

Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA

Søndergade 8-10, 7570 Vemb, Denmark

Company reg. no. 30 24 82 52

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 7 February 2020.

Jan Kjeldgård Mikkelsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Medlem af:



 RevisorGruppen Danmark

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Management's report

The managing director has today presented the annual report of Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA for the financial year 1 January to 31 December 2019.

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

I consider the chosen accounting policies to be appropriate. In my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

In my opinion, the management's review contains a fair presentation of the matters covered in the review.

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

Vemb, 7 February 2020

Managing Director

Jan Kjeldgård Mikkelsen

Independent auditor's report

To the shareholders of Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA

Opinion

We have audited the annual accounts of Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet 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 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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.

Independent auditor's report

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 Statements Act. We did not find any material misstatement in the management's review.

Silkeborg, 7 February 2020

Revisionshuset Tal & Tanker

Statsautoriseret revisionspartnerselskab
Company reg. no. 37 31 56 64

Kuno Hesel

State Authorised Public Accountant
mne33224

Company data

The company

Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA
Søndergade 8-10
7570 Vemb, Denmark

Company reg. no. 30 24 82 52

Domicile: Vemb

Financial year: 1 January - 31 December

Managing Director

Jan Kjeldgård Mikkelsen

Auditors

Revisionshuset Tal & Tanker, Statsautoriseret revisionspartnerselskab
Stagehøjvej 22
8600 Silkeborg

Bankers

Danske Bank, Dalgasgade 27, 1. sal, 7400 Herning

Management's review

The principal activities of the company

The company's main activity is purchase and sale of special glasses.

Development in activities and financial matters

The gross profit for the year is DKK 18,6m against DKK 13,2m last year. The results from ordinary activities after tax are DKK 7,0m against DKK 3,6m last year. The management considers the results as satisfying.

Accounting policies used

The annual report for Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA is presented in accordance with regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies 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 converted by using the exchange rate at the date of the transaction. Differences in the rate of exchange emerging between the rate at the date of transaction and the rate at the date of payment are included in the income statement as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are converted by using the closing rate. The difference between the closing rate and transaction date is included in the income statement under financial income and expenses.

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

Income statement

Gross profit

The gross profit includes the net turnover, changes in inventories and, other operating income, and external costs.

The net turnover is included in the income statement if delivery and risk is transferred to the buyer before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

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

Staff costs

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

Accounting policies used

Depreciation, amortisation and writedown

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

Net financials

Net financials includes interests as well as additions and reimbursements related to the Danish taxation laws. Financial income and expenses are included in the income statement with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year includes the current tax for the year and the changes in deferred tax, and it is included in the income statement 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

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful lifetime 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 included as a change in the accounting estimates.

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

Depreciation is calculated on a linear basis and based on an evaluation of the expected useful lifetime:

| | <i>Useful lifetime</i> |
|---|------------------------|
| <i>Buildings</i> | <i>25 years</i> |
| <i>Other plants, operating assets, fixtures and furniture</i> | <i>5 years</i> |

Minor assets with an expected useful lifetime of less than 1 year are included as costs in the income statement in the year of acquisition.

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 included in the income statement as other operating income or other operating expenses.

Accounting policies used

Leases

Leases are treated as operational leasing. Payments in connection with operational leasing and other rental agreements are included in the income statement over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are included under contingencies.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets are subject to an annual impairment test in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If needed, depreciation tests will be 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 highest. 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.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables includes the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is calculated as the market price with deduction of completion costs and selling costs. The net realisable value is determined by the negotiability, obsolescence, and the development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to nominal value. In order to meet expected losses, debtors are written down to net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets includes incurred costs concerning the next financial year.

Available funds

Available funds includes cash at bank and in hand.

Accounting policies used

Equity

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 included in the balance sheet 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 presented netto in the extent that deducting is legal and expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities.

Deferred tax assets are included at the value in which they are expected to be realisable, either by settlement against tax of future earnings or by deduction in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured according to 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.

Income statement 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------|-------------------|
| Gross profit | 18.585.274 | 13.196.253 |
| 1 Staff costs | -9.427.106 | -8.445.465 |
| Depreciation and writedown relating to tangible fixed assets | -134.864 | -116.235 |
| Operating profit | 9.023.304 | 4.634.553 |
| Other financial income | 15.837 | 16.517 |
| 2 Other financial costs | -1.968 | -95.029 |
| Results before tax | 9.037.173 | 4.556.041 |
| Tax on ordinary results | -1.991.708 | -1.004.471 |
| Results for the year | 7.045.465 | 3.551.570 |
| Proposed distribution of the results: | | |
| Dividend for the financial year | 8.000.000 | 0 |
| Allocated to results brought forward | 0 | 3.551.570 |
| Allocated from results brought forward | -954.535 | 0 |
| Distribution in total | 7.045.465 | 3.551.570 |

Balance sheet 31 December

All amounts in DKK.

| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|--------------------------|--------------------------|
| Assets | | |
| Fixed assets | | |
| Land and property | 2.304.831 | 2.368.297 |
| Other plants, operating assets, and fixtures and furniture | 233.781 | 198.634 |
| Tangible fixed assets in total | <u>2.538.612</u> | <u>2.566.931</u> |
| Fixed assets in total | <u>2.538.612</u> | <u>2.566.931</u> |
| Current assets | | |
| Manufactured goods and trade goods | 4.544.429 | 3.960.066 |
| Inventories in total | <u>4.544.429</u> | <u>3.960.066</u> |
| Trade debtors | 1.091.873 | 1.323.335 |
| Receivable corporate tax | 5.798 | 5.798 |
| Accrued income and deferred expenses | 327.682 | 294.998 |
| Debtors in total | <u>1.425.353</u> | <u>1.624.131</u> |
| Available funds | <u>7.711.629</u> | <u>3.233.297</u> |
| Current assets in total | <u>13.681.411</u> | <u>8.817.494</u> |
| Assets in total | <u>16.220.023</u> | <u>11.384.425</u> |

Balance sheet 31 December

All amounts in DKK.

| Equity and liabilities | | | |
|-------------------------------|--|--------------------------|--------------------------|
| <u>Note</u> | | <u>2019</u> | <u>2018</u> |
| Equity | | | |
| 3 | Contributed capital | 3.893.194 | 3.893.194 |
| 4 | Results brought forward | 5.092.609 | 6.047.145 |
| 5 | Proposed dividend for the financial year | 0 | 0 |
| | Equity in total | <u>8.985.803</u> | <u>9.940.339</u> |
| Provisions | | | |
| | Provisions for deferred tax | <u>10.156</u> | <u>2.936</u> |
| | Provisions in total | <u>10.156</u> | <u>2.936</u> |
| Liabilities | | | |
| | Bank debts | 43.944 | 61.782 |
| | Prepayments received from customers | 83.266 | 97.836 |
| | Trade creditors | 446.508 | 133.591 |
| | Debt to group enterprises | 51.188 | 43.827 |
| | Corporate tax | 1.876.488 | 0 |
| | Other debts | <u>4.722.670</u> | <u>1.104.114</u> |
| | Short-term liabilities in total | <u>7.224.064</u> | <u>1.441.150</u> |
| | Liabilities in total | <u>7.224.064</u> | <u>1.441.150</u> |
| | Equity and liabilities in total | <u>16.220.023</u> | <u>11.384.425</u> |

6 Contingencies

Notes

All amounts in DKK.

| | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------------------|
| 1. Staff costs | | |
| Salaries and wages | 8.677.704 | 7.763.280 |
| Pension costs | 631.128 | 575.839 |
| Other costs for social security | <u>118.274</u> | <u>106.346</u> |
| | <u>9.427.106</u> | <u>8.445.465</u> |
| | | |
| Average number of employees | <u>18</u> | <u>17</u> |
| | | |
| 2. Other financial costs | | |
| Other financial costs | <u>1.968</u> | <u>95.029</u> |
| | <u>1.968</u> | <u>95.029</u> |
| | | |
| 3. Contributed capital | | |
| Contributed capital 1 January 2019 | <u>3.893.194</u> | <u>3.893.194</u> |
| | <u>3.893.194</u> | <u>3.893.194</u> |
| | | |
| 4. Results brought forward | | |
| Results brought forward 1 January 2019 | 6.047.144 | 2.495.575 |
| Profit or loss for the year brought forward | <u>-954.535</u> | <u>3.551.570</u> |
| | <u>5.092.609</u> | <u>6.047.145</u> |
| | | |
| 5. Proposed dividend for the financial year | | |
| Distributed dividend | -8.000.000 | 0 |
| Dividend for the financial year | <u>8.000.000</u> | <u>0</u> |
| | <u>0</u> | <u>0</u> |

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average annual leasing payment of DKK 98.572. The leasing contracts have 10 months left to run, and the total outstanding leasing payment DKK 82.144.

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Kuno Hesel

Statsautoriseret revisor

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Jan Kjeldgård Mikkelsen

Direktør

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Jan Kjeldgård Mikkelsen

Dirigent

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