

Cordura A/S

**Ved Lunden 4
8230 Åbyhøj**

Central Business Registration No. 27 57 70 08

Annual Report for 2015/16

The Annual Report was presented and
approved at the Annual General Meeting
of the Company on 17/02 2017

Lau Lindquist Rasmussen
Chairman

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Company details

The Company

Cordura A/S
Ved Lunden 4
8230 Åbyhøj

CVR no.: 27 57 70 08

Reporting period: 1 October 2015 - 31 December 2016

Domicile: Aarhus

Board of Directors

Sven Mønsted Hilm
Simon Peter Plankenhorn
Fabian Lüthold

Executive Board

Lau Lindquist Rasmussen

Auditors

Roesgaard & Partners
Statsautoriseret Revisionspartnerselskab
Sønderbrogade 16
8700 Horsens

Statement by Management on the annual report

The Executive Board and the Board of Directors have today discussed and approved the annual report of Cordura A/S for the financial year 1 October 2015 - 31 December 2016.

The annual report has been 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 2016 and of the results of the the Company's operations for the financial year 1 October 2015 - 31 December 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Åbyhøj, 31 January 2017

Executive Board

Lau Lindquist Rasmussen

Board of Directors

Sven Mønsted Hilm

Simon Peter Plankenhorn

Fabian Lüthold

Independent auditor's report

To the shareholder of Cordura A/S

Opinion

We have audited the financial statements of Cordura A/S for the financial year 1 October 2015 - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 2016 and of the results of the Company's operations for the financial year 1 October 2015 - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on Management's review

Management is responsible for Management's review.

Our opinion on the financial statements does not cover 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 Management's review and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's review.

Horsens, 31 January 2017

Roesgaard & Partners

Statsautoriseret Revisionspartnerselskab
CVR no. 37 54 31 28

Poul Erik Nielsen
State Authorised Public Accountant

Management's review

Business activities

The Company's primary activity is to develop hardware and software as well as all activities related thereto.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 340,984, and the balance sheet at 31 December 2016 shows equity of DKK 877,233.

Management considers profit for the year as satisfactory.

The Company has entered into a merger with Bibliotheca A/S per 1 January 2017.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the Group's and the Parent Company's financial position.

Accounting policies

The annual report of Cordura A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2015/16 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing on the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the Company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

Revenue

Revenue from customised products is recognised as the production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total revenue and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

Accounting policies

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-5 years	0 %

Fixed assets investments

Investments are measured at fair value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry-forward, are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Debts are measured at net realisable value.

Deferred income

Deferred income comprises payments received concerning income in subsequent reporting years.

Income statement 1 October 2015 - 31 December 2016

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK'000
Gross profit		8.423.807	5.258
Staff costs	1	<u>(7.963.546)</u>	<u>(5.224)</u>
Earnings before interest, tax, depreciation and amortisation		460.261	34
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	<u>(5.832)</u>	<u>(1)</u>
Profit/loss before financial income and expenses		454.429	33
Financial income	3	0	1
Financial costs	4	<u>(4.747)</u>	<u>(1)</u>
Profit/loss before tax		449.682	33
Tax on profit/loss for the year	5	<u>(108.698)</u>	<u>(10)</u>
Net profit/loss for the year		<u>340.984</u>	<u>23</u>
Retained earnings		<u>340.984</u>	<u>23</u>
		<u>340.984</u>	<u>23</u>

Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK'000
Assets			
Other fixtures and fittings, tools and equipment		7.386	13
Tangible assets	6	<u>7.386</u>	<u>13</u>
Other receivables		34.181	34
Fixed asset investments		<u>34.181</u>	<u>34</u>
Fixed assets total		<u>41.567</u>	<u>47</u>
Finished goods and goods for resale		206.733	50
Stocks		<u>206.733</u>	<u>50</u>
Trade receivables		2.265.679	1.202
Contract work in progress	7	0	143
Receivables from subsidiaries		133.000	0
Receivables from associates		269.746	0
Other receivables		0	8
Deferred tax asset		4.277	5
Corporation tax		0	8
Prepayments		238.972	79
Receivables		<u>2.911.674</u>	<u>1.445</u>
Cash at bank and in hand		<u>467.580</u>	<u>409</u>
Current assets total		<u>3.585.987</u>	<u>1.904</u>
Assets total		<u>3.627.554</u>	<u>1.951</u>

Balance sheet at 31 December 2016

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK'000
Liabilities and equity			
Share capital		500.000	500
Retained earnings		<u>377.233</u>	<u>36</u>
Equity total	8	<u>877.233</u>	<u>536</u>
Prepayments received from customers		274.347	0
Trade payables		178.859	168
Payables to associates		76.750	42
Corporation tax		101.376	0
Other payables		1.183.694	645
Deferred income		<u>935.295</u>	<u>560</u>
Short-term debt		<u>2.750.321</u>	<u>1.415</u>
Debt total		<u>2.750.321</u>	<u>1.415</u>
Liabilities and equity total		<u>3.627.554</u>	<u>1.951</u>
Contingent assets, liabilities and other financial obligations	9		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 October 2015	500.000	36.249	536.249
Net profit/loss for the year	0	340.984	340.984
Equity at 31 December 2016	<u>500.000</u>	<u>377.233</u>	<u>877.233</u>

Notes to the annual report

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK'000
1 Staff costs		
Wages and salaries	6.854.805	4.548
Pensions	508.190	183
Other social security costs	129.189	78
Other staff costs	<u>471.362</u>	<u>415</u>
	<u>7.963.546</u>	<u>5.224</u>
Average number of employees	<u>13</u>	<u>12</u>
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation tangible assets	<u>5.832</u>	<u>1</u>
	<u>5.832</u>	<u>1</u>
which breaks down as follows:		
Other fixtures and fittings, tools and equipment	<u>5.832</u>	<u>1</u>
	<u>5.832</u>	<u>1</u>
3 Financial income		
Other financial income	<u>0</u>	<u>1</u>
	<u>0</u>	<u>1</u>
4 Financial costs		
Other financial costs	<u>4.747</u>	<u>1</u>
	<u>4.747</u>	<u>1</u>

Notes to the annual report

	2015/16	2014/15
	DKK	DKK'000
5 Tax on profit/loss for the year		
Current tax for the year	101.376	7
Deferred tax for the year	685	3
Adjustment of tax concerning previous years	6.637	0
	108.698	10

6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 October 2015	79.471
Cost at 31 December 2016	79.471
Impairment losses and depreciation at 1 October 2015	66.253
Depreciation for the year	5.832
Impairment losses and depreciation at 31 December 2016	72.085
Carrying amount at 31 December 2016	7.386

	2016	2015
	DKK	DKK'000
7 Contract work in progress		
Work in progress, selling price	0	143
	0	143

Notes to the annual report

8 Equity

The share capital consists of 500 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.

9 Contingent assets, liabilities and other financial obligations

The Company has guarantees of DKK 200k related to projects.

The Company is jointly taxed with other Danish companies in the Group. As the wholly-owned subsidiary, the Company is fully, jointly and severally liable with the other companies within the joint taxation entity for Danish income taxes and withholding taxes on dividends.

The Company has rent payments of DKK 132k.

The Company has entered an operational lease obligation. The total lease obligation is DKK 33k at 31 December 2016.