Wolters Kluwer Danmark A/S

Sturlasgade 3

2300 København S

CVR No. 13386293

Annual Report 2018

30. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 7 June 2019

Katarina Thörnqvist
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Wolters Kluwer Danmark A/S for the financial year 1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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

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

Copenhagen, 7 June 2019

Executive Board

Peter Alnor
Man. Director

Supervisory Board

Katarina Thörnqvist Chairman	Magnus Ljung	Peter Alnor

Independent Auditor's Report

To the shareholders of Wolters Kluwer Danmark A/S

Opinion
We have audited the financial statements of Wolters Kluwer Danmark A/S for the financial year 1 January 2018 - 31 December 2018, which comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent Auditor's Report

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's review.
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 7 June 2019

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30700228

Henrik Pedersen
State Authorised Public Accountant
mne35456

Company details

Company	Wolters Kluwer Danmark A/S Sturlasgade 3 2300 København S
Telephone	70203314
email	kundeservice@wolterskluwer.dk
Website	www.wolterskluwer.dk
CVR No.	13386293
Date of formation	1 August 1989
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Katarina Thörnqvist Magnus Ljung Peter Alnor, Man. Director
Executive Board	Peter Alnor, Man. Director
Parent Company	Wolters Kluwer International Holding nv. Zuidpoolsingel 2 2400 BA Alphen aun den Rijn Holland The Group Annual Report can be requested here.
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Company's principal activities
The Company's principal activities consist in the development and sale of software tools to professional advisers.

The Company develops and sells software for tax computation, audit and accounting support and feasibility study modules to primarily the financial sector. Moreover, the Company develops and sells tailored solutions and consultancy services in connection with software integration and calculations.

Development in activities and financial matters
The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK -801.980 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 63.231.229 and an equity of DKK 32.066.117.

The core software business is developing positively and show continued increased growth and profitability. The trend is expected to continue in 2019 due to new product launches and increased market share. A positive result in 2019 is expected.

Expectations for the future
The Company's product and business development is closely related to the Group's growth strategy and new technology platforms. This contributesto effective product development, expanded product portfolio in the coming years and will strengthen the Company's position and opportunities in the market.

Material changes in the Company's operations and financial matters
With effect from January 1st, 2018 the Company and its 100% owned subsidary Focus IT a/s are merged.

Accounting Policies

Reporting Class
The Annual Report of Wolters Kluwer Danmark A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

With effect from January 1st, 2018 Wolters Kluwer Danmark A/S and its 100% owned subsidary Focus IT a/s are merged.
The method used is the aggregation method and and last years numbers are changed as if the merger where carried out as of January 1st, 2017.

Reporting currency
The Annual Report is presented in Danish kroner.

General Information

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

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

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

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

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

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

Income Statement

Revenue
Income from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer beforeyear-end, if it is possible to calculate the income reliably. The revenue is exclusive of VAT and net of sales discounts.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Accounting Policies

Cost of sales

Cost of sales are expenses that can relate directly to the products.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of tangible and intangible assets

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

	Useful life	Residual value
Completed development projects	5-8 years	0%
Acquired intangible assets	5 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%

The accounting value for each intangible and tangible asset including residual value is evaluated each year.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial income and expenses

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

Tax on net profit for the year

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

Balance Sheet

Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

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

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

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

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

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

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

Impairment of accounts receivables past due is established on individual assessment of receivables.

Prepayments, assets
Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

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

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

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

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the

Accounting Policies

expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Payables
Other liabilities, including debt to suppliers and other debt, are measured at amortized cost, which usually corresponds to the nominal value.

Accruals and deferred income, equity and liabilities
Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018 kr.	2017 kr.
Revenue		46.031.204	44.266.413
Raw materials and cosumables used		-3.621.604	-3.274.447
Other external expenses		-10.790.381	-11.051.623
Gross result		**31.619.219**	**29.940.343**
Employee benefits expense	1	-25.822.473	-25.086.565
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-6.773.452	-6.805.815
Profit from ordinary operating activities		**-976.706**	**-1.952.037**
Other finance income	2	10.861	30.046
Finance expences	3	-71.610	-91.062
Profit from ordinary activities before tax		**-1.037.455**	**-2.013.053**
Tax expense on ordinary activities	4	235.475	437.153
Profit		**-801.980**	**-1.575.900**

Proposed distribution of results		
Retained earnings	-801.980	-1.575.900
Distribution of profit	**-801.980**	**-1.575.900**

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Completed development projects	5	1.643.096	2.179.657
Acquired intangible assets	6	15.117.103	21.250.987
Intangible assets		**16.760.199**	**23.430.644**
Fixtures, fittings, tools and equipment	7	613.661	509.740
Property, plant and equipment		**613.661**	**509.740**
Fixed assets		**17.373.860**	**23.940.384**
Short-term trade receivables		8.804.885	8.118.200
Short-term receivables from group enterprises		26.191.611	21.459.685
Other short-term receivables		779.175	708.843
Prepayments		1.366.354	691.607
Receivables		**37.142.025**	**30.978.335**
Cash and cash equivalents		**8.715.344**	**7.509.958**
Current assets		**45.857.369**	**38.488.293**
Assets		**63.231.229**	**62.428.677**

Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital	8	500.000	500.000
Retained earnings	9	31.566.117	32.368.092
Equity		**32.066.117**	**32.868.092**
Provisions for deferred tax	10	3.076.394	4.147.099
Provisions		**3.076.394**	**4.147.099**
Deffered income		16.803.730	15.857.854
Trade payables		961.912	759.800
Tax payables		835.230	7.644
Other payables		9.487.846	8.788.188
Short-term liabilities other than provisions		**28.088.718**	**25.413.486**
Liabilities other than provisions within the business		**28.088.718**	**25.413.486**
Liabilities and equity		**63.231.229**	**62.428.677**
Contingent liabilities	11		
Collaterals and assets pledges as security	12		
Related parties	13		

Notes

	2018	2017

1. Employee benefits expense

	2018	2017
Wages and salaries	22.613.497	22.921.261
Post-employement benefit expense	2.878.916	1.896.184
Social security contributions	330.060	269.120
	25.822.473	**25.086.565**
Average number of employees	40	40

2. Finance income

	2018	2017
Other finance income	10.861	30.046
	10.861	**30.046**

3. Finance expenses

	2018	2017
Other finance expenses	71.610	91.062
	71.610	**91.062**

4. Tax expense

	2018	2017
Taxation on operating income	835.230	604.296
Deferred taxation	-1.070.705	-1.041.449
	-235.475	**-437.153**

5. Completed development projects

	2018	2017
Cost at the beginning of the year	8.751.443	8.751.443
Cost at the end of the year	**8.751.443**	**8.751.443**
Amortisation at the beginning of the year	-6.756.186	-6.404.025
Amortisation for the year	-352.161	-352.161
Impairment losses and amortisation at the end of the year	**-7.108.347**	**-6.756.186**
Carrying amount at the end of the year	**1.643.096**	**1.995.257**

6. Acquired intangible assets

	2018	2017
Cost at the beginning of the year	32.613.463	9.523.725
Addition in connection with merger and purchase of enterprise	0	23.089.738
Cost at the end of the year	**32.613.463**	**32.613.463**
Amortisation at the beginning of the year	-11.362.476	-5.228.596
Amortisation for the year	-6.133.884	-6.133.880
Impairment losses and amortisation at the end of the year	**-17.496.360**	**-11.362.476**
Carrying amount at the end of the year	**15.117.103**	**21.250.987**

Notes

	2018	2017
7. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	2.971.457	1.646.841
Addition in connection with merger and purchase of enterprise	0	903.434
Addition during the year, incl. improvements	206.945	597.569
Disposal during the year	0	-176.387
Cost at the end of the year	**3.178.402**	**2.971.457**
Depreciation at the beginning of the year	-2.277.330	-1.521.529
Addition in connection with merger and purchase of enterprise	0	-694.581
Depreciation for the year	-287.411	-229.454
Reversal of impairment losses and depreciation of disposed assets	0	168.247
Impairment losses and depreciation at the end of the year	**-2.564.741**	**-2.277.317**
Carrying amount at the end of the year	**613.661**	**694.140**

8. Contributed capital

Balance at the beginning of the year	500.000	500.000
Balance at the end of the year	**500.000**	**500.000**

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

9. Retained earnings

Balance at the beginning of the year	32.368.097	39.023.734
Correction due to the merger	0	-5.079.742
Result of the year	-801.980	-1.575.900
Balance at the end of the year	**31.566.117**	**32.368.092**

10. Provisions for deferred tax

Balance at the beginning of the year	4.147.099	68.315
Additions due to merger	0	5.120.233
Additions during the year	-1.070.705	-1.041.449
Balance at the end of the year	**3.076.394**	**4.147.099**

11. Contingent liabilities

The company has liabilities related to rented premises and leased copymachines, cars etc. of TDKK 2.381 hereof TDKK 1.675 within 1 year.

12. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

Notes

	2018	2017

13. Related parties

Wolters Kluwer Danmark A/S's related parties are:

Excercising control
Wolters Kluwer International Holding nv.
Zuidpoolsingel 2
2400 BA Alphen aun den Rijn
Holland
Which holds 100% of the shares

Other related parties, with the company has had transactions
Wolters Kluwer Scandinavia AB
Emigrantvägen 2G
414 63 Gothenburg
Sweden