

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 2022

The annual report was submitted and approved by the general meeting on the 24 February 2023.

Jan Kjeldgård Mikkelsen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 %.

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Management's statement

Today, the Managing Director has approved the annual report of Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in my opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Vemb, Denmark, 24 February 2023

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 financial statements of Wiley X EMEA, Filial af Wiley X EMEA, LLC, USA for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Independent auditor's report

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.

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 Statement Act. We did not identify any material misstatement of Management's Review.

Silkeborg, 24 February 2023

Revisionshuset Tal & Tanker

Statsautoriseret revisionspartnerselskab
Company reg. no. 37 31 56 64

Kuno Hesel

State Authorised Public Accountant
mne33224

Company information

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

Description of key 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 totals DKK 22,9m against DKK 16,0m last year. Income or loss from ordinary activities after tax totals DKK 9,2m against DKK 4,8m last year. Management considers the results for the year satisfying.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	22.900.997	16.020.002
1 Staff costs	-10.924.207	-9.732.836
Depreciation and writedown relating to tangible fixed assets	<u>-106.857</u>	<u>-112.661</u>
Operating profit	11.869.933	6.174.505
Other financial income	7.489	7.215
2 Other financial costs	<u>-34.056</u>	<u>-55.867</u>
Pre-tax net profit or loss	11.843.366	6.125.853
Tax on ordinary results	<u>-2.607.071</u>	<u>-1.352.231</u>
Net profit or loss for the year	<u>9.236.295</u>	<u>4.773.622</u>
Proposed distribution of net profit:		
Dividend for the financial year	6.000.000	2.000.000
Transferred to retained earnings	<u>3.236.295</u>	<u>2.773.622</u>
Total allocations and transfers	<u>9.236.295</u>	<u>4.773.622</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Assets		
Non-current assets		
Property	2.114.432	2.177.898
Other fixtures and fittings, tools and equipment	60.124	103.515
Total property, plant, and equipment	<u>2.174.556</u>	<u>2.281.413</u>
Total non-current assets	<u>2.174.556</u>	<u>2.281.413</u>
Current assets		
Manufactured goods and trade goods	6.089.214	4.029.971
Prepayments for goods	0	26.023
Total inventories	<u>6.089.214</u>	<u>4.055.994</u>
Trade debtors	1.451.516	1.752.303
Accrued income and deferred expenses	496.384	183.676
Total receivables	<u>1.947.900</u>	<u>1.935.979</u>
Available funds	<u>10.734.160</u>	<u>9.847.082</u>
Total current assets	<u>18.771.274</u>	<u>15.839.055</u>
Total assets	<u>20.945.830</u>	<u>18.120.468</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity and liabilities		
Equity		
Contributed capital	3.893.194	3.893.194
Results brought forward	12.956.857	9.720.562
Proposed dividend for the financial year	0	2.000.000
Total equity	<u>16.850.051</u>	<u>15.613.756</u>
Provisions		
Provisions for deferred tax	19.386	19.183
Total provisions	<u>19.386</u>	<u>19.183</u>
Liabilities other than provisions		
Bank debts	138.052	281.617
Prepayments received from customers	249.391	123.301
Trade creditors	295.819	349.763
Debt to group enterprises	73.291	164.914
Income tax payable	488.868	26.932
Other debts	2.830.972	1.541.002
Total short term liabilities other than provisions	<u>4.076.393</u>	<u>2.487.529</u>
Total liabilities other than provisions	<u>4.076.393</u>	<u>2.487.529</u>
Total equity and liabilities	<u>20.945.830</u>	<u>18.120.468</u>

3 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	3.893.194	6.946.940	5.000.000	15.840.134
Distributed dividend	0	0	-5.000.000	-5.000.000
Profit or loss for the year brought forward	0	2.773.622	2.000.000	4.773.622
Equity 1 January 2022	3.893.194	9.720.562	2.000.000	15.613.756
Distributed dividend	0	0	-8.000.000	-8.000.000
Profit or loss for the year brought forward	0	3.236.295	6.000.000	9.236.295
	3.893.194	12.956.857	0	16.850.051

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	10.007.506	8.908.812
Pension costs	784.762	700.115
Other costs for social security	<u>131.939</u>	<u>123.909</u>
	<u>10.924.207</u>	<u>9.732.836</u>
Average number of employees	<u>20</u>	<u>20</u>
2. Other financial costs		
Other financial costs	<u>34.056</u>	<u>55.867</u>
	<u>34.056</u>	<u>55.867</u>

3. Contingencies

Contingent liabilities

Leasing liabilities

The company has entered into operational leasing contracts with an average monthly leasing payment of DKK 9.978. The leasing contracts have 67 months left to run, and the total outstanding leasing payment DKK 59.868.

Recourse guarantee commitments

The company has provided payment guarantees for a total of t.DKK 358.

Accounting policies

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 report is presented with adjustments caused by the fact, that this is an internal annual report.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Foreign currency translation

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.

Receivables, payables, and other foreign currency monetary items are converted by using the closing rate. The difference between the closing rate and transaction rate is included in the income statement under net financials.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate on the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The company has chosen IAS 11 and IAS 18 as interpretation contributions for recognition of net turnover..

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 paid. The net turnover is exclusive of VAT and is deducted of any discounts relating directly to the sales.

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

Depreciation, amortisation and writedown

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

Financial income and expenses

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.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment 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 future, be recognised as a change in the accounting estimates.

The cost includes acquisition cost and costs directly associated with 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:

	Useful life
Buildings	25 years
Other fixtures and fittings, tools and equipment	3-5 years

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

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price reduced by selling costs and the book value at the date of disposal. Profit or losses is included in the income statement as other operating income or other operating expenses.

Accounting policies

Leases

Leases are treated as operational leasing. Payments in connection with operating leases and other rental agreements are included in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The book values of tangible fixed assets are subject to annual impairment tests 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 impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost on the basis of measured average prices. In cases when the net realisable value is lower than the cost, the inventory is written down to this lower value.

Costs of goods for resale, raw materials, and consumables is calculated as acquisition costs plus 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

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Accrued income and deferred expenses

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

Accounting policies

Available funds

Available funds includes cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax included are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account. Tax receivable and tax liabilities are presented netto in the extent that deducting is legal and expected to be.

Deferred tax is measured on the basis of 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 than provisions

Other liabilities as payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value