041	0.63513
NZD	0.59531	0.60324	0.60317	0.59798
SGD	0.69930	0.70854	n/a	n/a
INR	0.01130	0.01177	n/a	n/a

### 3. Significant accounting policies

#### Receivables from banks

Receivables from banks are recognized at nominal value.

#### Receivables from finance leases

The CHG-MERIDIAN Group's finance lease business predominantly relates to IT equipment, industrial equipment, and healthcare equipment.

The CHG-MERIDIAN Group also enters into sale-and-leaseback transactions in which the leased equipment is acquired from the lessee and then leased back to the lessee. Depending on the contractual leaseback arrangements, these contracts are classified and presented as either finance leases or operating leases.

In the case of finance leases, beneficial ownership passes to the lessee. Receivables from the finance leases are therefore recognized in the consolidated statement of financial position.

The CHG-MERIDIAN Group mainly classifies leases using the present value criterion. According to this criterion, a leasing arrangement qualifies as a finance lease if, at the inception of the lease, the present value of the guaranteed minimum lease payments amounts to at least substantially all of the fair value of the leased asset.

Receivables from finance leases are initially recognized at the net investment value. The net investment value corresponds to the acquisition cost of the leased asset plus initial direct costs. Initial recognition occurs when the lessee confirms that the leased asset is installed and ready for use.



The interest income from these transactions is shown under interest income from finance leases in the income statement. In accordance with IFRS 16, the interest on receivables is determined using the interest rate implicit in the lease. This produces a constant periodic rate of return on the outstanding receivable.

## **Derecognition of finance lease receivables**

At CHG-MERIDIAN, leases are also refinanced through non-recourse funding. CHG-MERIDIAN sells future cash flows from the lease to the funding provider. For non-recourse funding of lease payments, the counterparty risk (in particular) is assumed by the funding provider.

Receivables from finance leases are subject to the derecognition requirements for financial instruments. CHG-MERIDIAN's non-recourse funding contracts comply with the derecognition requirements in IFRS 9:

- Transfer of the contractual rights to cash flows from the financial asset and
- Transfer of essentially all risks and rewards incidental to ownership.

Accordingly, the (partial) receivables are derecognized upon sale and the profit from non-recourse funding (difference between the present value of the lease payments sold at the internal interest rate and the disbursement amount of the financing party as well as the liability to be taken into account from the administrative and settlement obligation) is recognized immediately in profit or loss. Profit is recognized under interest income from finance leases.

## **Impairment of lease receivables**

The risk of default on lease receivables is accounted for by recognizing an allowance for expected credit loss.

For existing credit risks, a simplified approach of the "expected credit loss" method according to IFRS 9.5.5.15/B5.5.35 is applied. For this purpose, a three-year average based on information about payment defaults on self-financed or credit-financed leases in the event of insolvency is used, which forms the basis for the expected credit loss allowance. Income actually received in past cases of insolvency is also factored into the consideration. Based on the percentage distribution of the risk-exposed lease payments into finance leases and operating leases, the determined risk allowance is broken down into finance leases and operating leases as at the reporting date.

## **Financial instruments**

### Financial assets

Financial assets within the meaning of IFRS 9 are classified into the following categories (IFRS 9.4.1):

- At amortised cost (AC)
- At fair value through other comprehensive income (FVOCI with or without recycling)



➤ At fair value through profit or loss (FVTPL)

Financial assets are initially recognised at fair value. The transaction costs are also added, except in the case of assets designated 'as at fair value through profit or loss'. Spot transactions are recognised on the settlement date.

After initial recognition, financial assets are measured depending on their classification:

***At amortised costs (AC)***

In the CHG-MERIDIAN Group, financial instruments measured at amortised cost take the form of loans and receivables, the payment characteristics of which consist solely of principal and interest payments on the principal amount outstanding and which are held within a business model to collect the contractual cash flows. After initial recognition, such financial assets are subsequently measured at amortised cost using the effective interest method, less any impairments losses. The income from amortisation using the effective interest method is recognised in the income statement under the item 'Other interest income'. Impairment losses are largely allocated to the leasing business and therefore shown under "write-downs and value adjustments on lease receivables and leased assets" in the income statement.

***At fair value through other comprehensive income (FVOCI)***

Financial instruments that are classified as at fair value in other comprehensive income (FVOCI) with recycling also have the payment characteristics that consists solely of payments of principal and interest on the principal amount outstanding, but whose business model is to 'hold and collect for sale'. As of the reporting date, CHG-MERIDIAN does not have any financial instruments in the FVOCI category with recycling.

For equity instruments within the meaning of IAS 32 which, due to their lack of payment characteristics would have to be allocated to payments of principal and interest on the principal amount outstanding in the FVTPL category, there is an option (OCI option) of classifying them into the 'FVOCI' category without recycling if there is no intention to trade these instruments. As at 31 December 2022, the Group did not recognize any FVOCI financial instruments without recycling.



## ***At fair value through profit or loss (FVTPL)***

In principle, all financial instruments are to be classified into the FVTPL category unless they fall under the above AC or FVOCI categories (with or without recycling) due to their business model, or their contractual cash flow characteristics do not consist solely of payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss in the Group relate to derivative financial instruments and non fixed-income securities (money market funds).

Changes in fair value are recognized in the income statement under "Result from financial assets/liabilities at fair value through profit or loss".

Financial assets are classified as "at fair value through profit or loss" at the time of their initial recognition.

## **Financial liabilities**

According to IFRS 9, financial liabilities are classified either as financial liabilities at fair value through profit or loss or as liabilities measured at amortised cost. The Group determines the classification (measurement category) of its financial liabilities with the initial recognition.

All financial liabilities are initially recognized at fair value including directly attributable transaction costs.

The group's financial liabilities consist of liabilities to banks, liabilities to customers, and derivative financial instruments.

After initial recognition, financial liabilities are measured depending on their classification:

## ***At fair value through profit or loss (FVTPL)***

Financial liabilities measured at fair value through profit or loss comprise derivatives with negative market value that were classified as at fair value through profit or loss at initial recognition. Gains and losses on the derivatives are subsequently recognised in profit or loss.

Financial liabilities are classified as "at fair value through profit or loss" at initial recognition, provided the criteria set out in IFRS 9 are met.

## ***At amortised cost (AC)***

After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when liabilities are derecognised or amortised using the effective interest method. Amortisation using the effective interest method is included in the income statement as part of the line item "Interest expenses".

## **Impairment of financial assets**

Default risk arising on financial assets is accounted for by recognizing impairment loss allowances.



For credit risks existing under "Other receivables from customers", an allowance for expected credit losses is created according to the "Expected Credit Loss" method. This is based on a measured analysis of the of the receivables portfolio in the categories of "not past due", "due <30 days", "due between 30 and 90 days" and "overdue> 90 days". In addition, the expected loss for a twelve-month period is used based on the credit risk of each individual customer is used to provide a weighted average of the default risk. For receivables "overdue> 90 days", a higher loss allowance is recognized based on past experience with insolvencies and default.

The receivables are reported in the balance sheet at the net carrying amount. The carrying amount of the financial asset is reduced using an allowance account. Explanatory notes on loss allowances are provided in Section 5, Notes to the income statement – Write-downs and value adjustments on lease receivables and leased assets.

Uncollectible receivables that are in the process of being settled and for which all security furnished has been realised and all other options of recovery have been exhausted are written off in full. Previously recognized specific impairment loss allowances are utilized. Any subsequent receipts for receivables that have been written off are recognized in profit or loss.

## **Associated companies**

Associated companies are companies on which CHG-MERIDIAN AG exercises significant influence within the meaning of IAS 28 and which are neither subsidiaries nor joint ventures. Investments in these companies, in which CHG-MERIDIAN AG has direct or indirect opportunity to significantly influence financial and business policy decisions, are consolidated using the equity method and presented in the consolidated balance sheet under the item "Investments".

## **Accounting of derivatives**

The CHG-MERIDIAN Group uses derivatives as hedging instruments to a small extent at the level of CHG-MERIDIAN AG in order to manage interest rate and currency risk and also to reduce earnings volatility. These derivatives are instruments that are traded directly between market participants rather than being traded on an exchange.

If they satisfy the recognition criteria in IFRS 9, they are recognized at their fair value, both on the acquisition date and subsequently, in accordance with the requirements of IFRS 13 "Fair Value Measurement". In this case, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. Measurement of individual assets, liabilities and equity instruments is based on observable and unobservable parameters. These are assigned to one of the three levels of the fair value hierarchy:

- Quoted prices in active markets
- Quoted market prices that are observable either directly or indirectly
- Unobservable inputs

The derivatives used in the CHG-MERIDIAN Group are recognised in accordance with IFRS 13 using Level 2 inputs corresponding to quoted market prices for identical assets that are directly observable.



CHG-MERIDIAN generally assigns hedging derivatives to the FVTPL category. Hedge accounting pursuant to IFRS 9.4.3 et seqq. is not applied in the consolidated financial statements.

## **Leased assets under operating leases**

The CHG-MERIDIAN Group's operating lease business predominantly relates to IT equipment, industrial equipment, and healthcare equipment.

In the case of operating leases, beneficial ownership of the asset remains with CHG-MERIDIAN. They are therefore recognized under 'Leased assets from operating leases' in the consolidated statement of financial position.

The assets are measured at cost less straight-line depreciation over the term of the lease to the notional residual value. The leasing income is recognised over the term of the lease of using the straight-line method.

Leased assets are initially recognized on the date when the lessee confirms that the leased equipment is installed and in a state of operating readiness.

Impairments losses on leased assets under operating leases are recognized pursuant to the option provided under IFRS 9.5.5.15/B5.5.35, which provides for measuring a loss allowance for all lease receivables. The simplified approach of the expected credit loss method is thus applied analogously to loss allowances for finance leases.

Impairment loss are reversed if the reasons for recognizing them in previous years no longer apply.

The impairment losses and their reversal are recognized in profit or loss under 'Write-downs and value adjustments on lease receivables and leased assets'.

## **Intangible assets**

Purchased intangible assets with finite useful lives, which mainly include software and licenses, are recognised at cost plus incidental acquisition costs in accordance with the requirements of IAS 38 and amortised on a straight-line basis assuming a useful life of between one and ten years.

Intangible assets with indefinite useful lives are not amortized. These assets are tested for impairment annually, and also if there are indications of impairment. The CHG-MERIDIAN Group reported intangible assets with indefinite useful life amounting of KEUR 18,903 as at December 31, 2022. These relate purely to the goodwill recognized on the acquisition of the equigroup Holdings Pty. Ltd. in 2018. Based on past and planned future business performance, it is assumed that the useful life is indefinite.

Impairment losses pursuant to IAS 36 are taken into account using write-downs. Impairment losses are reversed if the reasons for impairment losses recognized in previous years no longer apply.



Impairment losses and reversals of impairment losses are recognised under 'Amortisation, depreciation and impairment losses on intangible assets, property, plant and equipment and right-of-use assets'.

## **Property, plant and equipment**

Property, plant and equipment is measured at cost plus directly attributable costs less straight-line depreciation and impairment losses. The depreciation period is based on the expected useful life. Residual values, useful lives, and the method of depreciation are reviewed periodically. If there are deviations from previous estimates, the changes are recognised in accordance with the provisions of IAS 8. Maintenance and minor repairs are recognised immediately in profit or loss.

In the event of disposals of items of property, plant and equipment, the asset's cost and the cumulative depreciation are derecognized. The gain or loss on disposal of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount and recognised on the date of derecognition under 'Other operating income' or 'Other operating expenses' in the income statement.

The leased component of administration buildings is recognized together with the owner-occupied property under 'Property, plant and equipment'.

Impairment losses pursuant to IAS 36 are taken into account in using write-downs. If the recoverable amount is less than the carrying amount, the difference is recognized as an impairment loss. The recoverable amount corresponds to the net proceeds from the immediate sale (fair value less costs to sell). The fair value corresponds to the market prices of the assets, or the prices derived from market transactions.

Impairment losses are reversed if the reasons for recognising them in previous years no longer apply.

Impairment losses and reversals of impairment losses are recognized under 'Amortisation, depreciation and impairment losses on intangible assets, property, plant and equipment and right-of-use assets'.

## **Right-of-use assets and lease liabilities**

With the beginning of use, a right-of-use asset and a lease liability are recognised in the statement of financial position for all leases in which the CHG-MERIDIAN Group is the lessee in the amount of the present value of the future lease payments. This does not apply to leases where the underlying asset is of minor value or the lease term is twelve months or less.

The lease liability is recognised in the amount of the present value of the future lease payments over its reasonably certain period of use. The lease payments are discounted using the incremental borrowing rate to be determined.

The cost of the right-of-use asset is generally determined by the amount of the lease liability at the inception of the lease, adjusted for lease prepayments received or lease incentives offered. In subsequent periods, the right-of-use asset is amortized on a straight-line basis over the lease term.



The lease term is the non-cancelable period of a lease with periods covered by an option to extend the lease if it is reasonably certain at the time of assessment that the option will be exercised.

## **Other assets**

'Other assets' mainly comprise inventories. At the CHG-MERIDIAN Group, inventories consist of:

- assets intended for lease
- assets that are returned to CHG-MERIDIAN after the end of the lease term
- brokerage.

Assets intended for lease are items of leased equipment, the installation and operational readiness of which have not yet been confirmed by the customer as at the reporting date. These assets are recognized at cost.

Assets, that have been returned to CHG-MERIDIAN after the end of the lease term are shown under 'inventories' at their residual values, which correspond to their amortised cost at the end of the lease.

Brokerage is recognised at cost.

After initial recognition, inventories are measured at the lower of cost and net realisable value. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Revenue recognition in connection with inventories complies with the requirements of IFRS 15, revenue is recognized when the transfer of the goods sold to the customer fulfills a performance obligation. An asset is considered transferred at the time when the customer obtains control over the asset.

## **Provisions**

In accordance with IAS 37, provisions are recognised when an entity has a present legal or constructive obligation to a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provision with the term of more than one year, are discounted to the reporting date at maturity and risk-appropriate rate and recognized at their settlement amount.

## **Tax**

The tax expense for the period comprises current and deferred tax expenses. Tax is recognized in the income statement unless it relates to items recognized directly in equity.



## Current income taxes

Current tax expense is calculated based on the tax laws of the countries in which the entities of the CHG-MERIDIAN Group operate and generate taxable income. It is measured as the amount expected to be reimbursed by, or paid to, the tax authorities.

## Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for all temporary differences between the tax base of assets and/or liabilities and their carrying amounts in the IFRS financial statements (so-called balance sheet liability method).

Deferred tax assets are recognised for unused tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the unused tax loss carryforwards can be utilised.

Deferred tax assets and liabilities are recognised using the tax rates expected to apply to the period when the temporary differences reverse. The tax rates used are those that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority and it is intended to settle on a net basis.

## **Other liabilities**

### Share-based payment

Share-based payments comprise share option programmes that are settled in cash in accordance with operational practice.

In accordance with IFRS 2, the issued share options are measured at the fair value of the liability, taking into account the contractual terms. The fair value is determined using a binomial model. The liabilities from share-based payment are reported under 'Other liabilities' in the statement of financial position.

The fair value is remeasured at each reporting date and at the payout date, and any resulting change is recognised in profit or loss. Expenses arising from the increase in liabilities from share-based payments are recognized under "Staff expenses".

### Liabilities arising from the servicing obligation

Liabilities to banks from the servicing obligation for lease receivables funded on a non-recourse basis and derecognised pursuant to IFRS 9.3.2.10 are shown und 'Other Liabilities'.

Upon derecognition of finance lease receivables due to non-recourse funding, the gain on sale of the receivables is recognized on disposal. CHG-MERIDIAN continues to provide services in connection with the lease sold after the receivables have been derecognized. These services are settled by the gain realized from the sale. Upon disposal of the receivable, a liability is recognised that is released to profit or loss over the basic term of the lease using the straight-



line method to ensure that the income and expenses from the lease are apportioned to the relevant periods.

The liability is recognised for each lease using a defined flat-rate amount for each remaining month of the basic term. The liability is recognized in profit or loss.

The income and expenses arising in connection with the liability from the servicing obligation are shown under 'Interest income from finance leases'.

## 4. Material judgements, estimates and assumptions

In preparing these consolidated financial statements, the management of the parent company makes judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures of contingent liabilities.

The uncertainty associated with these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The assumptions and estimates used by the Company in the financial year mainly relate to the following:

- assessment of the impairment of goodwill
- assessment of the impairment of receivables,
- assessment of the useful life/depreciation period of leased assets,
- consideration of unguaranteed residual values in the measurement of receivables from finance leases and operating leases
- recognition and measurement of deferred tax assets and liabilities.

Goodwill is not amortised and is tested for impairment at least once a year after initial recognition.

The allowance for doubtful accounts includes, to a certain extent, estimates and judgments of individual receivables with regard to the credit standing of customers, the type of financing and experience of historical default rates.

Leased assets are written down to their notional residual value on a straight-line basis over the term of the lease to their imputed residual value. This synchronizes the pattern of income and expense from rental income and write-downs.

The unguaranteed residual values consist of outstanding proceeds from amortisation and remarketing proceeds. If the present value of the lessee's minimum lease payments does not cover the cost of the leased asset, there is outstanding amortization income. The calculation of the lease takes into account that the outstanding amortization proceeds will be realized at the end of the basic lease term. Remarketing proceeds are recognized on the basis of a portfolio analysis with estimated average remarketing proceeds of 5.0% - 15.0% of the original acquisition cost. This percentage was applied as a best estimate based on historical experience. The calculation of the lease takes into account that the remarketing proceeds will



be realized at the end of the basic lease term. The recognition of unguaranteed residual values has a direct impact on the CHG-MERIDIAN Group's income recognition.

The estimated, unguaranteed residual values was reviewed as at 31 December 2022 in accordance with IFRS 16.77. This review is performed on a portfolio basis. The review ("backtesting") is carried out on a portfolio based at Group company level. Within CHG-MERIDIAN, backtesting is carried out on the basis of an analysis of the remarketing result in the financial year and is consolidated as follows as at December 31, 2022:

in KEUR		
Income from lease payments during extensions	210,275	192,851
Depreciation and write-downs of leased assets during extensions	-100,724	-84,765
Income from the sale of leased assets	183,450	240,875
Expenses from the sale of leased assets	-133,514	-184,906
<b>Net remarketing proceeds</b>	<b>159,487</b>	<b>164,055</b>

The positive remarketing result in 2021/2022 demonstrates that the remarketing estimates potential applied at the inception of a lease were appropriate.

The measurement of deferred tax assets and liabilities requires material judgements. In the case of deferred tax assets on tax loss carryforwards, estimates must be made of the amount and timing of future taxable income. There is also uncertainty with regard to possible future changes in tax law.

## 5. Notes to the income statement

### 5.1 Interest income from finance leases

Interest income from finance leases consists of:

- Interest income during the basic term;

An underlying interest rate determined for each lease on the basis of the agreed lease payments and the expected additional payments and is used to calculate the interest on the finance lease receivables.

- Interest income from unwinding the discount on unguaranteed residual values;

The residual values expected at the end of the basic term accrue interest at the underlying interest rate during the basic term.

- Proceeds in connection with the derecognition of finance lease receivables;

In the case of a non-recourse sale of receivables to a funding partner, the difference between the present value of the leasing installments sold and the amount paid out by the financier less the deferred service obligations is recognized in profit or loss under the conditions of IFRS 9.



Interest income from finance leases declined over the prior year by KEUR 5,760 to KEUR 88,866 (PY: KEUR 94,626) related to the derecognition of finance lease receivables on

The decrease is attributable to the decline in interest income related to the derecognition of finance non-recourse funding (KEUR -2,687) and lower interest income during the basic lease term (KEUR -1,732).

## 5.2 Other interest income

Other interest income increased from KEUR 1,207 in 2021 to KEUR 1,787 in the current financial year. This item includes all interest income that cannot be allocated to finance leases.

Total interest income for financial assets not designated as at fair value through profit or loss totaled to KEUR 90,653 in the financial year (PY: KEUR 95,505).

## 5.3 Interest expenses

The interest expenses mainly consist of the interest expenses for loans for the refinancing leases. Interest expenses increased mainly as a result of the significant increase in the refinancing volume in the financial year and the general rise in interest rates from KEUR 30,173 in 2021 to KEUR 44,047 in 2022.

Interest expenses for financial liabilities not measured as at fair value through profit or loss total of KEUR 41,823 in 2022 (PY: KEUR 27,781).

Interest expenses for the recognised lease liabilities for the Group as lessee amounted to KEUR 346 (PY: KEUR 111).

## 5.4 Income from operating leases

The following table shows the breakdown of income from operating leases in the reporting period:

Income from lease payments during the minimum lease term	981,177	806,621
Income from lease payments during extensions	210,275	192,851
<b>Income from operating leases</b>	<b>1,191,452</b>	<b>999,472</b>

The increase in income from lease payments is mainly attributable to the development of new business and the trend towards operating leases in the past three years.

Lease payments during the basic lease term are accrued and recognized on a straight-line basis.



## 5.5 Expenses from operating leases

The following table shows the breakdown of expenses from operating leases

Depreciation and write-downs of leased assets during the minimum lease term	835,333	698,988
Depreciation and write-downs of leased assets during extensions	100,724	84,765
Interest expenses on deferred income from forfeiting transactions	31,501	15,893
<b>Expenses from operating leases</b>	<b>967,558</b>	<b>799,646</b>

Leased assets are depreciated or amortised to their unguaranteed residual value using the straight-line method over the minimum lease term of the lease. In the event of an extension, the residual carrying amount is generally depreciated on a straight-line basis over one year.

Interest expenses from deferred forfeiting income are allocated to expenses from operating leases, as the finance leases financed on a non-recourse basis and the corresponding deferred forfeiting income are derecognized, leaving only the interest expenses allocable to the operating leases.

## 5.6 Income and expenses from remarketing

The following table shows the breakdown of income and expenses from remarketing:

Income from the sale of leased assets	183,450	240,875
Expenses from the sale of leased assets	-133,514	-184,906
Income from brokerage activities	28,584	31,729
Expenses from brokerage activities	-9,769	-12,989
<b>Net income from remarketing</b>	<b>68,751</b>	<b>74,709</b>

Leased assets are remarketed directly either by the respective foreign subsidiary or via the Technology and Service Centres located near to Frankfurt am Main, Germany, and in Skien, Norway.

In addition to the disposal of leased assets, IT equipment is purchased and remarketed worldwide via the technology and service centers (brokerage).

## 5.7 Write-downs and value adjustments on lease receivables and leased assets

The write-downs and value adjustments on finance leases includes impairment losses and reversals of impairment losses on receivables from finance leases and other receivables from customers, as well as impairment losses and reversals of impairment losses on leased assets:



Impairment losses on and write-downs on other receivables from customers	4,456	24,178
(Reversal of) impairment losses on finance lease receivables	-765	-2,463
Impairment losses/ reversals of impairment losses – leased assets	492	-5,015
Income/ Expenses from the recognition/ derecognition of deferred income from forfeiting transactions under operating leases	-672	4,308
<b>Write-downs and value adjustments on lease receivables and leased assets</b>	<b>3,511</b>	<b>21,008</b>

The decrease in impairment losses on other receivables from customers mainly resulted from the full write-off of capitalized hidden reserves in 2021 (EUR 22.0 million) connection with the acquisition of the equigroup Holdings Pty Limited, Sydney/Australia, in 2018.

Movements in impairment accounts for finance lease receivables and other receivables from customers were as follows:

<b>Balance at 1 Jan 2021</b>	<b>5,828</b>	<b>7,711</b>	<b>13,539</b>
Allocated through profit or loss	1,292	2,998	4,290
Used	-639	-701	-1,340
Reversed/ effect of movements in exchange rates	-3,755	200	-3,555
<b>Balance at 31 Dec 2021</b>	<b>2,726</b>	<b>10,208</b>	<b>12,934</b>
<b>Balance at 1 Jan 2022</b>	<b>2,726</b>	<b>10,208</b>	<b>12,934</b>
Allocated through profit or loss	317	5,616	5,933
Used	-689	-942	-1,631
Reversed/ effect of movements in exchange rates	-1,061	-896	-1,957
<b>Balance at 31 Dec 2022</b>	<b>1,293</b>	<b>13,986</b>	<b>15,279</b>

The differences between the movements in the allowance accounts and the income statement items are attributable to currency differences.

The impairment loss for the item "Other receivables from customers" amounted to KEUR 5,616 in the financial year 2022 (PY: KEUR 2,998). The impairment loss on finance lease receivables amounted to KEUR 317 (PY: KEUR 1,292).



For an explanation of the write-downs and value adjustments for leased assets, please refer to the statement of changes in leased assets under "7. Notes to the statement of financial position".

## 5.8 Income from services rendered

Service income increased slightly by a total of KEUR 847 or 1.24% to KEUR 69,350 in 2022. The increased income from services rendered (KEUR +6,241) more than offset the decrease in income from the recharging of consumables (KEUR -5,045). Other service income mainly includes income from the invoicing of external services such as maintenance and repair services.

## 5.9 Expenses for services rendered

Expenses for the provision of services rendered increased from KEUR 45,768 in 2021 to KEUR 46,940 in 2022. Significant expenses arise mainly from the invoicing of external services such as maintenance and repair services and the purchase of consumables (printer paper, toner, etc.).

## 5.10 Result from financial assets/liabilities at fair value through profit or loss

Result from financial assets/liabilities at fair value through profit or loss is divided into result from derivative financial instruments and result from non fixed-interest securities and is composed as follows:

Result from derivative financial instruments	455	-5,468
Result from non fixed-interest securities	542	0
<b>Result from financial assets/liabilities at fair value through profit or loss</b>	<b>997</b>	<b>-5,468</b>

All derivative financial instruments are measured at fair value in the statement of financial position. Changes in fair value are recognized in profit or loss. Hedge accounting is not applied; accordingly, all derivatives are assigned to the IFRS 9 category "measured at fair value through profit or loss".

For further information, please refer to our comments under "7.5 Financial assets/liabilities at fair value through profit or loss".

## 5.11 Result from investments accounted for using the equity method

The result from investments accounted for using the equity method amounts to KEUR 175 (PY: KEUR 0), which results from the investments in Hemmersbach Holding GmbH and Hemmersbach Worldwide GmbH acquired in 2022.

For the development of the companies accounted for using the equity method, please refer to "7.6 Investments".



## 5.12 Staff expenses

Staff expenses break down as follows:

Wages and salaries	129,358	113,956
Social security, pension and other benefits	19,857	17,715
<b>TOTAL</b>	<b>149,215</b>	<b>131,671</b>

In the reporting period, the addition to liabilities from share-based payments was recognised under personnel expenses in the amount of EUR 6,517 thousand (PY: EUR 2,480 thousand).

## 5.13 Other administrative expenses

The following table shows the breakdown of other administrative expenses:

Audit and advisory fees	16,842	7,561
Marketing, customer-related events and entertainment expenses	6,405	2,850
Licence fees, repair and maintenance costs	5,972	5,208
Other staff experience	5,475	4,787
Travel expenses	4,565	1,176
Incidental rental costs	3,446	2,248
Vehicle costs	2,506	2,115
Telecommunication costs and postage	1,667	1,651
Contribution and fees	998	761
Bank charges	818	897
Business insurance	701	537
Information costs	506	399
Costs for office supplies	338	302
Other expenses	4,575	4,314
<b>TOTAL</b>	<b>54,814</b>	<b>34,806</b>

The increase in audit and advisory fees is mainly due to higher consulting expenses in connection with circulee GmbH, Berlin, which was newly established in November 2021.



The audit and advisory fees include the following services provided by the group auditors BDO AG Wirtschaftsprüfungsgesellschaft (PY KPMG AG Wirtschaftsprüfungsgesellschaft) that were used by CHG-MERIDIAN companies:

Expenses for audit services	295	291
Expenses for other assurance services	15	17
Expenses for other services	37	96
<b>TOTAL</b>	<b>347</b>	<b>404</b>

The expenses for audit services relate to expenses incurred for the audit of the consolidated financial statements of CHG-MERIDIAN AG and the statutory audits of the annual financial statements of CHG-MERIDIAN AG and CHG-MERIDIAN Industrial Solutions GmbH.

#### 5.14 Amortisation, depreciation and impairment losses on intangible assets, property, plant and equipment and right-of-use assets

Right-of-use assets	5,350	5,838
Furniture and fixture, office equipemnt	4,251	4,101
Intangible assets	2,622	2,186
Land and buildings	2,494	2,242
<b>TOTAL</b>	<b>14,717</b>	<b>14,367</b>

For further information, please refer to the table on the movements in intangible assets, property, plant and equipment, and rights of use under 7. Notes to the statement of financial position – “Intangible assets”, “Property, plant and equipment” and “Right-of-use assets”.

#### 5.15 Other operating income/ expenses

Other operating income and expenses mainly include gains/losses from currency translation. Income from currency translation amounted to KEUR 15,071 in the financial year (PY: KEUR 11,582). The losses from currency translation recognised in profit or loss amounted to KEUR 15,979 in the financial year (PY: KEUR 16,221). Other operating expenses also include lease-related and other taxes in the amount of KEUR 3,436.



## 5.16 Tax

The following table shows the breakdown of the main components of the income tax expenses:

<i>Current income taxes</i>		
Current income tax expenses	24,990	36,547
Current income taxes from other accounting periods	-2,182	-1,372
<i>Deferred income taxes</i>		
Deferred tax expense	12,795	3,171
<b>Tax expense shown in the consolidated income statement</b>	<b>35,603</b>	<b>38,346</b>

The tax on profit from ordinary activities deviates from the expected tax expense as follows:

<b>Average expected tax rate</b>	<b>30.23 %</b>	<b>30.20 %</b>
Changes due to foreign tax	-2.33 %	-3.77 %
Tax relating to prior periods	-1.48 %	0.15 %
Other effects	-0.19 %	-1.27 %
<b>Average effective tax rate</b>	<b>26.23 %</b>	<b>25.31 %</b>

The weighted average tax rate amounted in the financial year was 26.23 % (PY: 25.31 %). The deviation from the expected tax rate was -4.00 % in the financial year (PY: -4.89 %). The expected tax rate corresponds to the average income tax rate of CHG-MERIDIAN AG in Germany in the relevant financial year.

The deferred tax liabilities mainly result from the different measurement of receivables from finance leases and leased assets from operating leases. For tax purposes, leased assets are depreciated in accordance with tax principles, which is often offset by a different income pattern from lease income.

The existing deferred tax assets from tax loss carryforwards are allocated to the Group companies and country groups as follows:

circulee GmbH	2,850	0
devicenow GmbH	530	0
CHG-MERIDIAN Polska sp.z.o.o.	365	0
CHG-MERIDIAN Norway AS	46	48
CHG-MERIDIAN Industrial Solutions GmbH	0	340
<b>Deferred tax assets on tax loss carryforwards</b>	<b>3,791</b>	<b>388</b>



No deferred tax assets were recognized for tax loss carryforwards of KEUR 2,431 (PY: KEUR 18,606).

## 6. Notes to the consolidated statement of comprehensive income

The cumulative translation differences recognized directly in equity increased by KEUR 4,655 in the year under review from KEUR -2,727 (as at 31 December 2021) to KEUR 1,928 as at 31 December 2022. This development is mainly attributable to the translation of the Mexican, U.S., and U.K. CHG-MERIDIAN financial statements.

## 7. Notes to the statement of financial position

### 7.1 Cash reserve

The cash reserve consists entirely of cash in the form of cash on hand.

### 7.2 Receivables from banks

Receivables to banks decreased by KEUR 5,964 year-on-year to KEUR 413,615.

Receivables from banks consist mainly of credit balances in current accounts.

All receivables from banks are neither overdue nor impaired as of the reporting date. There are no indications that payment defaults will occur for receivables from banks that are neither impaired nor past due.

Of the receivables from banks, KEUR 55 (PY: KEUR 0) were classified as non-current.

### 7.3 Receivables from finance leases

The following table of receivables from finance leases does not take account of impairment losses.

Outstanding minimum lease payments	561,808	538,402
+ unguaranteed residual values	434,552	255,328
<b>Gross investment</b>	<b>996,360</b>	<b>793,730</b>
- unrealised (outstanding) finance income	-133,342	-86,431
<b>Net investment</b>	<b>863,018</b>	<b>707,299</b>
- present value of unguaranteed residual values	-381,476	-224,325
<b>Present value of unguaranteed residual values</b>	<b>481,543</b>	<b>482,974</b>

In order to reconcile the net investment with the amount reported in the statement of financial position, the risk provision for outstanding minimum lease payments of KEUR -1,293 (PY: KEUR -2,726) must be taken into account.



There are no indications that payment defaults will occur for significant receivables from finance leases that are neither impaired nor overdue.

Breakdown of the total amount of receivables from finance leases (before loss allowances) by maturity:

Up to one year	359,917	302,576
One to two years	280,875	185,907
Two to three years	159,894	142,707
Three to four years	113,663	96,897
Four to five years	48,639	59,856
More than five years	33,372	5,787
<b>Gross investments</b>	<b>996,360</b>	<b>793,730</b>
Unrealised (outstanding) finance income	-133,342	-86,431
<b>Net investment</b>	<b>863,018</b>	<b>707,299</b>

Of the receivables from finance leases, KEUR 576,829 were classified as non-current (PY: KEUR 507,474).

#### 7.4 Other receivables from customers

Other receivables from customers mainly include receivables from leases, services and sales of leased assets amounting to KEUR 217,342 (PY: KEUR 159,302). In addition, this item includes lease accruals amounting to KEUR 14,946 (PY: KEUR 19,797). As of the reporting date, the item "Other receivables from customers" includes contract assets from services amounting to KEUR 10,860 (PY: KEUR 8,677) and contract assets from the sale of leased assets amounting to KEUR 37,546 (PY: KEUR 38,239).

Other receivables from customers were impaired by a total of KEUR 13,985 (PY: KEUR 10,208). For further details, please refer to our comments under 5.7 Write-downs and value adjustments on lease receivables and leased assets.

There are no indications that payment defaults will occur for other significant receivables and leased assets from customers that are neither impaired nor past due.

Of the other receivables from customers, KEUR 207 (PY: KEUR 643) are classified as non-current.

#### 7.5 Financial assets/liabilities at fair value through profit or loss

The item "Financial assets/liabilities at fair value through profit or loss" includes derivative financial instruments used exclusively to hedge foreign currency and interest rate risks, as well as non-fixed yield securities.



The derivatives are classified as at fair value through profit or loss under IFRS 9. The CHG-MERIDIAN Group does not apply hedge accounting as defined in IFRS 9.4.3 et seq. depending on the positive or negative fair value of the derivatives, they are recognized as assets or liabilities. They are measured at fair value. Changes in fair value are recognized in the income statement under 'Result from financial assets/liabilities at fair value through profit or loss'.

Non-fixed-income securities include money market funds with a market value of KEUR 12,167 (PY: KEUR 0) held by OPC Asset Solutions Private Limited, Mumbai/India. These are also allocated to the IFRS 9 category "measured at fair value through profit or loss".

Of the item "Financial assets at fair value through profit or loss" KEUR 0 (PY: KEUR 0) is classified as non-current. Of the item "Financial liabilities at fair value through profit or loss" KEUR 4,632 (PY: KEUR 3,041) is classified as non-current.

## 7.6 Investments

Investments include shares in associated companies (IAS 28) and other shares without significant influence.

The shares in associated companies relate to the investments in Hemmersbach Holding GmbH and Hemmersbach Worldwide GmbH, both based in Nuremberg/Germany. The Hemmersbach companies are specialized in providing global B2B services for the IT industry. As at the balance sheet date, CHG-MERIDIAN held 25.1 % in each of the two companies, which are accounted for using the equity method in the consolidated financial statements.

The summarized financial information of the associated companies at the date of acquisition (September 30, 2022) is shown in the table below:

<b>Balance sheet as of 30 Sept 2021<sup>1</sup></b>		
Current assets	83,107	52,726
Non-current assets	4,269	2,636
Current liabilities	21,517	41,456
Non-current liabilities	31,395	3,007
Shareholders' equity	34,465	10,900
Share of equity	8,651	2,736
Reconciliation item to carrying amount	38,513	4,326
Carrying amount of investment accounted for using the equity method	47,163	7,062

<sup>1</sup> At the time of the preparation of the consolidated financial statements of CHG-MERIDIAN AG the financial information of the two associated companies were not yet available, the summarized financial information has been determined on the basis of the unaudited financial statements as at the date of acquisition of the equity investments.



The difference between the carrying amount of the investments accounted for using the equity method at the time of acquisition and the carrying amount of the investments at the reporting date is attributable to subsequent measurement in accordance with IAS 28.

The shares without significant influence relate to the investment in Weingarten.IN Stadtmarketing GmbH in the amount of KEUR 1 (PY: KEUR 1), which is accounted for using the "at cost" method in accordance with IFRS 9 B5.2.3.

## 7.7 Leased assets under operating leases

The following table shows the changes in leased assets under operating leases:

<b>Cost as at 1 Jan 2022</b>	<b>3,666,094</b>
Foreign currency translation differences	30,197
Additions	1,726,881
Reclassification	-1,466
Disposals	-825,125
<b>Costs as at 31 Dec 2022</b>	<b>4,596,581</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2022</b>	<b>1,372,066</b>
Foreign Currency translation differences	7,429
Additions to depreciation and amortisation	936,057
Reclassification	-1,607
Depreciation and amortisation relating to disposals	-594,600
<b>Accumulated depreciation and amortisation as at 31 Dec 2022</b>	<b>1,719,345</b>
<b>Accumulated impairment losses as at 1 Jan 2022</b>	<b>1,380</b>
Foreign currency translation differences	0
Additions to impairment losses	940
Reclassification	-449
Use of impairment losses	0
Disposals of impairment losses	0
<b>Accumulated impairment losses as at 31 Dec 2022</b>	<b>1,871</b>
<b>Net carrying amounts as at 31 Dec 2022</b>	<b>2,875,365</b>



<b>Cost as at 1 Jan 2021</b>	<b>3,066,540</b>
Foreign currency translation differences	46,665
Additions	1,406,399
Reclassification	-3,897
Disposals	-849,613
<b>Cost as at 31 Dec 2021</b>	<b>3,666,094</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2021</b>	<b>1,143,143</b>
Foreign Currency translation differences	22,696
Additions to depreciation and amortisation	783,753
Reclassification	-63
Depreciation and amortisation relating to disposals	-577,463
<b>Accumulated depreciation and amortisation as at 31 Dec 2021</b>	<b>1,372,066</b>
<b>Accumulated impairment losses as at 1 Jan 2021</b>	<b>6,394</b>
Foreign currency translation differences	0
Additions to impairment losses	0
Reclassification	0
Use of impairment losses	-5,014
Disposals of impairment losses	0
<b>Accumulated impairment losses as at 31 Dec 2021</b>	<b>1,380</b>
<b>Net carrying amounts as at 31 Dec 2021</b>	<b>2,292,648</b>

As of December 31, 2022, leased assets with a carrying amount of KEUR 1,531,893 (PY: KEUR 1,251,790) were assigned as collateral to secure the refinancing of the leasing business.

Total payments of KEUR 2,508,290 (PY: KEUR 2,006,922) are expected from operating leases. The total amount breaks down by maturity as follows:

Up to 1 year	1,081,045	870,676
One to two years	720,982	582,528
Two to three years	432,451	331,093
Three to four years	181,758	155,054
Four to five years	71,435	49,211
More than five years	20,619	18,360
<b>TOTAL</b>	<b>2,508,290</b>	<b>2,006,922</b>



Of the leased assets under operating leases, KEUR 2,156,908 (PY: KEUR 1,702,029) are classified as non-current.

## 7.8 Intangible assets

Intangible assets consist of goodwill in the amount of KEUR 18,903 (PY: KEUR 18,903) and software and licenses in the amount of KEUR 5,542 (PY: KEUR 5,207) and amounted to KEUR 24,445 (PY: KEUR 24,110) as of 31 December 2022.

The development of the software and licenses category in the financial year was as follows:

<b>Cost as at 1 Jan 2022</b>	<b>15,360</b>
Foreign currency translation differences	-18
Additions	2,313
Disposals	-4,396
Reclassifications	874
<b>Cost as at 31 Dec 2022</b>	<b>14,133</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2022</b>	<b>10,153</b>
First-time consolidation effect	215
Foreign currency translation differences	-17
Additions to depreciation and amortisation	2,622
Disposals to depreciation and amortisation	-4,382
Reclassifications	0
<b>Accumulated depreciation and amortisation as at 31 Dec 2022</b>	<b>8,591</b>
Impairment losses according to IAS 36	0
<b>Net carrying amounts as at 31 Dec 2022</b>	<b>5,542</b>
<b>Net carrying amounts as at 1 Jan 2022</b>	<b>5,207</b>



<b>Cost as at 1 Jan 2021</b>	<b>13,405</b>
Foreign currency translation differences	3
Additions	1,531
Disposals	-11
Reclassifications	432
<b>Cost as at 31 Dec 2021</b>	<b>15,360</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2021</b>	<b>7,966</b>
Foreign currency translation differences	3
Additions to depreciation and amortisation	2,186
Disposals to depreciation and amortisation	-2
Reclassifications	0
<b>Accumulated depreciation and amortisation as at 31 Dec 2021</b>	<b>10,153</b>
Impairment losses according to IAS 36	0
<b>Net carrying amounts as at 31 Dec 2021</b>	<b>5,207</b>
<b>Net carrying amounts as at 1 Jan 2021</b>	<b>5,439</b>

The additions in fiscal year 2022 for the category "Intangible assets with finite useful lives" are attributable to the acquisition of software and licenses.

The goodwill recognized is tested for impairment by comparing the respective net asset value with the carrying amount at the end of the reporting period. The net asset value represents the present value of all outstanding installments and net-remarketing proceeds after costs and risk provisions over the remaining term of the entire portfolio.

Of the intangible assets, KEUR 21,792 (PY: KEUR 21,843) are classified as non-current.



## 7.9 Property, plant and equipment

The following table shows the changes in property, plant and equipment in the Group:

<b>Cost as at 1 Jan 2022</b>	<b>60,163</b>	<b>874</b>	<b>31,238</b>	<b>92,275</b>
Foreign currency translation differences	65	0	7	72
Additions	529	0	4,494	5,023
Disposals	-21	0	-4,937	-4,958
Reclassifications	0	-874	12	-862
<b>Cost as at 31 Dec 2022</b>	<b>60,736</b>	<b>0</b>	<b>30,814</b>	<b>91,550</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2022</b>	<b>27,903</b>	<b>0</b>	<b>18,472</b>	<b>46,375</b>
First-time consolidation effect	0	0	103	103
Foreign currency translation differences	27	0	148	175
Additions to depreciation and amortisation	2,494	0	4,250	6,745
Disposals to depreciation and amortisation	-159	0	-4,275	-4,435
Reclassifications	1	0	0	1
<b>Accumulated depreciation and amortisation as at 31 Dec 2022</b>	<b>30,266</b>	<b>0</b>	<b>18,698</b>	<b>48,965</b>
Impairment losses according to IAS 36	0	0	0	0
<b>Net carrying amounts as at 31 Dec 2022</b>	<b>30,470</b>	<b>0</b>	<b>12,116</b>	<b>42,585</b>
<b>Net carrying amounts as at 1 Jan 2022</b>	<b>32,260</b>	<b>874</b>	<b>12,766</b>	<b>45,900</b>



<b>Cost as at 1 Jan 2021</b>	<b>59,164</b>	<b>482</b>	<b>26,489</b>	<b>86,135</b>
Foreign currency translation differences	47	0	264	311
Additions	1,474	872	6,441	8,787
Disposals	-522	-44	-1,962	-2,528
Reclassifications	0	-436	6	-430
<b>Cost as at 31 Dec 2021</b>	<b>60,163</b>	<b>874</b>	<b>31,238</b>	<b>92,275</b>
<b>Accumulated depreciation and amortisation as at 1 Jan 2021</b>	<b>26,167</b>	<b>0</b>	<b>15,596</b>	<b>41,763</b>
Foreign currency translation differences	34	0	214	248
Additions to depreciation and amortisation	2,242	0	4,027	6,269
Disposals to depreciation and amortisation	-540	0	-1,367	-1,907
Reclassifications	0	0	2	2
<b>Accumulated depreciation and amortisation as at 31 Dec 2021</b>	<b>27,903</b>	<b>0</b>	<b>18,472</b>	<b>46,375</b>
Impairment losses according to IAS 36	0	0	0	0
<b>Net carrying amounts as at 31 Dec 2021</b>	<b>32,260</b>	<b>874</b>	<b>12,766</b>	<b>45,900</b>
<b>Net carrying amounts as at 1 Jan 2021</b>	<b>32,997</b>	<b>482</b>	<b>10,893</b>	<b>44,372</b>

Of the total property, plant and equipment, KEUR 36,629 (PY: KEUR 40,309) is classified as non-current.



## 7.10 Right-of-use assets

The following overview shows the development of the rights of assets use from the underlying leases in the fiscal year per category:

<b>Net carrying amounts as at 1 Jan 2021</b>	<b>13,201</b>	<b>1,364</b>	<b>50</b>	<b>14,615</b>
Additions	5,856	879	356	7,091
Depreciation	-4,911	-808	-119	-5,838
Impairment losses according to IAS 36	0	0	0	0
<b>Net carrying amounts as at 31 Dec 2021</b>	<b>14,146</b>	<b>1,435</b>	<b>287</b>	<b>15,868</b>
Additions	6,951	858	0	7,809
Depreciation	-4,244	-817	-287	-5,348
Impairment losses according to IAS 36	0	0	0	0
<b>Net carrying amounts as at 31 Dec 2022</b>	<b>16,853</b>	<b>1,476</b>	<b>0</b>	<b>18,329</b>

Of the right-of-use-assets, KEUR 15,457 (PY: KEUR 10,543) are classified as non-current.

### Further disclosures and effects

The other effects of IFRS 16 as a lessee are summarized in the following table:

Expenses for short-term leases	23	28
Expenses for leases of low-value assets	8	11

In 2022, there were no significant expenses for variable lease payments not included in the measurement of lease liabilities. Total cash outflows from leases amounted to KEUR 5,530 in 2022 (PY: KEUR 5,880).

## 7.11 Other assets

The balance sheet item "Other assets" increased by KEUR 170,226 to KEUR 529,306 as of December 31, 2022. The development of other assets mainly results from the change in inventory items and sales tax receivables as of the balance sheet date.



The Inventories are broken down as follows:

Assets that are intended for leasing	368,075	278,329
Assets that are returned to CHG-MERIDIAN after the lease has expired	21,347	29,038
Brokerage	1,783	386
<b>TOTAL</b>	<b>391,205</b>	<b>307,753</b>

Assets intended for leasing are reclassified to receivables from finance leases or leased assets from operating leases upon confirmation by the lessee that the leased assets are installed and ready for use, depending on their classification in accordance with IFRS 16.

Assets that are returned to CHG-MERIDIAN at the end of the lease term are lease returns that are remarketed either by the respective national company or by our technology and service centers. The retention period of these assets in CHG-MERIDIAN's inventories is normally short.

VAT receivables increased by KEUR 82,455 to KEUR 118,778 (PY: KEUR 36,323). The increase is mainly due to OPC Asset Solutions Private Limited, Mumbai/India, which is included in the consolidated financial statements for the first time in 2022.

Of the item other assets, KEUR 58,852 (PY: KEUR 1,741) are classified as non-current.

## 7.12 Liabilities to banks

Liabilities to banks amounting to KEUR 1,558,678 (PY: KEUR 1,149,731) mainly comprise loans to refinance leases.

In addition, the item liabilities to banks also includes the loans for the company building in Weingarten amounting to KEUR 3,125 (PY: KEUR 5,625). The company land in Weingarten and the buildings erected on it serve as collateral with a narrow security purpose for the corresponding liabilities to banks. These are secured in the amount of KEUR 3,125 (PY: KEUR 5,625) through mortgages.

Lease receivables of CHG-MERIDIAN México S.A.P.I. de C.V. amounting to KEUR 26,461 (PY: KEUR 34,250) have been assigned to the funding institutions as collateral for liabilities to banks. The assignment of security applies to each individual security until the outstanding receivable under the lease agreement has been settled.

Of the total liabilities to banks item, KEUR 937,635 (PY: KEUR 745,898) are classified as non-current.

## 7.13 Deferred income from forfeiting transactions

Deferred forfeiting income increased from KEUR 1,444,073 to KEUR 1,737,181 in 2022.

CHG-MERIDIAN recognises deferred forfeiting income as the purchase price (present value of future lease payments) arising from the non-recourse sale of lease receivables that are not



subject to the derecognition requirements of IFRS 9. Deferred forfeiting income is recognized using the effective interest method over the term of the lease installments sold.

Of the deferred forfeiting income, KEUR 1,050,541 (PY: KEUR 838,027) is classified as non-current.

## 7.14 Liabilities to customers

Liabilities to customers include trade payables in the amount of KEUR 358,318 (PY: KEUR 282,889), customer prepayments and deferred lease liabilities in the amount of KEUR 128,068 (PY: KEUR 116,926), and rental deposits from lessees in the amount of KEUR 177,875 (PY: KEUR 0). The increase in rental deposits, which are customary in connection with the operation of leasing business in the Indian market, results solely from the first-time inclusion of OPC Asset Solutions Private Limited, Mumbai, India, in CHG-MERIDIAN AG's consolidated financial statements in 2022.

At the reporting date, this item included contract liabilities for services amounting to KEUR 5,913 (PY: KEUR 5,019).

Trade payables consist mainly of liabilities to suppliers of leased assets.

Of the amount due to customers, KEUR 87,944 (PY: KEUR 1,464) is classified as non-current.

## 7.15 Lease liabilities

The carrying amount of current and medium-term lease liabilities increased by KEUR 2,551 year-on-year to KEUR 18,873 (PY: KEUR 16,322). Of the leasing liabilities, KEUR 13,844 (PY: KEUR 10,977) are classified as non-current.

As of 31 December 2022, there are no future payment obligations for leases that have not yet commenced and have not been taken into account in the measurement of lease liabilities.

## 7.16 Other provisions

The item Other provisions (KEUR 1,289; PY: KEUR 2,029) mainly includes provisions for risks in connection with legal proceedings of KEUR 1,064 (PY: KEUR 925).

Of the item "Other provisions," KEUR 225 (PY: KEUR 1,104) are classified as non-current.

A total of KEUR 96 (PY: KEUR 704) was allocated in the fiscal year. The addition was offset by a consumption of KEUR 683 (PY: KEUR 1,248) and a reversal of KEUR 883 (PY: KEUR 0). Other provisions decreased by KEUR 70 (PY: KEUR 49) as a result of compounding and exchange rate effects.

Uncertainties exist with regard to the amount and maturity of the expected outflows, which is why they have been recognized under other provisions.

## 7.17 Taxes

The tax receivables and liabilities are all classified as current.



## 7.18 Other liabilities

The balance sheet item "Other liabilities" increased by KEUR 10,878 to KEUR 133,137 as of December 31, 2022.

The item "Other liabilities" includes the following items:

Liabilities to employees from sales commissions, bonus payments and vacation not taken	42,102	35,513
Accrued liabilities for outstanding invoices	32,936	27,917
Liabilities from share-based payment	20,118	18,814
VAT liabilities	15,926	13,699
Servicing obligations	4,490	10,587
Accrued liabilities for year-end costs	758	524
Miscellaneous	16,807	15,205
<b>TOTAL</b>	<b>133,137</b>	<b>122,259</b>

### Share-based payment liability

The Company grants stock options to selected employees of the CHG-MERIDIAN Group under stock option plans. The stock options were granted for the first time following a resolution by the Annual General Meeting with effect from 1 January 2010.

By resolution of the Annual General Meeting on July 17, 2015, the Management Board is authorized, with the approval of the Supervisory Board, to grant stock options for up to 10 % of the no-par value shares until 31 December 2021.

The stock options can only be exercised after a period of 24 months from the respective grant date ("lock-up period"). If the beneficiary leaves the Company, the options expire. The term of the options is 72 months, whereby after the end of the waiting period they can be exercised annually in the month following the Annual General Meeting.

Upon exercise of the stock options, the beneficiary must pay a subscription price fixed at the grant date for each share acquired.

As of 31 December 2022, a total of 2,976,000 stock options had been granted. During the reporting period, 960,000 stock options were exercised.



The following table illustrates the development of stock options:

Balance at the beginning of the reporting period	3,936,000	6.51	3,936,000	6.51
Granted in the reporting period		0	0	0
Exercised in the reporting period	-960,000	6.51	0	0
Balance at the end of the reporting period <sup>2</sup>	2,976,000	6.51	3,936,000	6.51

The exercise price of the options outstanding at the end of the reporting period is EUR 6.51 (PY: EUR 6.51). The weighted average remaining term of the options as of 31 December 2022 is 1 year (PY: 2 years).

The fair value of the stock options was calculated on the basis of a binomial model with the following parameters:

Risk-free interest rate	1.96 %	0.00 %
Expected volatility	5.71 %	5.17 %
Expected life of options (in years)	1.0	2.0
Weighted average exercise price per share (in EUR)	6.51	6.51
arithmetical value per share (in EUR)	13.14	11.29

Volatility has been determined on the basis of the development of the share price of CHG-MERIDIAN AG over the past ten years. The volatility of comparable listed companies has not been used because their volatility does not reflect the actual situation at CHG-MERIDIAN AG.

The weighted average fair value of the options as at 31 December 2022 is EUR 6.76 (PY: EUR 4.78) per option.

The liabilities arising from share-based payment amounted to KEUR 20,118 as at 31 December 2022 (PY: KEUR 18,814).

### Servicing obligations

The item "Other liabilities" includes liabilities from the administrative and settlement obligation to banks for non-recourse financed and derecognized leasing receivables.

Of the other liabilities, KEUR 4,454 (PY: KEUR 10,585) are classified as non-current.

<sup>2</sup> The options outstanding at the end of the reporting period correspond to the options exercisable at the end of the reporting period.



## 7.19 Equity

With regard to the development of consolidated equity, we refer to the consolidated statement of changes in equity, which is a separate component of the financial statements and precedes the notes to the consolidated financial statements.

### Subscribed capital

The Company's subscribed capital is divided into 96,000,000 (PY: 96,000,000) fully paid-up, no-par-value bearer shares at a notional value of EUR 100,000,000.

The following table shows the changes in the number of shares outstanding:

Shares outstanding as of 1 Jan	95,019,824	94,725,403
Acquisition of treasury shares	-732,242	-873,579
Sale of treasury shares	264,846	1,168,000
<b>Shares outstanding as of 31 Dec</b>	<b>94,552,428</b>	<b>95,019,824</b>

During the financial year, the Company acquired 732,242 treasury shares. In addition, 264,846 treasury shares were sold by the Company. They represent 0.3% of the share capital. At 31 December 2022, the Company held 1,447,572 treasury shares with a notional value of EUR 1,507,888 (PY: EUR 1,021,017), which are shown separately as deductions from equity. They represent 1.5% of the share capital.

### Capital Reserve

The capital reserve includes the premium from the issue of shares and the differences from the purchase/sale of treasury shares. It increased by KEUR 369 in the financial year due to the sale of treasury shares to old and new shareholders and thus amounts to KEUR 18,579 as of 31 December 2022 (PY: KEUR 18,210).

### Retained earnings

Retained earnings include undistributed profits from previous financial years and the effect of the first-time adoption of IFRS as of 1 January 2013, and amount to KEUR 506,438 as of 31 December 2022 (PY: KEUR 456,297).

In fiscal year 2022, a dividend of EUR 0.40 per no-par value share and a special dividend of EUR 0.20 were distributed on a total of 95,124,863 no-par value shares entitled to dividends. The dividend payment thus amounts to KEUR 57,075 (PY: KEUR 28,766).



#### Other reserves

The item "Other reserves" includes items which, under IFRS, must be recognized directly in equity. In the financial year under review, this relates to differences arising from the currency translation of consolidated subsidiaries:

		
Accumulated foreign currency translation losses	1,928	-2,727

#### Capital risk management

As part of its capital risk management, the Company attaches great importance to a sound and healthy financing structure in order to lay the foundations for financial flexibility and extensive independence from banks and other lenders.

The Company's objective is to further develop and deepen its stable and long-standing business relationships with its refinancing partners in order to maintain the trust of investors, lenders and the market and to facilitate future external and internal growth.

The liquidity situation is managed and monitored at Group level by the Treasury department as an integral part of the risk management process.



## 8. Disclosures on financial instruments

### a) Categories of financial instruments

<b>Assets</b>						
Receivables from banks	413,615	419,579	413,615	419,579		
Receivables from finance leases	861,725	704,573			861,725	704,573
Other receivables from customers	232,288	179,099	232,288	179,099		
Financial assets at fair value through profit or loss	14,274	760			14,274	760
Other assets	4,807	2,656	4,807	2,656		
<b>Liabilities</b>						
Liabilities to banks	1,558,678	1,149,731	1,558,678	1,149,731		
Liabilities to customers	664,261	399,815	664,261	399,815		
Financial liabilities at fair value through profit or loss	5,446	4,552			5,446	4,552
Other liabilities	9,550	12,257	9,550	12,257		

At the balance sheet dates 31 December 2021/2022, no financial instruments were allocated to the measurement category "Fair value through profit or loss with or without recycling (FVOCI)".

Derivative financial instruments and non-fixed-income securities (money market funds) are allocated to the "FVTPL" category. For further information, please refer to section 7.5.

#### Net gains (+) and losses (-) on financial instruments

Measured at amortised cost (AC)	-4,456	-24,178
Fair value through profit or loss (FVTPL)	997	-5,467

Net gains or losses in the "at cost" category include impairment losses, reversals of impairment losses, and subsequent recoveries on financial instruments written off. Current interest income and expenses are not included.

Net gains or losses in the "FVTPL" category include fair value changes.



## b) Transfer of financial assets

CHG-MERIDIAN transfers the contractual right to receive cash flows from finance lease receivables under non-recourse finance agreements.

The cash flows funded or transferred on a non-recourse basis represent only part of the total cash flows from the lease or part of the finance lease receivables. The main opportunities and risks are transferred to the financier as a result of the non-recourse financing.

The requirements for partial derecognition of the finance lease receivables are met. The residual value claims from the finance lease that are not financed on a non-recourse basis are not derecognized and are reported accordingly under the item "Receivables from finance leases".

Most of the (residual) receivables reported consist of unguaranteed residual values. CHG-MERIDIAN has no continuing involvement in lease payments funded on a non-recourse basis.

## c) Levels of the fair value hierarchy for financial instruments measured at fair value

Financial and non-financial assets and liabilities and equity instruments are measured at fair value in accordance with the requirements of IFRS 13 "Fair Value Measurement. The fair value definition applies, which characterizes fair value as the selling price in an actual or hypothetical transaction between any independent market participants under normal market conditions at the measurement date. Observable and non-observable inputs are used to measure individual assets, liabilities and equity instruments.

These are assigned to one of the three levels of the fair value hierarchy:

### **Level 1 – Active Market – quoted price**

Level 1 measurement is based on quoted prices in active markets (stock exchanges and dealer markets) for identical assets or liabilities that are accessible to the company at the measurement date. The price determined is not adjusted for the respective transaction costs.

### **Level 2 – Directly or indirectly observable market price**

If a quoted price cannot be determined in accordance with the requirements of Level 1, the value is to be determined on the basis of Level 2 input factors, if these are available. These can be the following input factors:

- Price quotations for similar assets and liabilities in active markets,
- price quotations for identical assets and liabilities in markets that are not active,
- interest rates and interest rate curves for quoted spreads,
- Implied volatilities, or
- Other market-based factors.

An adjustment to the price determined in this way is only made depending on the status/location of the asset or the volume/level of activity in the observable markets.



### Level 3 – Unobservable inputs

If there is little or no market activity for the asset or liability at the measurement date, the entity uses the unobservable inputs that are observable for the asset or liability. In this context, unobservable inputs reflect the best available information about the assumptions that market participants would use in pricing the asset or liability (including assumptions about existing risks).

The derivatives used in the CHG-MERIDIAN Group are measured in accordance with the requirements of IFRS 13 using Level 2 inputs based on directly observable price quotations for identical assets. The non-fixed-income securities (money market funds) are measured on the basis of level 1 input factors.

### d) Fair value of financial instruments

#### Fair value of categories of financial instruments pursuant to IFRS 9

The following table shows the fair values of the financial instruments. The fair value is the amount at which financial instruments can be sold or purchased in an orderly transaction at the balance sheet date.

<b>Assets</b>				
Receivables from banks	413,615	419,579	413,615	419,579
Receivables from finance leases	861,725	704,573	861,725	704,573
Other receivables from customers	232,288	179,099	232,288	179,099
Financial assets at fair value through profit or loss	14,274	760	14,274	760
Investments	1	1	1	1
Other assets	4,807	2,656	4,807	2,656
<b>Liabilities and shareholders' equity</b>				
Liabilities to banks	1,558,678	1,149,731	1,558,678	1,149,731
Liabilities to customers	664,261	399,815	664,261	399,815
Financial liabilities at fair value through profit or loss	5,446	4,552	5,446	4,552
Other liabilities	9,550	12,257	9,550	12,257



## e) Risks arising from financial instruments

### Credit risk

For qualitative information on the management of counterparty default risks, please refer to the risk report included in the Group management report.

The credit and default risk arising from financial assets is the risk of default by a counterparty and is therefore limited to the amount of the claims arising from the carrying amounts recognised in the balance sheet.

The maximum default risk at CHG-MERIDIAN is reduced primarily by the underlying leased assets. In addition, the maximum default risk is mitigated by additional collateral held amounting to KEUR 204,522 (PY: KEUR 37,767).

The additional collateral consists of, among other things, joint obligations, guarantees and sureties, pledges of bank balances and real estate liens, and rent deposits.

The CHG-MERIDIAN Group's customer and business structure means that there are only insignificant concentrations of risk.

### Liquidity Risk

The following table analyzes the maturities of the earliest possible undiscounted contractual cash flows of financial liabilities as of the reporting date of the past financial year and the previous financial year.

The amounts differ in part from the amounts in the statement of financial position, as these are undiscounted cash flows:

Liabilities to banks	109,177	182,608	329,630	903,181	64,973
Liabilities to customers	257,018	220,653	33,236	149,827	18,497
Lease liabilities	0	1,223	3,612	10,713	4,744
Financial liabilities measured at fair value	0	466	348	4,437	195
Other liabilities	0	224	7,570	1,756	0

Liabilities to banks	26,425	82,519	296,589	748,641	2,533
Liabilities to customers	186,253	182,570	29,692	1,371	0
Lease liabilities	0	1,376	4,073	9,774	2,670
Financial liabilities measured at fair value	0	1,253	258	2,554	487
Other liabilities	0	187	10,340	492	1,238



The Treasury department manages liquidity risk on the basis of liquidity forecasts. CHG-MERIDIAN was always able to meet its payment obligations in the year under review.

## Market risk

For qualitative information on the management of market price risks, please refer to the Risk Report, which is part of the Group Management Report.

Market risk mainly arises from interest-rate, currency, and residual-value risks. CHG-MERIDIAN largely eliminates interest-rate risk during the term of a lease by having a very high proportion of its funding on fixed terms for the entire term.

Currency risk is defined as the risk that receivables and payables will result in losses due to sharp fluctuations in exchange rates. Because of its international focus, CHG-MERIDIAN is exposed to a not inconsiderable degree of currency risk. CHG-MERIDIAN's objective is to ensure that funding by its national subsidiaries is always provided in local currency or in the currency of the underlying lease with its own funding partners. This approach ensures that currency risk is minimized.

Residual value risk arises from the fact that the forecast market value upon disposal of the leased asset after regular expiry of the contract may be lower than the residual value calculated at the inception of the contract.

The residual value calculated at the inception of the lease consists of the amortization and remarketing proceeds. The amortization income is the shortfall that arises because the present value of the lease payments during the basic lease term does not fully cover the investment in the leased asset and the calculated costs of refinancing. The remarketing proceeds are estimated on the basis of a historical portfolio analysis.

A reduction in residual values by 1% of the original investment in the leased asset would result in an impairment loss of KEUR 41,665 (PY: KEUR 23,473) in the fiscal year based on the sensitivity analysis. An increase in the remarketing opportunities by 1% of the original investment in the leased asset would result in an effect on earnings in the fiscal year of KEUR 41,665 (PY: KEUR 23,473).

Given CHG-MERIDIAN's prudent approach to remarketing income, the likelihood of an impairment loss being required as a result of residual-value risk is considered to be low. There are no significant concentrations of risk because of the customer and business structure.

## 9. Other disclosures

### a) Statement of cash flows

The CHG-MERIDIAN Group's cash flow statement documents the changes in cash and cash equivalents resulting from cash flows from operating, investing and financing activities. The cash flows from operating activities represent all inflows and outflows resulting from day-to-day business activities. Cash flows from investing activities comprise payments for the acquisition and proceeds from the disposal of subsidiaries of CHG-MERIDIAN AG, leased



assets, and other assets. Financing activities comprise all cash flows from transactions with equity and other financing activities.

Cash and cash equivalents consist solely of cash reserves and short-term loans and advances to banks.

The principles of classification and structure of the cash flow statement are in accordance with IAS 7.

## b) Contingent liabilities and other financial commitments

The pledging of leased assets to banks providing loans or non-recourse funding resulted in contingent liabilities of KEUR 1,149,405 (PY: KEUR 1,065,862) for the legal existence and non-repudiation of the receivables sold. The amount of the liability is determined by the gross values of the sold rental installments of the leased assets assigned as security.

In addition, there are repurchase obligations from leases amounting to KEUR 8,879 (PY: KEUR 8,422) as of the balance sheet date.

## c) Related party transactions

Related parties are third parties (companies or natural persons) if one party can directly or indirectly control the other party or exercise significant influence over the financial and operating policies of the party. CHG-MERIDIAN AG and all its subsidiaries are regarded as related parties. They are all consolidated in the consolidated financial statements. Related parties of CHG-MERIDIAN AG also include the members of its Management Board and Supervisory Board and their close family members.

The members of the executive and supervisory bodies only receive remuneration in the context of their function as persons in key positions. The remuneration of the Management Board totaled KEUR 9,825 in fiscal year 2022 (PY: KEUR 11,142).

The remuneration of the Supervisory Board totaled KEUR 200 (PY: KEUR 200).

There were no significant transactions with related parties that were not conducted at arm's length, neither in the reporting year nor in the previous year.

## d) Employees

The average number of employees during the financial year was 1,242 (PY: 1,187). The following table shows the breakdown of the average number of employees by function:

Administration	887	837
Sales and distribution	355	350
<b>TOTAL</b>	<b>1,242</b>	<b>1,187</b>

**e) Governing bodies of CHG-MERIDIAN AG**

The members of the Board of Management of CHG-MERIDIAN AG are:

- Dr. Mathias Wagner, Chairman of the Board of Management, Ravensburg
- Ulrich Bergmann, Member of the Board of Management, responsible for Finance, Ravensburg
- Frank Kottmann, Member of the Board of Management, responsible for Sales, Ravensburg (until 31 December 2022)
- Daniel Welzer, Member of the Board of Management, responsible for Sales, Ravensburg (from 1 January 2023)
- Oliver Schorer, Member of the Board of Management, responsible for Products and Services, Wolfegg

The members of the Supervisory Board of CHG-MERIDIAN AG are

- Jürgen Mossakowski, Shareholder, Ravensburg (Chairman)
- Peter Horne, Shareholder, Ravensburg (Deputy Chairman)
- Frank Gelf, Shareholder, Weingarten
- Luz Kling, Kaufmann [businessman], employee of CHG-MERIDIAN AG, Überlingen
- Meltem Onursal, legal counsel and attorney, employee of CHG-MERIDIAN AG, Weingarten
- Jürgen Scheftschik, German Public Auditor / Tax consultant, Managing Director of Scheftschik + Partner mbB Steuerberatungsgesellschaft, Wolfegg

**f) Events after the reporting date and approval of the financial statements**

No events of particular significance affecting the net assets, financial position and results of operations occurred after the balance sheet date.

The Executive Board prepared the consolidated financial statements on 24 April 2023. The consolidated financial statements will be published in the electronic Federal Gazette (Bundesanzeiger) following the approval planned at the Supervisory Board meeting on 12 May 2023.

Weingarten, 24 April 2023

CHG-MERIDIAN AG

Dr. Mathias Wagner

Ulrich Bergmann

Oliver Schorer

Daniel Welzer





## Group management report for financial year 2022 of CHG-MERIDIAN AG, Weingarten

### 1 Group profile

CHG-MERIDIAN AG, one of the world's leading non-captive providers of technology management, is the Parent Company of the CHG-MERIDIAN Group with registered office in Weingarten, Germany. The international Group is active in 30 countries, of which 26 countries have their own branches. Therefore, overall, the CHG-MERIDIAN Group maintains a presence at 41 locations, including 11 locations in Germany<sup>1</sup>.

The existing national subsidiaries enable the CHG-MERIDIAN Group to cover all relevant markets and give it the opportunity to support its customers abroad as well and to provide individuality, flexibility, and end-to-end solutions there as well. This close proximity to customers makes it possible to combine their quality requirements with local solutions and thus ensure maximum customer satisfaction.

The legal structure of the operating companies in the CHG-MERIDIAN Group as at 31 December 2022 is shown in an appendix to the group management report.

The CHG-MERIDIAN Group develops individual usage concepts for the needs of its customers and provides technology management for large corporations, SMEs and public-sector customers. In addition to the 'Information Technologies' product area, the range of solutions also covers the areas 'Healthcare Technologies' and 'Industrial Technologies'.

#### 1.1 Changes in the legal structure

CHG-MERIDIAN Singapore Pte. Ltd., Singapore/Singapore, was established as a wholly owned subsidiary of CHG-MERIDIAN AG in September 2022. In addition to this newly established company, a 100 % stake in OPC Asset Solutions Private Limited, Mumbai, India, was acquired in October 2022. The purpose of this establishment and acquisition is to drive forward international customer projects and the implementation of the CHG-MERIDIAN Group's solution strategy in the Asia-Pacific region.

In addition, devicenow GmbH was established in 2022 as a 70 % subsidiary of CHG-MERIDIAN AG. Another newly established company is devicenow UK Limited, in which CHG-MERIDIAN AG also holds a 70 % stake via devicenow GmbH. The purpose of the devicenow companies is to buy, sell, and rent mobile information technology equipment and related services.

#### 1.2 Changes in the Company's corporate bodies

The previous Chief Sales Officer (CSO), Frank Kottmann, stepped down from the Management Board of the parent company on 31 December 2022. Mr. Daniel Welzer was appointed to the Management Board of CHG-MERIDIAN AG as his successor with effect from 1 January 2023 and will therefore assume responsibility for the sales and marketing function.

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<sup>1</sup> In addition to the separate financial statements, the consolidated financial statements also include abakus Consulting GmbH, Weingarten.



## 2 Business report

### 2.1 Macroeconomic conditions and sector-specific trends

The macroeconomic environment was challenging in 2022. In addition to the pandemic, Russia's war against Ukraine and the scarcity of energy sources represents significant stress factors for the economy.

The global economy weakened in the course of 2022 under the impact of high energy prices and great uncertainty in the basic trend. All major economies are currently in a phase of weak economic activity, even though there was a slight increase in global output of 1.2% towards the end of the year.

In the USA, the economy cooled significantly during 2022, and China also experienced its lowest growth in more than four decades. Renewed corona outbreaks and the very restrictive containment measures there have sharply reduced economic activity. Due to its high energy dependency on Russia, the euro zone was also severely impacted by high raw material prices and high inflation in 2022.

The German economy is suffering from the significant rise in raw material prices and high inflation in almost all areas of life. Despite these difficult omens, gross domestic product rose by 1.9% according to initial figures from the Federal Statistical Office. However, after a good first quarter in 2022, growth slowed noticeably over the rest of the year.

Compared with 2021, new leasing business (incl. installment plan) in the German leasing industry increased by around 3.9% in 2022 to EUR 72.2 billion. In the first nine months of 2022, new business growth was still relatively subdued; it was not until the fourth quarter that a significant increase of 22.8% was recorded.

### 2.2 Market success

#### 2.2.1 CHG-MERIDIAN Group's gross margin

The CHG-MERIDIAN Group's gross margin in absolute terms was EUR 337.5 million in 2022 (PY: EUR 330.0 million). The year-on-year increase in the margin was mainly attributable to higher renewal and sales revenue. In geographical terms, the increase in the gross margin was mainly attributable to the Western Europe region and the region Americas. Despite the difficult economic environment, the CHG-MERIDIAN Group was therefore able to slightly exceed its forecast target of generating earnings of between EUR 325.0 million and EUR 335.0 million in 2022.

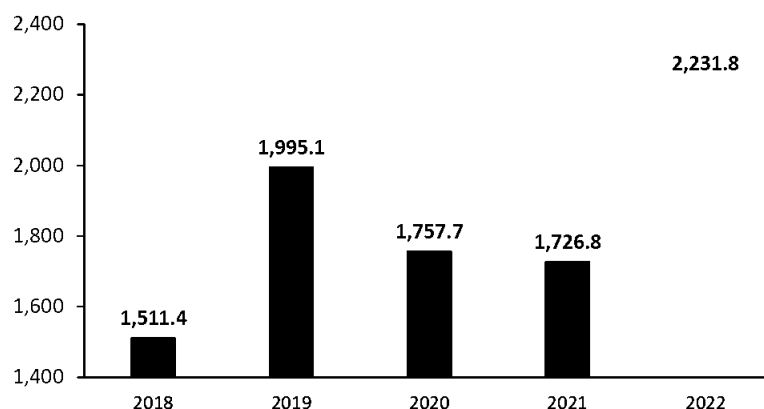


## 2.2.2 Lease origination of the CHG-MERIDIAN Group

The lease origination volume – which is the sum of purchase invoices received for equipment leased out or sold to refinancing partners – amounted to EUR 2,231.8 million in the reporting year 2022, representing a year-on-year increase of 29.2% (2021: EUR 1,726.8 million). With due regard to the coronavirus situation, the target set in April 2022 for the lease origination volume in 2022 in the range of EUR 1.8 billion to EUR 2.0 billion was thus significantly exceeded.

The following diagram shows the changes in the lease origination volume by the CHG-MERIDIAN Group over the past five years:

Lease origination volume (in EUR million)

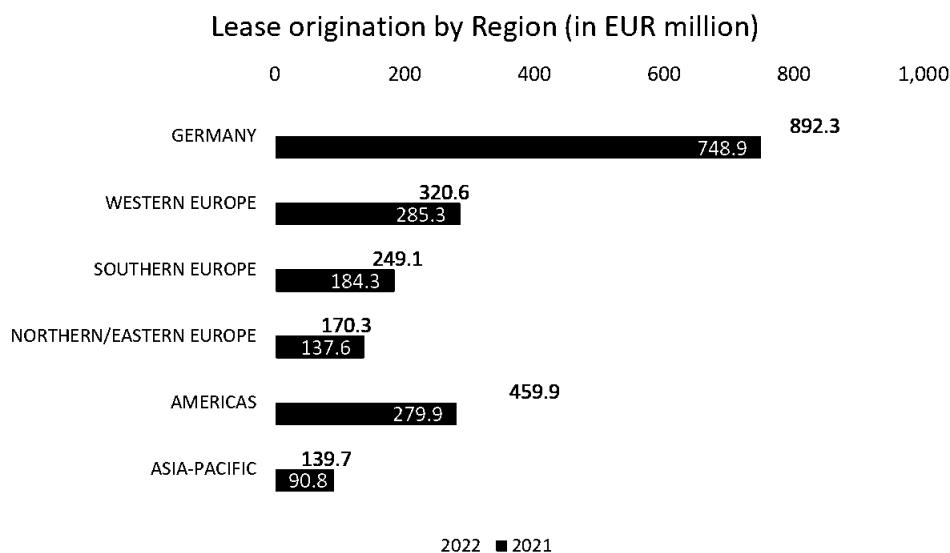


All regions recorded an increase in lease origination in 2022. In region Germany, which includes CHG-MERIDIAN AG, CHG-MERIDIAN Industrial Solutions GmbH, and devicenow GmbH, lease origination rose by 19.2% to EUR 892.3 million in 2022 (PY: EUR 748.9 million). While CHG-MERIDIAN AG's lease origination volume increased by 24.2 % to EUR 798.1 million in the reporting year (PY: EUR 642.5 million), CHG-MERIDIAN Industrial Solutions GmbH's lease origination volume declined by 12.2 % to EUR 93.4 million (PY: EUR 106.4 million).

Internationally, lease origination volume increased by 37.0% to EUR 1,339.6 million (PY: EUR 977.9 million). The Americas region recorded the most significant increase of 64.3 % to EUR 459.9 million (PY: EUR 279.9 million), with each individual country increasing its lease origination volume. In the Asia-Pacific region, the Australian company grew by 36.1 % to EUR 119.9 million (PY: EUR 88.1 million). The acquisition of the Indian company also resulted in a positive effect of EUR 16.1 million. Southern Europe also contributed to the good business development with an increase of 35.2 % to EUR 249.1 million (PY: EUR 184.3 million), with all countries also outperforming the previous year.



Lease origination volume by region is broken down as follows:



## Region

Western Europe: Great Britain, Ireland, Netherlands, Belgium, Luxembourg, France

Southern Europe: Italy, Spain, Austria, Switzerland, Slovenia

Northern/Eastern

Europe: Denmark, Finland, Norway, Sweden, Poland, Czech Republic, Slovakia

Americas: USA, Canada, Mexico, Brazil

Asia-Pacific: Australia, New Zealand, India, Singapore

## 2.3 Report on the business performance of the CHG-MERIDIAN Group

### 2.3.1 Report on financial performance

The following table shows the key figures from the consolidated income statement:

Net interest income	46,606	65,660	-29.0
Net Income from operating leases	223,894	199,826	12.0
Net Income from remarketing	68,751	74,709	-8.0
Net Income from services rendered	22,410	22,735	-1.4
Profit from ordinary activities	135,921	151,479	-10.3
Consolidated net income	100,318	113,133	-11.3

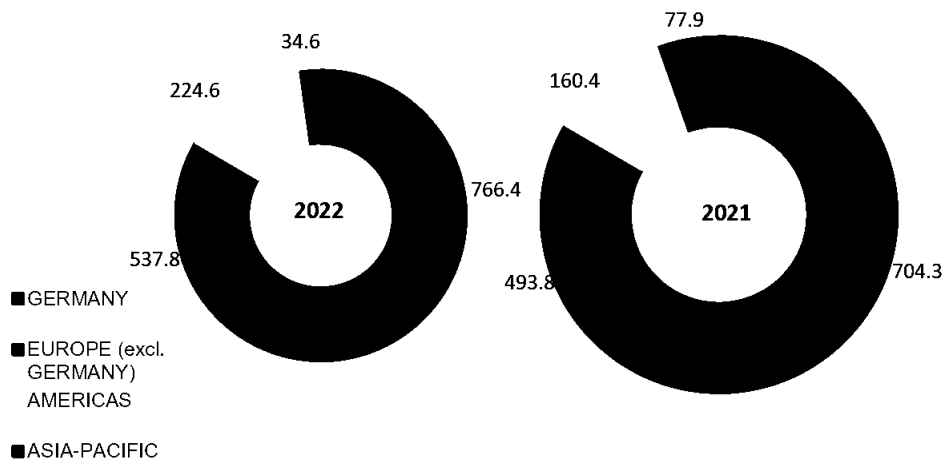
The CHG-MERIDIAN Group generated a profit from ordinary activities of EUR 135.9 million in 2022 (PY: EUR 151.5 million), underperforming the prior-year figure. The continued very positive development of net income from operating lease contracts with a significant decline in net interest income and a substantial increase in staff and administrative expenses.



## Earnings

Broken down by geographical markets, earnings were distributed as follows over the past two years: <sup>2</sup>

Income by region (in EUR million)



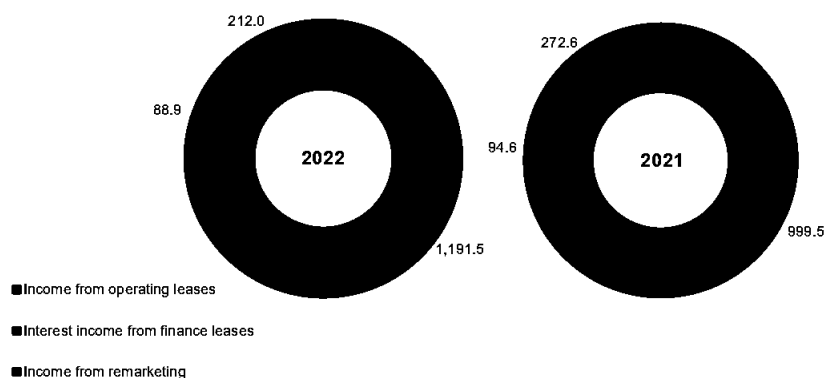
The improvement in the earnings is attributable to revenue growth in almost all regions. The most significant earnings growth was in the Americas region, where there was a major increase of EUR +64.2 million, followed by the Germany region with an increase of EUR +62.1 million. The Europe region (excluding Germany) recorded an increase of EUR 44.0 million, while the Asia-Pacific region showed a decline of EUR 43.3 million due to the expiry of a large customer portfolio in 2021.

Within the region Americas, the driving forces behind the improved earnings were the subsidiaries in Mexico (EUR +24.8 million), Brazil (EUR +20.3 million) and in the US (EUR +15.7 million). In the Germany region, the increase at CHG-MERIDIAN AG of EUR 64.2 million was the main reason for the improvement.

<sup>2</sup> Defined as the total of interest income from finance leases/other interest income, income from operating leases, income from remarketing and income from services rendered

The following diagram shows how leasing and remarketing income of EUR 1,492.4 million (PY: EUR 1,366.7 million) was broken down into income from operating leases, interest income from finance leases and income from remarketing over the prior two years:

**INCOME BY NATURE (in EUR million)**



**Income from operating leases** increased considerably year on year by EUR 192.0 million to EUR 1,191.5 million, which was largely attributable to developments at CHG-MERIDIAN AG (EUR +90.7 million), the Mexican subsidiary (EUR +20.1 million), and the French subsidiary (EUR +16.9 million).

**Interest income from finance leases** decreased by EUR 5.7 million. This was mainly driven by the declines at CHG-MERIDIAN AG (EUR -12.5 million).

**Income from remarketing** decreased by EUR 60.6 million year-on-year to EUR 212.0 million. The decrease in income from disposals resulted mainly from the development at equigroup Holdings (EUR -33.6 million) and at the French subsidiary (EUR -24.0 million).

The number of devices sold through our technology and service centers in Gross-Gerau and Skien, Norway, amounted to around 675,000 in the reporting year (PY: 683,000), generating recycling revenue of EUR 70.0 million (PY: EUR 76.3 million). CHG-MERIDIAN's basic strategy is to generate additional income through its reconditioning and remarketing expertise.

There was also stronger demand for the IT-related services provided by the CHG-MERIDIAN Group. The number of hard disks from which data were erased via the technology and service centers in Gross-Gerau and Skien in a certified process was around 308,000 in the 2022 reporting year, an increase over the previous year's figure of 265,000. This figure reflects the continued high demand for secure data erasure by TÜV Informationstechnik GmbH and DEKRA Certification GmbH.



## Expenses

**Expenses from operating leases** were due to depreciation and amortization of EUR 936.1 million (PY: EUR 783.7 million) as well as interest expenses from non-recourse funding in the amount of EUR 31.5 million (PY: EUR 15.9 million). The development of scheduled depreciation on leased assets under operating leases was largely due to the growth in lease origination in the past three years (see section 2.2.2).

**Expenses from remarketing** decreased by EUR 54.6 million compared to the previous year, mainly due to the development at equigroup Holdings (EUR -18.2 million), the French subsidiary (EUR -15.9 million) as well as CHG-MERIDIAN Industrial GmbH (EUR -11.6 million).

The **write-downs and value adjustments on lease receivables and leased assets** decreased by EUR 17.5 million to EUR 3.5 million during the reporting year. In the previous year, the increased allowance was mainly the result of the final impairment loss on capitalized hidden reserves in conjunction with the acquisition of equigroup Holdings Group in 2018.

The 2.1% increase in **depreciation and amortization** to EUR 14.7 million in the reporting year (PY: EUR 14.4 million) was mainly attributable to higher depreciation and amortization of owner-occupied assets.

Within operating expenses, staff expenses - the Group's largest expense item - increased by 13.3 % to EUR 149.2 million (PY: EUR 131.7 Mio). With the increased number of employees to 1,327 (PY: 1,187 employees), this development is in line with the expectations. In addition, consultancy costs at CHG-MERIDIAN AG and circulee GmbH rose by a total of 57.5 % to EUR 54.8 million (PY: EUR 34.8 million), which is another major expense item within administrative expenses.

**Consolidated tax expenses** include the tax expense for the current year of EUR 22.8 million (PY: EUR 35.2 million) as well as deferred tax expenses of EUR 12.8 million (PY: EUR 3.2 million).

Overall, the financial performance can still be described as good.

## 2.3.2 Report on the financial position

The CHG-MERIDIAN was able to mobilize a sufficient financing volume of EUR 2,048.3 million in 2022 (PY: EUR 1,678.9 million). As in the previous year, the CHG-MERIDIAN Group thus funded the majority of its lease origination through external funding partners. The funding volume of EUR 2,048.3 million represents 91.8 % of lease origination volume in the reporting year. This is distributed into EUR 1,413.4 million (after deduction of break & rewrites of EUR 23.5 million) in non-recourse funding (PY: EUR 1,228.8 million), which corresponds to 63.3 % of the lease origination volume (PY: 71.2 %). EUR 596.2 million was attributable to corporate lending (PY: EUR 387.5 million) and EUR 15.1 million to secured including (PY: EUR 27.1 million). The volume of secured lending is solely attributable to the Mexican subsidiary.

The majority of corporate lending, totalling more than EUR 596.2 million, was drawn down by CHG-MERIDIAN AG. EUR 100.0 million of this relates to the tenth promissory note and EUR 150.0 million to two syndicated loans. In addition, CHG-MERIDIAN entered into bilateral corporate lending transactions for a total of EUR 95.0 million. Further corporate loans totaling EUR 100.0 million with terms of up to ten years (amortizing) were taken out with various long-standing partner banks to finance strategic growth. Twelve subsidiaries



arranged additional corporate lending financing in the amount of EUR 151.2 million during the financial year.

The CHG-MERIDIAN Group also always maintained a very good, robust level of financial resources in 2022. In addition, very strong free cash flow of EUR 413.6 million as at December 31, 2022 (PY: EUR 419.6 million), the CHG-MERIDIAN Group also has substantial undrawn short-term credit lines of EUR 181.6 million available (PY: EUR 243.4 million). This means it has a solid financial basis for further growth. There were no restrictions that could have limited the availability of Group's capital or liquidity at any time in financial year 2022.

### 2.3.3 Report on the financial position

As of December 31, 2022, the Group's total assets amounted to EUR 5,097.8 million (PY: EUR 4,066.4 million), which represents a year-on-year increase of EUR 1,031.4 million or 25.4%. The Group's assets largely consist of receivables from finance leases, leased assets under operating leases, and its liabilities comprise deferred income from forfeiting transactions as well as liabilities to banks.

**Receivables from finance leases** increased by EUR 157.2 million to EUR 861.7 million during the reporting year, which is mainly due to the first-time consolidation effect of OPC Asset Solutions Private Limited (EUR +158.0 million) acquired in 2022.

**Leased assets under operating leases** rose by EUR 582.7 million to EUR 2,875.3 million in the reporting year (PY: EUR 2,292.6 million), which was mainly attributable to the favorable developments at CHG-MERIDIAN AG (EUR +272.6 million), the Mexican entity (EUR +48.5 million), the U.S. entity (EUR +47.2 million) and the Scandinavian entities (EUR +37.4 million).

On the liabilities side, capital expenditure on finance and operating leases is mainly offset by liabilities to banks of EUR 1,558.7 million (2007: EUR 1,149.7 million) and deferred income from forfeiting transactions of EUR 1,737.2 million (2007: EUR 1,444.1 million). The increase in liabilities to banks was mainly attributable to CHG-MERIDIAN AG (EUR +324.1 million). The increase in deferred income from forfeiting transactions was mainly attributable to CHG-MERIDIAN AG (EUR +89.3 million), the Mexican entity (EUR +60.0 million), and the U.S. entity (EUR +45.7 million).

The **equity ratio**<sup>3</sup> of the CHG-MERIDIAN Group's fell slightly to 14.3 % as at the reporting date (PY: 16.8 %) due to the strong growth in lease origination, which was accompanied by a significant increase in total assets. However, as is the case with all leasing companies, the equity ratio is of limited informative use. As the lessor, CHG-MERIDIAN reports leased assets under operating leases in the case of non-recourse funding, even though this type of financing merely involves assuming the liability for the leased asset. At the same time, the present value of non-recourse-financed rental income for the period after the reporting date is shown on the liabilities side. These accounting principles result in an increase in total assets and liabilities that significantly reduces the share of equity as a percentage of total assets.

### 2.3.4 Overall statement on the economic situation of the Group

The CHG-MERIDIAN Group concluded the financial year 2022 again on a successful note. The performance of its business situation underscores the success of its business model

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<sup>3</sup> defined as the ratio of equity to total assets



and the sustainable growth that the CHG-MERIDIAN Group is aiming to achieve. The Company was therefore well positioned at the time these consolidated financial statements were finalized and expects the CHG-MERIDIAN Group to continue to thrive in a constantly changing market environment over the coming years.

## 2.4 Financial and non-financial performance indicators

### 2.4.1 Financial Performance Indicators

Two of the aims of the CHG-MERIDIAN Group's corporate strategy are to generate sustainable, profitable growth and to steadily increase its enterprise value. The Company uses the following financial KPIs to measure the medium and long-term financial success of this strategy of value-based management:

- Lease origination
- Gross margin

The lease origination volume as a financial indicator is defined as the sum total of all incoming invoices received in the financial year for leased equipment or equipment sold to refinancing institutions. The CHG-MERIDIAN Group aims for long-term growth in lease originations of five to ten percentage points per year. The target defined in the light of the corona pandemic of a lease origination volume in the range of EUR 1.8 billion to EUR 2.0 billion was exceeded by more than 10 percent in 2022. The volume of lease originations generated in 2022 of EUR 2.23 billion represents a new record for the CHG-MERIDIAN Group, representing a year-on-year increase of 29 %. Despite the political situation and the challenging economic environment, the CHG-MERIDIAN Group is confident that its strong performance in 2022 will enable it to continue to expand on the growth trajectory it has been pursuing for many years and to remain within the target ranges it has set itself for the future.

Gross margin is another key indicator. This is defined as the present value of all new leases, lease term extensions and remarketed equipment minus direct acquisition and financing costs. The generated gross margin must cover all costs in the company. The target for the gross margin, which depends to a large extent on lease volume originated in previous financial years, has been 15-20% of the volume of lease originations for many years. In the financial year, based on a gross margin of EUR 337.5 million, the ratio of gross margin to lease originations (previous periods) was 19.2 % (PY: 24.0 %), which means that the previous year's forecast of a consistently high gross margin (PY: EUR 330.0 million) was met and the target corridor was achieved.

### 2.4.2 Non-financial performance indicators

Non-financial performance indicators are non-quantified indicators. During the reporting year, these indicators moved in line with management expectations.

#### Personnel structure

The CHG-MERIDIAN Group employed a total of 1,327 as at December 31, 2022 (PY: 1,187). This equates to a year-on-year increase of 140 employees.

Retention and recruitment staff are high priorities for the CHG-MERIDIAN Group. These range from a wide variety of career opportunities and financial incentives and benefits to flexible working time models and mobile working, a good work-life balance, and a management and corporate culture characterized by a sense of responsibility and trust. CHG-MERIDIAN AG has also entered into a cooperation agreement with the KBZO



Weingarten foundation and will henceforth provide company crèche places. This means that CHG-MERIDIAN AG employees can return to work after just one year's parental leave using flexible part-time models and can be offered an attractive long-term employment contract. Particularly in view of demographic change and the associated shortage of skilled workers, the CHG-MERIDIAN Group wants to continue to position itself adequately and is focusing, among other things, on promoting women in management positions. The targets for the proportion of women at organizational level and at the two management levels below the Management Board and other non-financial information are presented in detail in the Company's separate Sustainability Report and published on the CHG-MERIDIAN AG website.

Our employees are one of the Company's most important resources, which is why the CHG-MERIDIAN Group places a strong focus on the appropriate training and qualification of our specialist and managerial staff. Our internal CHG Academy provides employees with support and training in this regard.

### **Sustainability Report**

We refer to the CHG-MERIDIAN Group's Sustainability Report prepared separately in the 2022 financial year, which will be made available via the Company's homepage.

## **3 Opportunity and risk report**

### **3.1 Opportunities report**

#### **3.1.1 Opportunities for the leasing market**

We assume that in the coming year customers will once again be looking for combinations of customized financing solutions and specific service offers.

The Federal Association of German Leasing Companies (BDL) sees both challenges as well as growth opportunities for the economy in the areas of digitalization, sustainability, and climate protection, which the new German federal government is also focusing on in conjunction with the ecological transformation. Digitalization is being understood more and more as the core of modern business models and serves as a driver for user-based invoicing in the case of leasing because digitalization enables new financing and service models by recording and exchanging user-based data. Sustainability and climate protection create potential not only through the financing of environmentally friendly technologies; rather, they also raise awareness about the circular economy and decarbonization, and afford leasing companies the opportunity to develop a customized service offering alongside their pure leasing business and, in doing so, to support customers in these processes of change that they are going to experience.

This growth potential is spread across all of the business segments in which the CHG-MERIDIAN AG is active, as the aforementioned trends will not impact the Information Technologies segment, but also the Industrial Technologies and Healthcare Technologies segments.

Basically, this means that the business model based on the circular economy and the early identification of trends offer CHG-MERIDIAN the opportunity to develop new solution areas for existing and potential customers so that it can subsequently provide the right funding in conjunction with the right service offering.



CHG-MERIDIAN is aware that only sustainable business models are successful in the long term and this mindset has been firmly embedded into the Company's business model for decades.

In the major customer area in particular, in future it will become increasingly important to ensure synergy effects through international support by providing a single point of contact for all companies. This presents a major opportunity for the CHG-MERIDIAN Group, as there is coverage in all the relevant markets through the existing national subsidiaries. This gives CHG-MERIDIAN the opportunity to support its customers, at home and abroad, and to provide individuality, flexibility, and integrated solutions. This close proximity to customers enables us to combine local solutions to meet the customer's quality requirements and thus ensure a high level of customer satisfaction. Furthermore, the company sees considerable potential in the design of the business model - the traditional leasing business in combination with lifecycle solutions and service concepts. This combination makes it possible to satisfy customer needs with regard to digitalization and sustainability.

### **3.1.2 Overall assessment of opportunities**

The profile of the future opportunities for the CHG-MERIDIAN Group stems from the growing international demand for complexity reduction within their own companies while sustainably addressing the trends and challenges of the modern world of work. CHG-MERIDIAN's flexible, customized solutions enable customers to maintain a constant focus on their core business, which in many cases has in any case often become more complex as a result of the global crises of recent years. The systematic expansion of the product and service portfolio thus provides the foundation for the CHG-MERIDIAN Group's continuing success. Thanks to our international network and a presence in 26 countries, we can also serve international customers locally and respond to their needs.

## **3.2 Risk report**

### **3.2.1 Risk strategy**

The objective of the risk strategy is to ensure the right balance between opportunities and risks. The risk strategy pursued by the CHG-MERIDIAN Group is derived from its business strategy and forms an integral part of the risk management process. The Board of Management and Supervisory Board of CHG-MERIDIAN AG set out the principles of risk policy, the core message of which incorporates a code of conduct and encourages all staff members to take a sensible attitude toward risk. These principles form the specific structure of the risk management organization and are intended to promote awareness of risk on the part of all stakeholders. In addition, the principles communicated to all employees of the CHG-MERIDIAN Group. The aim of raising employees' awareness of risk is to ensure that risks are identified and monitored early on, so that appropriate measures can be taken in the event of an imminent risk.

The risk strategy serves to ensure that competitive advantages and opportunities are seized while at the same time risks that exceed a defined limit can be avoided. Opportunities and risks are tracked in keeping with a risk-conscious management, evaluated in terms of their risk/reward profile and accepted or avoided based on the business's capacity to assume the risk involved.

### **3.2.2 Risk management and monitoring**

Risks are managed and monitored within the scope of risk management process on the basis of a risk strategy, appropriate organizational structures, and processes for risk



monitoring and measurement that are correspondingly designed for the size and the nature, scope, complexity, and risk profile of the CHG-MERIDIAN AG.

The relevant members of Board of Management and/or other decision-makers at the Company regularly analyse, evaluate, and monitor risks and also identify new risks (risk types) and risk categories. The level of risk that can be assumed by these decision makers is based on the net asset value. The management of CHG-MERIDIAN AG has set appropriate limits and authorization levels for specific risk involved, and these have been approved by the Supervisory Board.

The internal control system is used to manage and monitor the Group's risks. The adequate flow of information is guaranteed by regular meetings between the Board of Management and certain specialist departments, as well as by a structured reporting system.

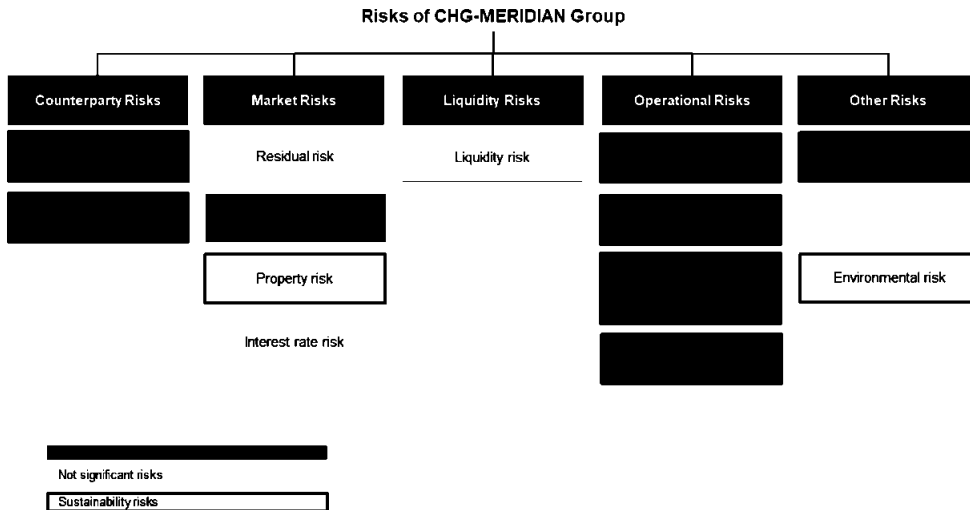
The Treasury department is generally responsible for risk reporting. However, the monthly management report, containing key figures for corporate management and risk monitoring, is supplied by the Group Accounting/Controlling department. The management report is supplemented on a quarterly basis by the risk-bearing capacity report and the overall risk report, which are submitted to the parent company's decision-makers for analysis and approval.

The responsible risk management functions are the Board of Management as well as Risk controlling, Compliance, Group Accounting/Controlling, Contract Administration, and Treasury. Risk control is responsible for the independent monitoring and communication of risks, is located outside the Sales (Market) department and involved in all major risk policy decisions. This function is assumed by the Chief Financial Officer, Mr. Bergmann. Compliance works towards the implementation of effective procedures for comply with the legal regulations and requirements essential for the institution as well as appropriate controls. Compliance reports directly to the Chairman of the Board of Management. All risk management units are therefore located in the back-office area.

The Group also manages and monitors risk at level of the parent company by preparing a quarterly calculation of the risk-bearing capacity of CHG-MERIDIAN AG that is submitted to the decision makers responsible at CHG-MERIDIAN AG for analysis and approval. This calculation of risk-bearing capacity involves determining and assessing the proportion of substantial risks identified as a percentage of aggregate risk cover for the respective quarter of the year. If the relevant limits are exceeded (20 % of the aggregate risk cover at the level of CHG-MERIDIAN AG), this is also submitted to the Supervisory Board for approval. In addition, the decision makers receive an overall risk report each quarter that bundles the risk reporting from the areas of treasury, management reporting, risk bearing capacity and information security risk.

As an independent unit, the internal audit department tests the structures and processes and monitors the proper functioning and effectiveness of the Company's risk monitoring system.

As a company with a strong focus on products and services, the CHG-MERIDIAN Group is exposed to the following risks in its operating activities:



### 3.2.3 Risk categories

The following presentation of the individual categories of risk is provided based on the gross method, i.e., before risk-compensating measures are taken into account.

#### 3.2.3.1 Counterparty risk

Counterparty risk is defined as the potential loss that can arise as a result of a counterparty's default, either because of its insolvency or because of its unwillingness to meet its contractual obligations.

The CHG-MERIDIAN Group defines credit risk and country risk as material counterparty risks.

##### Credit risk

Credit risk is the potential loss that may arise from the default or deterioration in creditworthiness of the lessee.

The CHG-MERIDIAN Group mitigates credit risk by pursuing a targeted risk transfer policy. In this context, the organization aims to refinance the majority of leases through non-recourse funding with transfer of credit risk. The credit risk is thus predominantly transferred to third parties (e.g., credit institutions).

The CHG-MERIDIAN Group may be exposed to credit risk as a result of the credit deterioration or insolvency of customers that it has financed at its own risk. Such risk also exists during per-financing stages of transactions and in cases where purchase participation declarations and loan commitments have been issued, whereby irrevocable loan commitments are generally only issued in the municipal environment.

CHG-MERIDIAN Group only finances transactions at its own risk with clients who have a sufficient good credit rating pursuant to the respective current principles for internal financing.



The Group manages this risk by means of the risk-adjusted organizational structure, according to which the approval of at least one mutually independent vote from the front office and back-office units is required for the conclusion of each lease agreement in the risk-relevant area in accordance with the defined division of powers. A prerequisite for approval is a creditworthiness analysis based on suitable credit documents and close cooperation with the Group's refinancing partners.

The Group's own credit exposure is monitored on a quarterly basis.

The CHG-MERIDIAN Group continued to use its risk-adjusted operational and organizational structures to manage its credit risk effectively during the reporting year.

### **Country risk**

Country risk arises if political or economic circumstances in a particular country impact the value of a foreign exposure. It comprises transfer risk and other country risks. Transfer risk arises if a debtor who is basically solvent and willing to make payments is unable to meet payment obligations because the imposition of governmental or regulatory controls has prevented the debtor from obtaining foreign currency or from transferring assets to parties not domiciled in the country concerned. Other country risks comprise risks that jeopardize the enforceability of receivables from counterparties abroad, capital investments, or expected profiles abroad, independently of the transfer risk. It depends on economic and political risk factors in a country, in particular country-specific liquidity risk, market risk, and correlation risk.

In order to minimize its country risk, the CHG-MERIDIAN Group therefore operates almost exclusively in countries that are members of the Organization for Economic Co-operation and Development (OECD) and in economically and politically stable countries.

Country risk exposure is also monitored and controlled on a quarterly basis as part of the risk-bearing capacity calculation.

### **3.2.3.2 Market risk**

Market risk arises when the value of a transaction depends on future movements in exchange rates, share prices, or interest rates and the transaction is not hedged by a corresponding counter transaction. The CHG-MERIDIAN Group has identified residual value risk, currency risk, property risk, and interest-rate risk as market risk, of which currency risk is the only one judged to be material for the Group.

### **Currency risk**

Currency risk arises from fluctuations between foreign currencies and the functional currency of CHG-MERIDIAN AG (EUR). The Company is currently exposed to currency risk in connection with the refinancing of subsidiaries based outside the eurozone. In addition to loans issued to subsidiaries, fixed assets denominated in foreign currencies are exposed to the risk of currency fluctuations.

The CHG-MERIDIAN Group aims to ensure that funding is obtained in the local currency of the respective subsidiary from its own funding partners. If this is not possible, loans to foreign subsidiaries are generally only granted in their local currency. The Group may be exposed to currency risks arising from changes in interest and principal payments and from the translation of local currency into the functional currency. To minimize this risk, cross currency interest rate swaps or forward exchange transactions are used in some cases.

To monitor currency risks, the effects of an appreciation or depreciation of the euro against all currencies other than the functional currency are determined at regular intervals. Where



significant risk exposure position is identified, hedging instruments in the form of micro hedges are used for the purpose of risk mitigation.

Intra-group funding transactions are hedged using commensurate derivatives to reduce currency risk. As the hedged items consolidated, they are not recognized in the consolidated financial statements under hedge accounting, but at fair value through profit or loss. Please refer to sections 5.10, 7.14 and 8 in the notes to the consolidated financial statements for further information.

### 3.2.3.3 Operational Risk

Operational risk constitutes the risk of losses caused by the inadequacy or failure of internal processes, people or systems or by external events, including legal risks.

CHG-MERIDIAN AG defines legal risk, personnel risk, and information security risk as its material operational risks.

The risk itself is quantified at the level of the parent company CHG-MERIDIAN AG. In order to quantify operational risk, CHG-MERIDIAN AG draws on the regulatory requirements specified in Article 315 of the Capital Requirements Regulation (CRR). This regulation stipulates that quantification of operational risk must be based on 15 % of the three-year average of the relevant indicator (gross earnings).

#### Legal risk

Legal risks when new types of lease are used, existing types of lease are amended or the contractual framework (and the resulting verity risks) is altered without the legal risks having been thoroughly assessed in advance.

The CHG-MERIDIAN Group mitigates this risk through the successive standardization of the general terms and conditions and the various kinds of offers available to Sales. Before a lease is signed, the relevant sales management and contract management staff check to ensure compliance with the adopted standards. In order to meet the needs of the current market and its customers and to further expand the CHG-MERIDIAN Group's market position, the Group also enters into individual agreements and participates in public procurement procedures as a bidder, although these are subject to a defined review and approval process.

Any deviations from these standards and any customized agreements made with individual customers must be approved beforehand by the Legal and Treasury departments and the responsible member of the Board of Management or those responsible for the country concerned and, if necessary, with the consulting of external advisors. This prevents the occurrence of unmanageable legal risks and safeguards the funding of leases.

CHG-MERIDIAN has implemented a compliance function to counter risks that may arise from non-compliance with legal regulations or from acts of fraud or embezzlement. The establishment of a whistleblower system gives of the CHG-MERIDIAN Group employees and business partners the opportunity to report compliance violations anonymously. In addition, an emergency and crisis response plan has been implemented to prevent uncontrolled actions in the event of fraudulent acts.

#### Personnel risk

Personnel risks are risks that may arise as a result of human error, a lack of professional suitability and qualifications, inadequate management or inadequate protection against fraudulent acts. Personnel risks can also result from insufficient human resources, staff turnover and legal disputes with employees.



Control and monitoring are carried out via the “Code of Conduct”, which defines corporate policy and intended to guide employees in their daily work. Through the guidelines published in the employee handbook, the Group ensures that employees behave ethically and in compliance with the law. In addition, employees are informed on the intranet about all laws requiring posting and about the complaints office for violations (ombudsman). If employees have reasonable suspicion of a violation of the Code of Conduct, the Compliance Officer will examine the options for action.

Each new employee undergoes a six-month training phase at the beginning in order to ensure that employees are professionally qualified in accordance their internal area of deployment. Furthermore, substitution regulations as well as measures for permanent quality assurance are in place through task and process documentation provided via the iKNOW platform.

The CHG-MERIDIAN Group promotes, supports, and organizes employee training and development through the CHG Academy, which provides internal and external training opportunities.

The CHG-MERIDIAN Group counters staff turnover by implementing programs to enhance its attractiveness as an employer and increase staff loyalty, such as flexible working time models or childcare support services.

Staff turnover is generally of minor significance in the CHG-MERIDIAN Group. Furthermore, the HR department is not aware of any legal disputes with employees that have a material impact on the Group's assets and liabilities or financial performance.

#### **Information security and data security risk**

Information security risks are risks that can arise from the use of information technology in the course of a company's business activity.

Information processing plays a key role in the Group's business activities, as all essential strategic and operational functions are supported by IT. The CHG-MERIDIAN Group specifically mitigates information security risk by means of defined information security policies. These are designed to ensure that the data and IT systems of all business areas are available at all times and that system downtime is avoided as far as possible.

The CHG-MERIDIAN Group has set up an information security organization in order to achieve the security objectives defined in the information security policy. The Company has also established the functions of data protection and information technology officer to ensure that data protection requirements are duly met. Security measures to protect data and IT systems include a restrictive access authorization system, the use of computer virus protection programs and comprehensive data backup. A separate IT emergency recovery plan ensures that critical business processes can be maintained even in the event of an IT system failure and that the availability of the failed systems can be restored promptly.

General information security instructions and guidelines are communicated to all employees via the of the CHG Group employee handbook / iKNOW platform or awareness measures.

There are redundant data centers in Frankfurt am Main and Rüsselsheim to further reduce risk. The Group also makes targeted use of standardized and centrally hosted systems and carries out emergency testing in individual areas.



## **Outsourcing risk**

The CHG-MERIDIAN Group is exposed to outsourcing risk if another company (outsourcing company) is engaged to perform a function that is essential to the CHG-MERIDIAN Group's business activities or to carry out an essential process.

By outsourcing processes, the CHG-MERIDIAN Group sees an opportunity to use external expertise in order to achieve cost and efficiency benefits and to improve the quality of the institution's overall performance. To meet its responsibilities, the CHG-MERIDIAN Group operates an outsourcing management system and has also established appropriate functions by appointing an outsourcing officer and his deputy. In order to ensure that outsourcing is economically viable, the decision to outsource is prepared on the basis of a cost-benefit analysis and then regularly monitored. A risk analysis is carried out for each outsourcing, which is the responsibility of the outsourcing department and is supported by the outsourcing officer. Outsourcing can occur in any of the CHG-MERIDIAN Group's business processes and must be assessed for materiality as part of the risk analysis. All risk analyses and outsourcing companies are reviewed by the specialist departments and/or the outsourcing officer on a regular basis or as required.

### **3.2.3.4 Other risks**

The CHG-MERIDIAN Group has identified strategic risk as a further material risk. This refers to the risk of losses arising from incorrect strategic business decisions, business model risk, and risks to financial performance and margin.

The management of strategic risks is the primary responsibility of the parent company. In analyzing and evaluating this risk, which is largely determined in a qualitative manner, management is supported by the respective specialist departments. Strategic risk is therefore identified and analyzed on the basis of ongoing observations of macroeconomic conditions as well as regular analysis of competitive and sectoral trends.

### **3.2.3.5 Sustainability risk**

The CHG-MERIDIAN Group addresses sustainability risk in many different business areas (environmental, social, and corporate governance). In principle, the consideration and pursuit of sustainability goals and adjustments to relevant sustainability risks are of strategic importance. The relevant objectives and aspects are therefore considered in the various sub-strategies so as not to jeopardize the existence of the Company in the long term.

The CHG-MERIDIAN Group regards sustainability risk as a cross-sectional risk that is already taken into account in the risk types - credit risk, country risk, strategic risk, operational risk, property risk, and environmental risk.



### 3.2.4 Summary

The conservative corporate strategy has proved to be sustainably correct in the face of ever-increasing risks and regulatory requirements. The consistent application of risk management meant that the Management Board and Supervisory Board of CHG-MERIDIAN AG were kept informed at all times of the ongoing development of its risk exposures. There are no risks arising from business performance that are detrimental to the CHG-MERIDIAN Group; this applies both to the results of completed business activities and to activities that are planned or have already been initiated. No risks that could jeopardize its existence are discernible in the foreseeable future.

## 4 Forecast report

### 4.1 Macroeconomic outlook

The Russian war of aggression against Ukraine has increased the risk of an economic downturn. An impairment of the supply of natural gas and crude oil as a result of the war would particularly burden production in the manufacturing industry. Due to the political situation and the economic framework conditions, forecasts for the 2023 business year are therefore still characterized by considerable uncertainty.

Against this backdrop, the International Monetary Fund (IMF) expects a significant slowdown in world trade growth. Accordingly, the global economy is forecast to grow only by 2.7% in 2023. Inflation, which has recently been very high due to high energy prices and supply difficulties in many sectors, is expected to remain high in the first months of 2023.

The EU Commission also assumes very low growth of only 0.9% in 2023. Regarding inflation, the EU Commission expects energy prices to continue to rise until the end of the year and anticipates an overall inflation rate of 6.4% for 2023.

The German federal government expects Germany's GDP to decrease by 0.5% for the coming year. The reasons for this are unsurprising and lie in the areas of complexity in energy supply, reduced demand as well as rising financing costs. Private household consumption, which is heavily burdened by inflation, also plays a role in the expected development. However, according to the economists, a severe slump in the economy is not to be expected, as prevailing uncertainties could decrease in the course of 2023. Along with this, it is also expected that the level of inflation could fall slightly, even if a stronger decline is not to be expected for the time being.

### 4.2 Sector-specific development

The digital transformation does not come to a standstill even in times of economic downturn but can develop into a decisive competitive advantage in many places. In order to successfully manage the transformations, companies seek partners who can cover far more than just the component of pure financing and who rather see themselves as holistic partners of the customers.



It has always been the CHG-MERIDIAN Group's aim and aspiration to systematically scrutinize the strategic direction of both the Group and its individual companies, even in years of strong growth in lease originations, and to take appropriate action to safeguard its future success so that it can counter even economically challenging times with a broad and attractive market presence. This principle was also stringently pursued and implemented in the very successful year 2022.

Consequently, we expect the CHG-MERIDIAN Group's strategic focus to remain in line with market expectations and needs in 2023 and beyond. In the future, our customers will continue to demand individualized and holistic concepts for the management of technology investments. The overall strategic direction therefore remains unchanged.

### 4.3 Outlook

Taking into account the current economic situation and the war between Russia and Ukraine, we do not expect the economic environment to recover significantly in the course of 2023 but are nevertheless confident of generating growth in lease origination volume. We therefore expect the CHG-MERIDIAN Group to achieve a lease origination volume ranging between EUR 2.2 billion to EUR 2.35 billion.

We are optimistic about the gross margin as well and once again anticipate solid results in a range of EUR 345.0 million to EUR 360.0 million. Furthermore, we expect consolidated net income to remain unchanged, with staffing levels increasing slightly.

Regarding our financial position - despite the resulting national and global macroeconomic challenges - we consider ourselves well prepared for the coming years due to our very favorable and solid funding base. We still have extensive financial flexibility and sufficient liquidity. Demand for refinancing for our solid customer portfolio remains high, and we expect to be able to significantly increase refinancing again in the course of the fiscal year in line with dynamic business growth. Despite the current rise in insolvency figures, we do not anticipate any significant increase in defaults in our portfolio due to our focus on target customers. Nevertheless, we are considering current macroeconomic developments and the overall increase in challenges for our customers in our current lending decisions. We continue to pursue a fundamentally conservative risk policy here and focus on an adequate probability of refinancing the addressed business as well as a balanced risk-reward profile. CHG-MERIDIAN continues to respond to the potentially moderate increase in defaults in its customer portfolio by performing a wide variety of scenario and sensitivity analyses of our exposure. However, considering these stress tests and our known, stable, and proven recovery rates over the long term, we do not expect any material impact on our risk-bearing capacity.



CHG-MERIDIAN Group is now in a very strong financial position and will continue to be on the lookout for strategically beneficial acquisitions – either in Germany or abroad – in 2023. Its main focus will be on further development of existing markets.

Weingarten, 24. April 2023

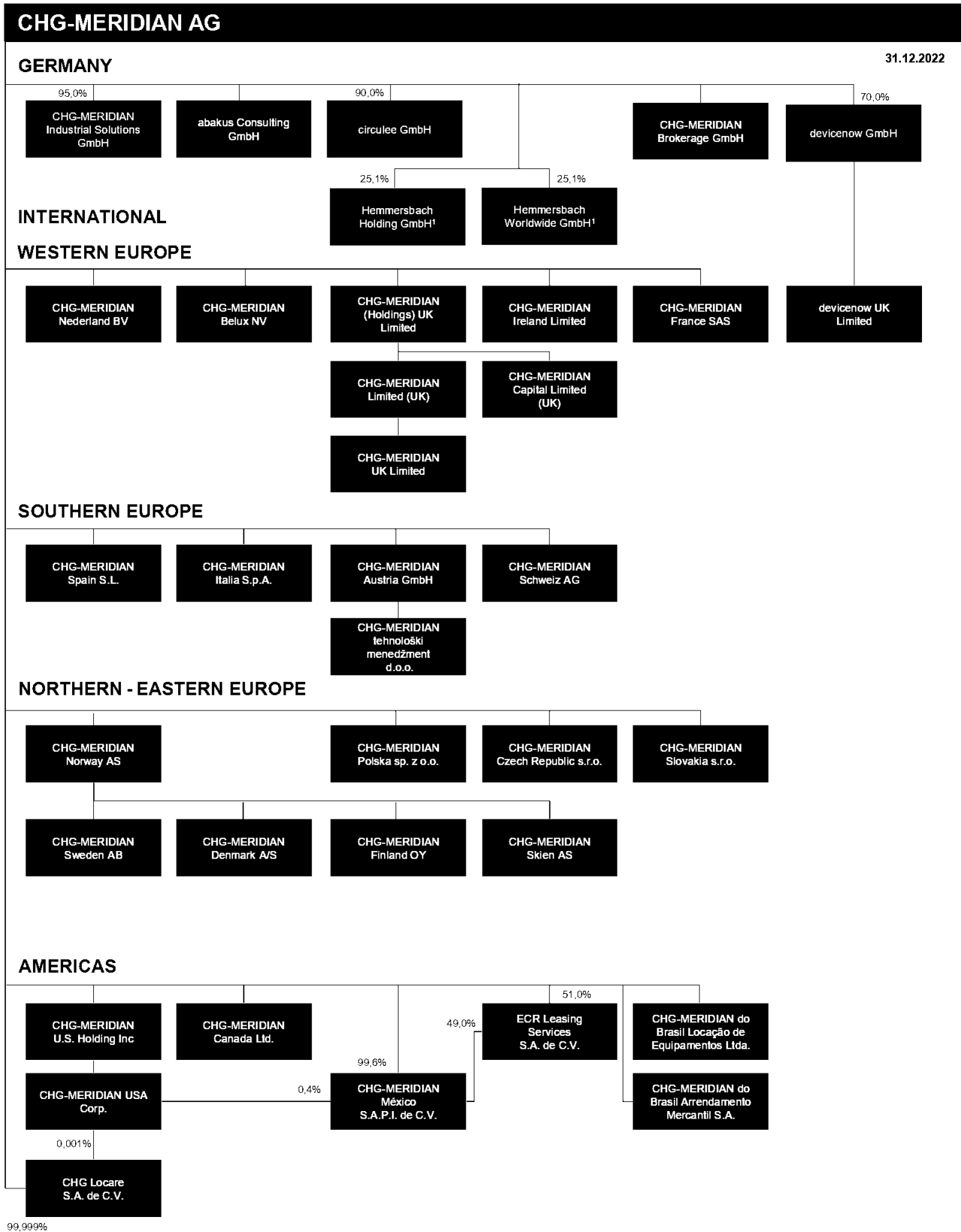
CHG-MERIDIAN AG

Dr. Mathias Wagner

Ulrich Bergmann

Oliver Schorer

Daniel Welzer



1) For presentation purposes, the investments of Hemmersbach Holding GmbH and Hemmersbach Worldwide GmbH are not listed.

■ 100% Ownership    ■ < 100% Ownership

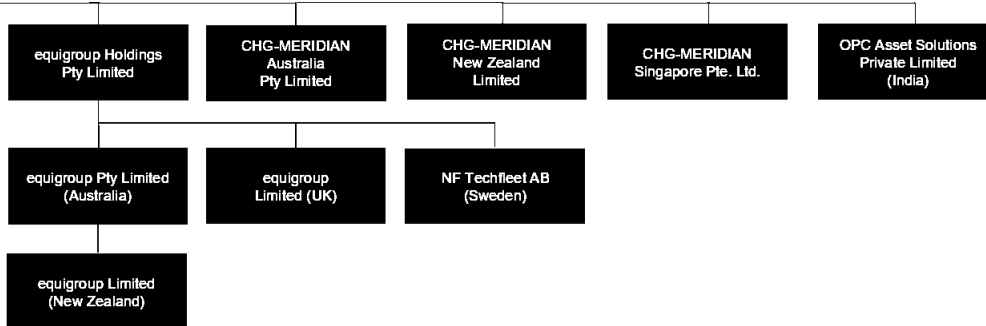




**CHG-MERIDIAN AG**

**ASIA-PACIFIC**

31.12.2022



■ 100% Ownership    ■ < 100% Ownership





## - Special Terms and Conditions -

### 1. General Provisions

(a) We render our services based on (i) the engagement letter and any possible attachments to the engagement letter (in particular any service descriptions, revocation notices for consumers and portal terms of use), (ii) these Special Terms and Conditions (hereinafter the "STC"), and (iii) the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften of the Institute of German Certified Accountants (hereinafter the "GET") (hereinafter collectively referred to as the "Client Agreement"). The same also applies to any part of our services that may be rendered by us before the Client Agreement is signed with legal effect. Different or conflicting terms and conditions will apply only if they have been expressly accepted by us in writing. The provisions of our engagement letter, the STC and GET will apply even if we do not expressly object to an order placed on the basis of different terms and conditions (e.g., terms and conditions of written orders).

(b) Unless otherwise agreed, these STC and GET also apply if we render services in addition to those agreed upon in the engagement letter or any attachments thereto.

### 2. Fees, Payment Due Date

(a) Our invoices, including any invoices for installment payments or prepayments, will be issued in Euro and will be due for payment immediately. We will invoice you at cost for any subcontractor services.

(b) Any demands for advance payments are subject to section 13 (1) sentence 2 of the GET. We have the right to invoice the client for reasonable installment payments on fees, charges and expenses, including incidental costs, at any time.

(c) All information we provide regarding the expected amount of fees generally is only a cost estimate, unless the Client Agreement expressly provides for a flat fee. A quoted flat fee may be exceeded, if unforeseeable events beyond our control will result in a considerable amount of additional work.

(d) If we should discontinue our services early, we shall have the right to invoice the client for the number of hours worked up to that point in time, unless termination of the contract is due to wrongful conduct on our part. However, in the latter case we may invoice you for the number of hours worked, if and to the extent that the services rendered are utilizable despite early termination.

(e) The German Regulations on Fees of Tax Advisors (*Steuerberatervergütungsverordnung - StBVV*) shall apply only to the extent expressly agreed in writing. If after the Client Agreement is signed you request from our firm services that are not included in the engagement letter, we will invoice you for those services either based on a separate agreement or, absent a separate agreement, based on our standard hourly rates applicable to those services, which are available upon request.

(f) If we are requested or required (whether before or after services are rendered) to make available information about our services to a competent court, a trustee or insolvency administrator, a public, regulatory or supervisory authority (*WPK, PCAOB, DPR*) or to any other third party (including the hearing of our personnel as witnesses), we shall have the right to invoice you for the time expended in this context based on hourly rates as agreed in the Client Agreement.

### 3. Limitations of our Liability

(a) Unless otherwise specified in this section 3 of the STC our liability is governed by section 9 of the GET. In derogation of section 9 (2) and (5) of the GET, each of the liability limits stated therein shall however be replaced throughout by the amount of € 5 million. Section 9 (1) of the GET shall in each case remain unaffected.

(b) If in your opinion the risk associated with our services substantially exceeds the amount of € 5 million, we are prepared to discuss the possibility and costs of increasing our liability limit with you and our liability carrier. You are responsible for any additional premiums incurred in connection therewith.

(c) Contrary to section 9 (2) of the GET and section 3 (a) of the STC our liability is unlimited only if (i) expressly agreed in writing, or (ii) as far as we have to perform our work without any limitations of liability to meet the requirements of the laws of the United States of America concerning the independence of auditors.

### 4. Our Work Results

Work results that must be delivered in writing and signed by us shall be binding only if the original is signed by two employees or, in case of e-mails, if two employees are named as signatories. Unless otherwise agreed or in violation of any applicable laws or professional standards, we may also deliver

our work results to you exclusively (i) as a PDF file and/or (ii) by e-mail and/or (iii) with a qualified electronic signature.

### 5. Disclosure of Our Work Results, Rights to Work Results

(a) Our work results are intended solely for the agreed purpose, and they are therefore addressed exclusively to you and may not be used for any other purpose. Any disclosure of our work results to third parties or any use of our work results for advertising purposes is subject to section 6 of the GET.

(b) Unless otherwise agreed in writing, we generally will consent to a disclosure of our work results to third parties only under the condition that a standard disclosure agreement (hold harmless release letter) has been signed by the third party/parties. Any disclosure of our work results must be made in full text and include all appendices. § 334 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) shall remain unaffected by any such disclosure.

(c) You agree to hold harmless and indemnify us from and against any and all losses and damages that may result from any non-compliance with the foregoing provisions in section 5 (a) and/or (b).

(d) We will grant you rights to use our work results only to the extent necessary given the purpose of the applicable Client Agreement.

### 6. Principles of Our Cooperation

(a) The amount of time needed to render our services and used to calculate our fees depends in substantial part on satisfaction of the requirements set forth in section 3 (1) of the GET.

(b) Unless otherwise provided by the engagement letter, binding laws to which we are subject or any other provisions or applicable standards, we shall have no obligation to review any information made available to us for accuracy or completeness.

### 7. Special Clause for Tax Advice

(a) You hereby instruct and authorize us to electronically submit in your name all statements prepared for you that are intended and have been approved for electronic transmission to the responsible office of the German tax authority directly through DATEV eG. The foregoing instruction and authorization shall be effective immediately and may be revoked at any time. Any notice of revocation must be at least in text form.

(b) If documents requiring action by a certain deadline are submitted to us, we shall have no obligation to take any steps to meet the deadline unless the documents are transmitted to us by regular mail or fax.

### 8. Electronic Communication and Antivirus Protection

Electronic communication is subject to section 12 of the GET. You hereby further acknowledge that data sent via the Internet cannot be reliably protected against access by third parties, might be subject to loss, delay or viruses. To the extent permitted by law, we therefore disclaim any responsibility and liability for the integrity of e-mails after they leave our control, and for any damages you or any third parties may suffer as a result. This also applies if despite antivirus programs used by us, viruses enter your system as a result of receiving e-mails from us.

### 9. BDO Network, Sole Recourse

(a) We are a member of BDO International Limited, a British company with limited capital contributions, and we are part of the international BDO network of legally independent member firms. BDO is the brand of the BDO network and the BDO member firms (hereinafter "BDO Firms"). To render services, we may involve other BDO Firms as subcontractors. For this purpose, you hereby release us from our duty of confidentiality in relation to such BDO Firms.

(b) You hereby acknowledge and agree that in such cases we will bear full responsibility for both our acts and/or omissions and also all acts and/or omissions of any BDO Firms assisting us as subcontractors. Accordingly, you agree that you shall bring no claims or proceedings of any kind whatsoever against any BDO subcontractors (including BDO International Limited or Brussels Worldwide Services BVBA). This shall not apply to any claim or proceeding founded on an allegation of fraud or willful misconduct or any other claims that cannot be excluded under the laws of the Federal Republic of Germany.

(c) The liability provisions of this Client Agreement, including, without limitation, the limitations of liability, shall also apply for the benefit of any BDO Firms assisting us as subcontractors. Such BDO subcontractors have the right to directly invoke the provisions of the foregoing section 9 (b) of these STC.



## 10. BDO Legal Rechtsanwaltsgesellschaft mbH (BDO Legal) and BDO Group

(a) If in connection with our services you are also engaging BDO Legal or other companies of the BDO group, you hereby release us from our duty of confidentiality with respect to all engagement-related information in relation to BDO Legal and/or other companies of the BDO group, so that services can be rendered as smoothly and efficiently as possible.

(b) We are legally independent from BDO Legal and from other companies of the BDO group, we neither assume responsibility for their actions or omissions, nor do we form partnership under civil law (*Gesellschaft bürgerlichen Rechts - GbR*) with BDO Legal or any company of the BDO group, nor are we subject to joint and several liability with BDO Legal or any company of the BDO group.

## 11. Money-Laundering Act, Sanctions

Under the provisions of the German Money-Laundering Act (*Geldwäschegesetz - GwG*) we are required to follow certain identification procedures with respect to our contract partners. You are obligated to provide us, fully and truthfully, with all information and documentation that must be provided under the German Money-Laundering Act, and you are obligated to update such information and documentation without demand in the further course of the business relationship. We hereby expressly advise you of our obligations to terminate business relationships in accordance with applicable provisions of the German Money-Laundering Act. We further note that we also review our business relationships, *inter alia*, for relevant national or international sanctions. We reserve the right to terminate a business relationship without notice if we determine in the course of any sanction reviews that you and/or any of your controlling shareholders/partners are subject to relevant sanctions.

## 12. Marketing

Unless we are instructed otherwise by you in writing or highly personal matters or mandates of consumers within the meaning of § 13 of the German Civil Code are involved, you hereby allow us to use the type and nature of our contract with you for marketing purposes. This authorization exclusively covers a factual description of the basic nature of the contract and the client (e.g., reference lists with firm and logo, as well as scorecards).

## 13. Statute of Limitations

(a) The limitation of warranty claims is subject to section 7 (2) of the GET. The limitation of all other claims is as provided in the following subsections.

(b) In cases of simple negligence not involving harm to life, body, freedom or health, all claims against us shall be subject to a general limitation period of one year.

(c) The limitation period shall begin to run at the end of the calendar year in which the claim occurred and in which you discovered or absent gross negligence would have discovered the circumstances giving rise to the claim as well as the identity of the liable party ("knowledge or grossly negligent lack of knowledge"). Irrespective of the above, claims shall be time-barred after a period of five years after they occurred, or, without regard to their occurrence and to your knowledge or grossly negligent lack of knowledge, ten years after the act, breach of duty or any other event triggering the damage. Whichever deadline expires first shall be relevant.

(d) Except as provided herein, the limitation of claims shall be governed by applicable law.

## 14. Jurisdiction, Form, Severability

(a) If you are a merchant (*Kaufmann*), a legal entity under public law or a special fund under public law, or if you do not have a general place of jurisdiction in Germany, the place of jurisdiction for any and all disputes arising from or in connection with the Client Agreement shall, at our option, be (i) Hamburg/Germany, (ii) the place at which the work in dispute was performed, or (iii) the place of your registered office or residence.

(b) Any amendment, supplement or cancellation of the Client Agreement shall be made at least in text form (§ 126b German Civil Code). This shall also apply to any amendment, supplement or cancellation of this clause 14 (b) STC.

(c) If any provision of this agreement - in whole or in part - is held to be invalid or otherwise impracticable, the other provisions shall remain in full force and effect. Any invalid or impracticable provision shall be deemed to be replaced by such valid and enforceable provision as comes as close as possible to the economic intent of the invalid or unenforceable provision. The foregoing shall apply, *mutatis mutandis*, if any provision has been inadvertently omitted from this agreement.



[Translator's notes are in square brackets]

## General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017

### 1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as “German Public Auditors” – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

### 2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

### 3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

### 4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

### 5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

### 6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

### 7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [Translator's Note: *The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

### 8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of *Wirtschaftsprüfer*: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

### 9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

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(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

## 10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

## 11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

- a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party
- b) examination of tax assessments in relation to the taxes referred to in (a)
- c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)
- d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)
- e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

- a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;
- b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;
- c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and
- d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

## 12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

## 13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

## 14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

## 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.