

Wolters Kluwer Danmark A/S

Sturlasgade 3

2300 København S

CVR No. 13386293

Annual Report 2019

31. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 1 September 2020

Katarina Thörnqvist
Chairman

Wolters Kluwer

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Management's Statement

Today, Management has considered and adopted the Annual Report of Wolters Kluwer Danmark A/S for the financial year 1 January 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 1 September 2020

Executive Board

Peter Alnor
Man. Director

Supervisory Board

Katarina Thörnqvist
Chairman

Magnus Ljung
Member

Peter Alnor
Member

Independent Auditors' Report

To the shareholder 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 2019 - 31 December 2019, which comprise an 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 Company's financial position at 31 December 2019 and of the results of its operations for the financial year 1 January 2019 - 31 December 2019 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 Auditors' 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, 1 September 2020

EY

Godkendt Revisionspartnerselskab

CVR-no. 30700228

Henrik Pedersen

State Authorised Public Accountant

mne35456

Wolters Kluwer

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 2019 - 31 December 2019
Supervisory Board	Katarina Thörnqvist Magnus Ljung Peter Alnor, Man. Director
Executive Board	Peter Alnor, Man. Director
Parent Company	Wolters Kluwer International Holding nv. Zuidpoelsingel 2 2400 BA Alphen aan den Rijn Holland The Group Annual Report can be requested here.
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allè 36 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 2019 - 31 December 2019 shows a result of DKK -1.321.751 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 63.012.836 and an equity of DKK 30.744.366.

The core software business is developing positively and show continued increased growth and profitability. The trend is expected to continue in 2020 due to new product launches and increased market share. A minor negative result in 2020 is expected.

As of 1 January 2019, the Company has implemented the recognition and measurement criteria from IFRS 15. Refer to Accounting policies for a description of the impact on the income statement and the financial position.

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 contributes to effective product development, expanded product portfolio in the coming years and will strengthen the Company's position and opportunities in the market.

Subsequent events

Regarding covid-19, it has not had much effect so far.

Accounting Policies

Reporting Class

The Annual Report of Wolters Kluwer Danmark A/S for 2019 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.

Changes in accounting policies

From 1 January 2019 Wolter Klüver A/S has adopted the recognition and measurement requirements in IFRS 15 "Revenue from contracts with customers".

As allowed under the Danish Financial Statements Act, note disclosures from IFRS 15 have not been adopted.

Changes in accounting policies

IFRS 15 establishes a five-step model to account for revenue and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Company has adopted IFRS 15 using the cumulative effect method. The impact on recognition and measurement amounts to DKK 242 thousand (reduction) in revenues and DKK 189 thousand (reduction) in Profit in the financial statements for 2019. No adjustments have been recognised in equity at 1 January 2019. The comparative information has not been restated.

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.

Accounting Policies

Income Statement

Revenue

Revenue represent the amount of consideration the company expects to be entitled to arising from contracts with customers in the ordinary course of business in exchange for transferring promised goods and/or services to customers, excluding amounts collected on behalf of third parties.

Revenue is recognized once the performance obligations are fulfilled (i.e. when the customer obtains control over those goods and/or services).

Revenues related to subscriptions are recognized over the period in which the goods are transferred and/or content is made available online and when the goods and/or content involved are similar in value over time. Subscription income received or receivable in advance of the delivery of goods and/or content is presented as deferred income (a contract liability) in the statement of financial position.

License fees paid for the use of the company's software products and/or services are recognized in accordance with the substance of the agreement. Revenues from licenses representing a right to access are recognized over time on a straight-line basis. In case a right-to-access license is invoiced to the customer as a one-time upfront fee, revenue is recognized between 12 and 60 months depending on the nature of the license.

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

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 years	0%
Concessions, patents, licens, trademarks and other similar rights	10 years	0%
Other fixtures and fittings, tools and equipment	3-10 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 of finance 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.

Accounting Policies

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 price and 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 separately depreciated if the useful 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.

Accounting Policies

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.

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

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

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

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	2019 kr.	2018 kr.
Revenue		47.025.453	46.031.204
Raw materials and consumables used		-3.715.249	-3.621.604
Other external expenses		-11.306.551	-10.790.381
Gross result		32.003.653	31.619.219
Employee benefits expense	1	-27.060.456	-25.822.473
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-6.553.205	-6.773.452
Profit from ordinary operating activities		-1.610.008	-976.706
Other finance income	2	3.668	3.732
Finance expenses	3	-81.553	-64.481
Profit from ordinary activities before tax		-1.687.893	-1.037.455
Tax expense on ordinary activities	4	366.142	235.475
Profit		-1.321.751	-801.980
Proposed distribution of results			
Proposed dividend recognised in equity		20.000.000	0
Retained earnings		-21.321.751	-801.980
Distribution of profit		-1.321.751	-801.980

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Completed development projects	5	1.290.935	1.643.096
Acquired intangible assets	6	9.235.894	15.117.103
Intangible assets		10.526.829	16.760.199
Fixtures, fittings, tools and equipment	7	474.463	613.661
Property, plant and equipment		474.463	613.661
Fixed assets		11.001.292	17.373.860
Short-term trade receivables		9.429.795	8.804.885
Short-term receivables from group enterprises		29.060.312	26.191.611
Other short-term receivables		781.997	779.175
Prepayments		1.685.966	1.366.354
Receivables		40.958.070	37.142.025
Cash and cash equivalents		11.053.474	8.715.344
Current assets		52.011.544	45.857.369
Assets		63.012.836	63.231.229

Balance Sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital	8	500.000	500.000
Retained earnings	9	10.244.366	31.566.117
Proposed dividend recognised in equity	10	20.000.000	0
Equity		30.744.366	32.066.117
Provisions for deferred tax	11	1.950.196	3.076.394
Provisions		1.950.196	3.076.394
Deffered income		18.623.789	16.803.730
Trade payables		793.316	961.912
Tax payables		665.555	835.230
Other payables		10.235.614	9.487.846
Short-term liabilities other than provisions		30.318.274	28.088.718
Liabilities other than provisions within the business		30.318.274	28.088.718
Liabilities and equity		63.012.836	63.231.229
Contingent liabilities	12		
Collaterals and assets pledges as security	13		
Related parties	14		

Notes

	2019	2018
1. Employee benefits expense		
Wages and salaries	23.705.074	22.613.497
Post-employment benefit expense	3.063.571	2.878.916
Social security contributions	291.811	330.060
	27.060.456	25.822.473
Average number of employees	42	40
2. Finance income		
Other finance income	3.668	3.732
	3.668	3.732
3. Finance expenses		
Other finance expenses	81.553	64.481
	81.553	64.481
4. Tax expense		
Taxation on operating income	760.056	835.230
Deferred taxation	-1.126.198	-1.070.705
	-366.142	-235.475
5. Completed development projects		
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
Depreciation and amortisation at the beginning of the year	-7.108.347	-6.756.186
Amortisation for the year	-352.161	-352.161
Impairment losses and amortisation at the end of the year	-7.460.508	-7.108.347
Carrying amount at the end of the year	1.290.935	1.643.096
6. Acquired intangible assets		
Cost at the beginning of the year	32.613.463	32.613.463
Cost at the end of the year	32.613.463	32.613.463
Amortisation at the beginning of the year	-17.496.360	-11.362.476
Amortisation for the year	-5.881.209	-6.133.884
Impairment losses and amortisation at the end of the year	-23.377.569	-17.496.360
Carrying amount at the end of the year	9.235.894	15.117.103

Notes

	2019	2018
7. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	3.178.402	2.971.457
Addition during the year, incl. improvements	180.637	206.945
Disposal during the year	-821.437	0
Cost at the end of the year	2.537.602	3.178.402
Depreciation at the beginning of the year	-2.564.741	-2.277.330
Depreciation for the year	-319.835	-287.411
Reversal of impairment losses and depreciation of disposed assets	821.437	0
Impairment losses and amortisation at the end of the year	-2.063.139	-2.564.741
Carrying amount at the end of the year	474.463	613.661
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	31.566.117	32.368.097
Result of the year	-21.321.751	-801.980
Balance at the end of the year	10.244.366	31.566.117
10. Proposed dividend for the financial year		
Additions during the year	20.000.000	0
Balance at the end of the year	20.000.000	0
11. Provisions for deferred tax		
Balance at the beginning of the year	3.076.394	4.147.099
Additions during the year	-1.126.198	-1.070.705
Balance at the end of the year	1.950.196	3.076.394
12. Contingent liabilities		
The company has liabilities related to rented premises and leased copymachines, cars etc. of TDKK 4.435 hereof TDKK 1.386 within 1 year.		
13. Collaterals and securities		
No securities or mortgages exist at the balance sheet date.		

Notes

2019

2018

14. Related parties

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

Exercising control
Wolters Kluwer International Holding nv.
Zuidpoolsingel 2
2400 BA Alphen aan 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

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

KATARINA THÖRNQVIST

Bestyrelsesformand

On behalf of: Katarina Thörnqvist

Serial number: 19650724xxxx

IP: 83.248.xxx.xxx

2020-09-01 12:19:53Z



Magnus Ljung

Bestyrelsesmedlem

On behalf of: Magnus Ljung

Serial number: 19750925xxxx

IP: 217.209.xxx.xxx

2020-09-01 12:42:43Z



Peter Alnor

Adm. direktør

On behalf of: Peter Alnor

Serial number: PID:9208-2002-2-707345380314

IP: 188.183.xxx.xxx

2020-09-01 13:39:13Z



Peter Alnor

Bestyrelsesmedlem

On behalf of: Peter Alnor

Serial number: PID:9208-2002-2-707345380314

IP: 188.183.xxx.xxx

2020-09-01 13:39:13Z



Henrik Pedersen

Statsautoriseret revisor

On behalf of: Henrik Pedersen

Serial number: CVR:30700228-RID:75507388

IP: 145.62.xxx.xxx

2020-09-01 13:43:46Z



KATARINA THÖRNQVIST

Dirigent

On behalf of: Katarina Thörnqvist

Serial number: 19650724xxxx

IP: 83.248.xxx.xxx

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