BUUS JENSEN
STATSAUTORISEREDE REVISORER

Quadient Denmark ApS

Lersø Parkallé 112, 2100 København Ø

Company reg. no. 32 07 04 34

Annual report

1 February 2017 - 31 January 2018

The annual report have been submitted and approved by the general meeting on the 28 June 2018.

Michael John Davies
Chairman of the meeting

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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 EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Quadient Denmark ApS for the financial year 1 February 2017 to 31 January 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 as on 31 January 2018 and of the company's results of its activities in the financial year 1 February 2017 to 31 January 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 Ø, 28 June 2018

Managing Director

Michael John Davies

Board of directors

Michael John Davies

Laurent Marie Philipe du Passage

Independent auditor's report

To the shareholders of Quadient Denmark ApS

Opinion

We have audited the annual accounts of Quadient Denmark ApS for the financial year 1 February 2017 to 31 January 2018, 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 January 2018 and of the results of the company's operations for the financial year 1 February 2017 to 31 January 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.

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.

Independent auditor's report

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.

Copenhagen, 28 June 2018

BUUS JENSEN
State Authorised Public Accountants
Company reg. no. 16 11 90 40

Michael Markussen
State Authorised Public Accountant
MNE-nr. 34295

Company data

The company	Quadient Denmark ApS Lersø Parkallé 112 2100 København Ø	
	Company reg. no.	32 07 04 34
	Established:	24 February 2009
	Domicile:	Copenhagen
	Financial year:	1 February - 31 January
Board of directors	Michael John Davies Laurent Marie Philipe du Passage	
Managing Director	Michael John Davies	
Auditors	BUUS JENSEN, Statsautoriserede revisorer	

Management's review

The principal activities of the company

The Company´s main activities consist of development and implementation of IT-systems.

Development in activities and financial matters

The results from ordinary activities after tax are EUR 102.683 against EUR 94.883 last year. The management consider the results satisfactory.

The management expects a positive result for the coming financial year.

Accounting policies used

The annual report for Quadient Denmark 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 report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

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.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, cost of sales and other external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

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

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

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 tangible fixed assets.

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.

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

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 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 and the residual value of the individual assets:

	Useful life	*Residual value*
Other plants, operating assets, fixtures and furniture	*3-5 years*	*0%*

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account 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 recognised in the profit and loss account as other operating income or other operating expenses.

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.

Accrued income and deferred expenses

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

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.

Profit and loss account 1 February - 31 January

All amounts in EUR.

Note		2018	2017
	Gross profit	**251.159**	**378.828**
1	Staff costs	-130.901	-266.350
	Depreciation and writedown relating to tangible fixed assets	-710	-710
	Operating profit	**119.548**	**111.768**
2	Other financial income from group enterprises	6.546	7.914
	Other financial income	6.863	9.227
3	Other financial costs	-4.274	-9.953
	Results before tax	**128.683**	**118.956**
4	Tax on ordinary results	-26.000	-24.073
	Results for the year	**102.683**	**94.883**
	Proposed distribution of the results:		
	Allocated to results brought forward	102.683	94.883
	Distribution in total	**102.683**	**94.883**

Balance sheet 31 January

All amounts in EUR.

Assets

Note		2018	2017
	Fixed assets		
5	Other plants, operating assets, and fixtures and furniture	474	1.184
	Tangible fixed assets in total	474	1.184
	Other debtors	0	3.228
	Financial fixed assets in total	0	3.228
	Fixed assets in total	**474**	**4.412**
	Current assets		
	Trade debtors	448.738	772.285
	Amounts owed by group enterprises	2.329.598	1.152.763
	Deferred tax assets	5.000	0
	Debtors in total	2.783.336	1.925.048
	Current assets in total	**2.783.336**	**1.925.048**
	Assets in total	**2.783.810**	**1.929.460**

Balance sheet 31 January

All amounts in EUR.

Note	Equity and liabilities	2018	2017
	Equity		
6	Contributed capital	25.000	25.000
7	Results brought forward	375.162	272.479
	Equity in total	**400.162**	**297.479**
	Liabilities		
	Bank debts	119	0
	Trade creditors	11.713	22.694
	Debt to group enterprises	1.074.821	515.821
	Corporate tax	64.735	35.903
	Other debts	262.521	195.308
	Accrued expenses and deferred income	969.739	862.255
	Short-term liabilities in total	2.383.648	1.631.981
	Liabilities in total	**2.383.648**	**1.631.981**
	Equity and liabilities in total	**2.783.810**	**1.929.460**

Notes

All amounts in EUR.

		2018	2017
1.	**Staff costs**		
	Salaries and wages	130.460	265.453
	Other costs for social security	441	897
		130.901	**266.350**
	Average number of employees	2	2
2.	**Other financial income from group enterprises**		
	Interest, group enterprises	6.546	7.914
		6.546	**7.914**
3.	**Other financial costs**		
	Other financial costs	4.274	9.953
		4.274	**9.953**
4.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	31.000	26.620
	Adjustment for the year of deferred tax	-5.000	0
	Adjustment of tax for previous years	0	-2.547
		26.000	**24.073**
5.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 February 2017	2.130	2.130
	Cost 31 January 2018	**2.130**	**2.130**
	Amortisation and writedown 1 February 2017	-946	-236
	Depreciation for the year	-710	-710
	Amortisation and writedown 31 January 2018	**-1.656**	**-946**
	Book value 31 January 2018	**474**	**1.184**

Notes

All amounts in EUR.

		31/1 2018	31/1 2017
6.	**Contributed capital**		
	Contributed capital 1 February 2017	25.000	25.000
		25.000	**25.000**
7.	**Results brought forward**		
	Results brought forward 1 February 2017	272.479	177.596
	Profit or loss for the year brought forward	102.683	94.883
		375.162	**272.479**