CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

STORE KONGENSGADE 68
1264 KØBENHAVN K

CVR: 15 91 56 41

TLF: 33 30 15 15
E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

IK Investment Partners ApS

Amaliegade 27, 1., 1256 København K

Company reg. no. 16 68 28 88

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the

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

Management's report

Today, the board of directors and the executive board have presented the annual report of IK Investment Partners ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our 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.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 19 February 2021

Executive board

James William Yates	Mads Ryum Larsen

Board of directors

James William Yates	Mads Ryum Larsen

Independent auditor's report

To the shareholders of IK Investment Partners ApS

Opinion

We have audited the financial statements of IK Investment Partners ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. 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.

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 February 2021

Grant Thornton

Company reg. no. 34 20 99 36

Jacob Helly Juell-Hansen
State Authorised Public Accountant
mne36169

Company information

The company	IK Investment Partners ApS Amaliegade 27, 1. 1256 København K
	Company reg. no. 16 68 28 88 Established: 1 January 1993 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	James William Yates Mads Ryum Larsen
Executive board	James William Yates Mads Ryum Larsen
Auditors	Grant Thornton Statsautoriseret Revisionspartnerselskab
Parent company	IK Investment Partners S.a.r.l

The principal activities of the company

The company provides private equity advisory services to a fellow group of subsidiary company, IK Investment Partners Ltd, based in London. The employees consist of investment professionals providing advice on the Danish and Norwegian private equity markets.

Unusual circumstances

The COVID-19 pandemic presents challenges and risks for the company, and wider industry.

However, the IK group and in particular IK Investment Partners ApS continues to remain open for business and will look into new situations from a platform and add-on perspective, however we remain extremely cautious under the present circumstances and await more clarity from a performance and pricing point of view in particular. It is our belief that the current challenging situation will provide attractive opportunities and we are preparing for this through continued sector sourcing research initiatives.

On the basis we have no borrowing and sponsored several living funds with several hundred diversified blue chip investors we are confident we do not have a liquidity issue now or the future 36 months. In terms of IK itself - the long term nature of the fee arrangements have not changed and there is foreseeable surplus profits and cash inflow for the next 36 months at least.

Development in activities and financial matters

The gross profit for the year totals DKK 26.524.721 against DKK 18.303.944 last year. Income from ordinary activities after tax totals DKK 2.273.709 against DKK 1.545.962 last year. Management considers the net profit for the year satisfactory.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross profit	**26.524.721**	**18.303.944**
1	Staff costs	-22.763.997	-15.898.892
	Depreciation and impairment of property, land, and equipment	-801.465	-400.362
	Operating profit	**2.959.259**	**2.004.690**
	Other financial income	0	15.714
	Other financial costs	-2.547	-7.374
	Pre-tax net profit or loss	**2.956.712**	**2.013.030**
	Tax on net profit or loss for the year	-683.003	-467.068
	Net profit or loss for the year	**2.273.709**	**1.545.962**
	Proposed appropriation of net profit:		
	Dividend for the financial year	2.250.000	1.560.000
	Transferred to retained earnings	23.709	0
	Allocated from retained earnings	0	-14.038
	Total allocations and transfers	**2.273.709**	**1.545.962**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
	Other fixtures and fittings, tools and equipment	1.693.502	1.994.327
	Total property, plant, and equipment	1.693.502	1.994.327
	Other receivables	537.523	526.983
	Total investments	537.523	526.983
	Total non-current assets	**2.231.025**	**2.521.310**
	Current assets		
	Receivables from group enterprises	892.546	257.063
	Deferred tax assets	12.739	0
	Other receivables	354.058	185.144
	Prepayments and accrued income	26.397	40.226
	Total receivables	1.285.740	482.433
	Cash on hand and demand deposits	1.903.277	829.595
	Total current assets	**3.189.017**	**1.312.028**
	Total assets	**5.420.042**	**3.833.338**

Statement of financial position at 31 December

All amounts in DKK.

Note	Equity and liabilities	2020	2019
	Equity		
	Contributed capital	200.000	200.000
	Retained earnings	29.696	5.987
	Proposed dividend for the financial year	2.250.000	1.560.000
	Total equity	**2.479.696**	**1.765.987**
	Provisions		
	Provisions for deferred tax	0	40.261
	Total provisions	**0**	**40.261**
	Liabilities other than provisions		
	Trade payables	404.194	384.330
	Payables to group enterprises	0	212.452
	Income tax payable	738.128	426.807
	Other payables	1.798.024	1.003.501
	Total short term liabilities other than provisions	2.940.346	2.027.090
	Total liabilities other than provisions	**2.940.346**	**2.027.090**
	Total equity and liabilities	**5.420.042**	**3.833.338**
2	**Contingencies**		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	200.000	20.025	0	220.025
Profit or loss for the year brought forward	0	-14.038	1.560.000	1.545.962
Equity 1 January 2020	200.000	5.987	1.560.000	1.765.987
Distributed dividend	0	0	-1.560.000	-1.560.000
Profit or loss for the year brought forward	0	23.709	2.250.000	2.273.709
	200.000	**29.696**	**2.250.000**	**2.479.696**

Notes

All amounts in DKK.

		2020	2019
1.	**Staff costs**		
	Salaries and wages	21.477.403	15.276.385
	Pension costs	1.218.446	586.943
	Other costs for social security	26.698	20.732
	Other staff costs	41.450	14.832
		22.763.997	**15.898.892**
	Average number of employees	12	6

2. Contingencies

Contingent liabilities

The company has entered into rental agreement concerning Amaliegade 27, 1., 1256 Copenhagen. The lease is interminable until 31 March 2022, after which the lease has a notice of termination of 6 months. The residual payment amounts to DKK 1,5m at 31 December 2020.

If the company terminates its lease before 31 March 2024, the company is obliged to pay DKK 500.00 for the leasehold improvements.

The annual report for IK Investment Partners 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.

Income statement

Gross profit

Gross profit comprises the revenue, direct costs, and external costs.

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

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Direct costs comprises costs of services.

Other external costs comprise costs incurred for sales, advertising, administration and premises.

Staff costs

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

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

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.

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

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 comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	2-5 years

Minor assets with an expected useful life of less than 1 year are recognised 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 less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and 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 indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

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.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on 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 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”.

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.