ALBJERG
STATSAUTORISERET REVISIONSPARTNERSELSKAB

Index Data ApS

Njalsgade 76, 4., c/o Univate
2300 København S
Company reg. no. 21 23 29 39

REVISION & RÅDGIVNING

Annual report for 1 January - 31 December 2018

Adopted at the annual general meeting on 31 May 2019.

Adam Dickmeiss

Adam Dickmeiss
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

REVISION & RÅDGIVNING
RINGAGER 4C, 2. TH. // 2605 BRØNDBY // TEL 38 28 42 84 // CVR 35 38 28 79 // INFO@ALBJERG.DK // ALBJERG.DK

Contents

	Page
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Management's review	6
Annual accounts 1 January - 31 December 2018	
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies used	14

Management's report

The board of directors have today presented the annual report of Index Data ApS for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København S, 31 May 2019

Board of directors

Adam Dickmeiss	Sebastian Hammer	Lynn Bailey
Adam Dickmeiss	Sebastian Hammer	Lynn Bailey

Independent auditor's report

To the shareholders of Index Data ApS

Opinion

We have audited the annual accounts of Index Data ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Brøndby, 31 May 2019

ALBJERG
Statsautoriseret Revisionspartnerselskab
Company reg. no. 35 38 28 79

Pia Søndergaard
State Authorised Public Accountant
mne15008

Company data

The company	Index Data ApS Njalsgade 76, 4. c/o Univate 2300 København S	
	Company reg. no.	21 23 29 39
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Adam Dickmeiss Sebastian Hammer Lynn Bailey	
Auditors	ALBJERG Statsautoriseret Revisionspartnerselskab Ringager 4C, 2.th. 2605 Brøndby	
Bankers	Arbejdernes Landsbank	
Subsidiary	Index Data LLC, Boston, USA	

Management's review

The principal activities of the company

Index Data's primary activity is software development and consultancy. Our goal as a business is to grow and develop our niche as a provider of sophisticated software components in the area of information retrieval and library management.

Development in activities and financial matters

Index Data has continued to focus on building and supporting FOLIO, a new open source library platform that is designed to allow libraries, developers and vendors to collaborate in creating new kinds of library services. We remain the technical lead for the development of the core platform, are active in many Special Interest Groups, provide Product Owners and Subject Matter Experts to the project and are actively supporting a Community around the platform.

We secured our first 'early adopter' customer for our FOLIO Implementation, Support and Services business and expect that business to grow as the platform becomes more stable.

In 2018 we also spearheaded an initiative to build an open source, community-owned and managed, highly scalable library resource sharing platform built on the FOLIO platform. This collaboration with library consortia has further established us as a leading open source development team and we continue to enjoy a strong reputation in the industry.

We remain committed to building ongoing revenue streams in the form of relationships with partners that bring products to market based on our technology and services. Substantial recurring revenue also comes from Support Agreements with customers who use our open source tools and from providing hosted services (SaaS) on our MasterKey platform.

Management notes with pleasure that total revenues continue to be strong and both subsidiaries were profitable. US customers drove the majority of our work and most profit derives from the US subsidiary.

Events subsequent to the financial year

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

Note		2018	2017
	Gross profit	**6.623.480**	**9.135.956**
1	Staff costs	-4.481.919	-4.834.219
2	Depreciation and writedown relating to tangible fixed assets	-6.565	-11.228
	Results before net financials	**2.134.996**	**4.290.509**
	Income from equity investments in group enterprises	2.164.116	90.249
	Other financial income from group enterprises	870.921	758.028
	Other financial income	416.472	4.852
	Other financial costs	-194	-1.043.028
	Results before tax	**5.586.311**	**4.100.610**
3	Tax on ordinary results	-753.718	-882.532
	Results for the year	**4.832.593**	**3.218.078**
	Proposed distribution of the results:		
	Reserves for net revaluation as per the equity method	2.164.116	90.249
	Dividend for the financial year	750.000	750.000
	Allocated to results brought forward	1.918.477	2.377.829
	Distribution in total	**4.832.593**	**3.218.078**

Balance sheet 31 December

All amounts in DKK.

Note	Assets	2018	2017
	Fixed assets		
4	Other plants, operating assets, and fixtures and furniture	514	7.079
	Tangible fixed assets in total	514	7.079
5	Equity investments in group enterprises	6.720.876	4.272.848
	Other debtors	58.523	55.628
	Financial fixed assets in total	6.779.399	4.328.476
	Fixed assets in total	**6.779.913**	**4.335.555**
	Current assets		
	Trade debtors	161.023	381.931
	Amounts owed by group enterprises	8.091.092	10.200.862
	Deferred tax assets	6.787	7.643
	Receivable corporate tax	0	93.064
	Other debtors	184.328	150.919
	Debtors in total	8.443.230	10.834.419
	Available funds	4.896.524	970.449
	Current assets in total	**13.339.754**	**11.804.868**
	Assets in total	**20.119.667**	**16.140.423**

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities

Note		2018	2017
	Equity		
6	Contributed capital	200.000	200.000
	Reserves for net revaluation as per the equity method	6.720.876	4.272.848
	Results brought forward	11.523.152	9.604.675
	Proposed dividend for the financial year	750.000	750.000
	Equity in total	**19.194.028**	**14.827.523**
	Liabilities		
	Trade creditors	239.278	508.515
	Corporate tax	152.862	0
	Other debts	445.523	416.964
	Accrued expenses and deferred income	87.976	387.421
	Short-term liabilities in total	925.639	1.312.900
	Liabilities in total	**925.639**	**1.312.900**
	Equity and liabilities in total	**20.119.667**	**16.140.423**

7 Mortgage and securities

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	Proposed dividend for the financial year	In total
Equity 1 January 2017	200.000	4.758.033	7.226.846	750.000	12.934.879
Distributed dividend	0	0	0	-750.000	-750.000
Share of results	0	90.249	2.377.829	750.000	3.218.078
Exchange rate adjustments	0	-575.434	0	0	-575.434
Equity 1 January 2018	200.000	4.272.848	9.604.675	750.000	14.827.523
Distributed dividend	0	0	0	-750.000	-750.000
Share of results	0	2.164.116	1.918.477	750.000	4.832.593
Exchange rate adjustments	0	283.912	0	0	283.912
	200.000	**6.720.876**	**11.523.152**	**750.000**	**19.194.028**

All amounts in DKK.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	4.441.851	4.784.161
	Other costs for social security	17.723	16.153
	Other staff costs	22.345	33.905
		4.481.919	**4.834.219**
	Average number of employees	5	5
2.	**Depreciation and writedown relating to tangible fixed assets**		
	Depreciation on plants, operating assets, fixtures and furniture	6.565	11.228
		6.565	**11.228**
3.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	752.862	881.936
	Adjustment for the year of deferred tax	856	596
		753.718	**882.532**

		31/12 2018	31/12 2017
4.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 January 2018	95.175	95.175
	Cost 31 December 2018	**95.175**	**95.175**
	Depreciation and writedown 1 January 2018	-88.096	-76.868
	Depreciation for the year	-6.565	-11.228
	Depreciation and writedown 31 December 2018	**-94.661**	**-88.096**
	Book value 31 December 2018	**514**	**7.079**

All amounts in DKK.

		31/12 2018	31/12 2017
5.	**Equity investments in group enterprises**		
	Acquisition sum, opening balance 1 January 2018	0	0
	Cost 31 December 2018	**0**	**0**
	Revaluations at 1 January 2018	4.272.848	4.758.023
	Net profit/loss for the year	2.164.116	90.249
	Exchange adjustment	283.912	-575.424
	Revaluation 31 December 2018	**6.720.876**	**4.272.848**
	Book value 31 December 2018	**6.720.876**	**4.272.848**

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year
Index Data LLC, Boston, USA	100 %	6.720.876	2.164.116
		6.720.876	**2.164.116**

		31/12 2018	31/12 2017
6.	**Contributed capital**		
	Contributed capital 1 January 2018	200.000	200.000
		200.000	**200.000**

The share capital consists of 200 shares of a nominal value of DKK 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

7. Mortgage and securities

The company has no charges and securities at 31 december 2018.

All amounts in DKK.

8. Contingencies

Contingent liabilities

	DKK in thousands
Rent liabilities (3 month termination)	55.626
Contingent liabilities in total	**55.626**

The annual report for Index Data ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

License and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue is measured as the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs, etc.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Tangible fixed assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost with addition of revaluations and with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with the addition of revaluations at fair value and with the deduction of expected residual value after the end of the useful life of the asset. The depreciation period is fixed at the acquisition date and reevaluated annually. If the residual value exceeds the book value of the asset, the depreciation expires.

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in the company's equity.

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	*3-8 years*

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Pia Søndergaard

Som Revisor
PID: 9208-2002-2-246439925700
Tidspunkt for underskrift: 31-05-2019 kl.: 06:10:00
Underskrevet med NemID

NEM ID