

Cape Horn Investment ApS

C/O Lund Elmer Sandager Advokatanpartsselskab, Kalvebod Brygge 39-41, 1560 København

Company reg. no. 12 96 91 98

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 19 April 2021.

Peter Sørensen
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 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2020	
Income statement	7
Statement of financial position	8
Statement of changes in equity	10
Notes	11
Accounting policies	13

Management's report

Today, the managing director has presented the annual report of Cape Horn Investment ApS for the financial year 1 January - 31 December 2020.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

I recommend that the annual report be approved by the general meeting.

Copenhagen, 19 April 2021

Managing Director

Ana Maria Mazalu

Independent auditor's report

To the shareholders of Cape Horn Investment ApS

Opinion

We have audited the financial statements of Cape Horn Investment ApS for the financial year 1 January - 31 December 2020, which comprise income statement, statement of financial position, statement of changes in equity, notes and accounting policies. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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 international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 19 April 2021

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Darnell Vagnild

State Authorised Public Accountant
mne32116

Company information

The company	Cape Horn Investment ApS C/O Lund Elmer Sandager Advokatanpartsselskab Kalvebod Brygge 39-41 1560 København
	E mail ps@lundelmersandager.dk
	Company reg. no. 12 96 91 98
	Domicile: Copenhagen
	Financial year: 1 January - 31 December 32nd financial year
Managing Director	Ana Maria Mazalu
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg
Bankers	Danske Bank, Frederikssundsvej 52, 2400 København
Lawyer	Peter Sørensen, Kalvebod Brygge 39, 1560 København
Parent company	HQN Holding ApS

Management commentary

The principal activities of the company

The object of the company is capital facility. Investments are made in public shares and bonds.

Development in activities and financial matters

The gross loss for the year totals DKK -129.478 against DKK -105.649 last year. Income or loss from ordinary activities after tax totals DKK 5.539.916 against DKK 10.920.363 last year. Management considers the net profit or loss for the year satisfactory.

Events subsequent to the financial year

The outbreak of corona virus (COVID-19) presents new challenges and risks for the enterprise. Current and any future political and economic measures that may be implemented could cause financial risks related to the enterprise's operations and may possibly limit the enterprise's opportunities.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross loss	-129.478	-105.649
Other financial income	7.447.529	13.784.587
2 Other financial costs	<u>-217.126</u>	<u>-304.787</u>
Pre-tax net profit or loss	7.100.925	13.374.151
Tax on ordinary results	<u>-1.561.009</u>	<u>-2.453.788</u>
Net profit or loss for the year	<u>5.539.916</u>	<u>10.920.363</u>
 Proposed appropriation of net profit:		
Transferred to retained earnings	<u>5.539.916</u>	<u>10.920.363</u>
Total allocations and transfers	<u>5.539.916</u>	<u>10.920.363</u>

Statement of financial position 31 December

All amounts in DKK.

Assets		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Non-current assets			
Other financial instruments and equity investments		<u>108.105.320</u>	<u>93.451.792</u>
Total investments		<u>108.105.320</u>	<u>93.451.792</u>
Total non-current assets		<u>108.105.320</u>	<u>93.451.792</u>
Current assets			
Deferred tax assets		<u>0</u>	<u>570.235</u>
Total receivables		<u>0</u>	<u>570.235</u>
Available funds		<u>5.065.990</u>	<u>12.565.929</u>
Total current assets		<u>5.065.990</u>	<u>13.136.164</u>
Total assets		<u>113.171.310</u>	<u>106.587.956</u>

Statement of financial position 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
	Contributed capital	200.000	200.000
	Results brought forward	<u>102.750.008</u>	<u>97.210.091</u>
	Total equity	<u>102.950.008</u>	<u>97.410.091</u>
Liabilities other than provisions			
	Trade creditors	33.299	54.218
	Payables to group enterprises	9.447.913	9.055.436
3	Income tax payable	<u>740.090</u>	<u>68.211</u>
	Total short term liabilities other than provisions	<u>10.221.302</u>	<u>9.177.865</u>
	Total liabilities other than provisions	<u>10.221.302</u>	<u>9.177.865</u>
	Total equity and liabilities	<u>113.171.310</u>	<u>106.587.956</u>
1	Disclosures on fair value		
4	Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<hr/>	<hr/>	<hr/>
Equity 1 January 2020	200.000	97.210.092	97.410.092
Profit or loss for the year brought forward	0	5.539.916	5.539.916
	<hr/> 200.000	<hr/> 102.750.008	<hr/> 102.950.008

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Disclosures on fair value		Listed securities and equity investments
		<u>108.105.320</u>
Fair value at 31 December 2020		<u>6.013.857</u>
Change in fair value of the year recognised in the statement of financial activity		
2. Other financial costs		
Financial costs, group enterprises	160.873	158.861
Other financial costs	<u>56.253</u>	<u>145.926</u>
	<u>217.126</u>	<u>304.787</u>
3. Income tax payable		
Income tax receivables 1 January 2020	68.211	-146.873
Adjustment of previous years' tax	-1.184	65.507
Paid income tax during the financial year	0	-289.300
Paid corporate tax concerning last year	-67.027	326.823
Calculated corporate tax for the present year	991.958	439.032
Paid Danish dividend tax for the present year	-179.953	-286.707
Paid foreign dividend tax for the present year	<u>-71.915</u>	<u>-40.271</u>
	<u>740.090</u>	<u>68.211</u>

Notes

All amounts in DKK.

4. Contingencies

Joint taxation

With M.S.Holding as administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies, for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation scheme totals DKK 107.800.

Accounting policies

The annual report for Cape Horn Investment ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

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

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs for administration.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investments

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

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.

Accounting policies

Available funds

Available funds comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable 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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Cape Horn Investment ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

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