



Insalvo ApS

Kongens Nytorv 5
1050 København K
CVR No. 27512321

Annual report 2023

The Annual General Meeting adopted the annual report on 19.02.2024

Søren Fryland Møller

Chairman of the General Meeting

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Entity details

Entity

Insalvo ApS

Kongens Nytorv 5

1050 København K

Business Registration No.: 27512321

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Executive Board

Andreas Herdichek Langfeldt

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Insalvo ApS for the financial year 01.01.2023 - 31.12.2023.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19.02.2024

Executive Board

Andreas Herdichek Langfeldt

Independent auditor's report

To the shareholder of Insalvo ApS

Opinion

We have audited the financial statements of Insalvo ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 19.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Kasper Ørtoft

State Authorised Public Accountant
Identification No (MNE) mne49073

Management commentary

Financial highlights

	2023	2022	2021	2020	2019
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Operating profit/loss	(2,973)	(3,504)	(297)	(253)	(77)
Net financials	77,088	(173,201)	289,075	530,931	103,594
Profit/loss for the year	56,767	(137,297)	225,306	489,287	95,809
Total assets	1,002,922	1,022,920	1,268,564	1,109,671	572,515
Equity	996,512	1,022,745	1,220,042	1,024,736	565,448
Ratios					
Return on equity (%)	5.62	(12.24)	20.07	61.54	18.16
Equity ratio (%)	99.98	99.98	96.18	92.35	98.77

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

Insalvo ApS is a long-term investor in listed and unlisted securities. It is part of the single-family office IPQ Capital. For further information, please refer to www.ipqcapital.com.

Development in activities and finances

The income statement for the period 01.01.23 - 31.12.23 shows a positive result of DKK 56,767 thousand. Prior year period 01.01.22 - 31.12.22 shows a negative result of DKK 137,297 thousand. The balance sheet shows equity of DKK 996,512 thousand. The management finds the year's result unsatisfactory.

Profit/loss for the year in relation to expected developments

Whilst better than 2022 (as predicted in last year's report), it is an unsatisfactory result given the development in financial markets, despite results on the listed investments being respectable. Nevertheless, we prefer to take a longer-term view.

The primary positive contribution to returns came from US Communication services, Information Technology, and European healthcare stocks. The primary negative contribution was from a low allocation to equities (and later in the year, longer-dated bonds) and an overweight of defensive sectors that have underperformed the market significantly in 2023.

Outlook

We expect the result in 2024 to improve compared with 2023, at around 8-12% of equity even though we expect financial markets to be as volatile or worse than 2022-2023, contrary to the current market consensus.

Highly pro-cyclical fiscal policies across the developed world at record low unemployment levels are unsustainable and will have to adjust. Either the fiscal thrust to growth turns negative along with broad money growth, which will impact growth negatively short term or persistent inflation forces a more drastic action later while depressing valuations.

This combined with parts of the US stock and bond market priced for perfection is usually not a great starting point for great equity returns in the shorter term. Conversely, some European and Emerging Market assets are valued at levels suggesting decision makers and policy makers will keep making missteps. While this is a very low bar to clear in terms of expectations, it is not a guarantee it will happen.

The prosperity of Western societies runs on technology and general scientific progress coupled with free markets, alongside cheap, reliable energy supplies. Both the pandemic and Russia's attack on Ukraine have provided stark reminders that this is the case. On a more positive note Artificial Intelligence (AI) is now a part of the global public conversation, driving forward technological change. Yet these basic lessons appear to be repeatedly forgotten, by especially European policy makers.

The current progress one observes in technology and science provide strong reasons to be long-term positive on equities and growth. We also continue to see a strong tailwind for development and deployment of health and fintech products and solutions. We have witnessed the companies in our portfolio build great products with Machine Learning first, and later AI. This trend of progress will continue.

Use of financial instruments

As a consequence of its investments, the company is generally exposed to financial risks, primarily share price exposure, interest rate risks and currency risks. The company also uses financial instruments to obtain exposure towards, or hedge risk from, different asset classes. It is an integral part of the company's business model to assume financial risks in its investments, and limits for and monitoring of such limits form part of the company's portfolio and risk models.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

		2023	2022
	Notes	DKK'000	DKK '000
Other external expenses		(2,973)	(3,504)
Gross profit/loss		(2,973)	(3,504)
Income from financial assets		(2,312)	2,217
Other financial income	1	112,062	60,355
Other financial expenses	2	(32,662)	(235,773)
Profit/loss before tax		74,115	(176,705)
Tax on profit/loss for the year	3	(17,348)	39,408
Profit/loss for the year	4	56,767	(137,297)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Other investments		18,144	17,308
Other receivables		0	5,600
Financial assets	5	18,144	22,908
Fixed assets		18,144	22,908
Receivables from group enterprises		49,121	53,981
Deferred tax	6	28,287	39,408
Other receivables		0	3,394
Receivables		77,408	96,783
Other investments		769,494	724,629
Other investments		769,494	724,629
Cash		137,876	178,600
Current assets		984,778	1,000,012
Assets		1,002,922	1,022,920

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Contributed capital	7	200	200
Retained earnings		939,312	939,545
Proposed dividend		57,000	83,000
Equity		996,512	1,022,745
Tax payable		6,227	0
Other payables		183	175
Current liabilities other than provisions		6,410	175
Liabilities other than provisions		6,410	175
Equity and liabilities		1,002,922	1,022,920
Employees	8		
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Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	200	939,545	83,000	1,022,745
Ordinary dividend paid	0	0	(83,000)	(83,000)
Profit/loss for the year	0	(233)	57,000	56,767
Equity end of year	200	939,312	57,000	996,512

Notes

1 Other financial income

	2023	2022
	DKK'000	DKK'000
Financial income from group enterprises	1,901	392
Other interest income	7,805	930
Exchange rate adjustments	43,230	41,425
Fair value adjustments	54,668	11,910
Other financial income	4,458	5,698
	112,062	60,355

2 Other financial expenses

	2023	2022
	DKK'000	DKK'000
Other interest expenses	333	287
Exchange rate adjustments	29,519	127,336
Fair value adjustments	880	105,727
Other financial expenses	1,930	2,423
	32,662	235,773

3 Tax on profit/loss for the year

	2023	2022
	DKK'000	DKK'000
Current tax	6,227	0
Change in deferred tax	10,588	(39,408)
Adjustment concerning previous years	533	0
	17,348	(39,408)

4 Proposed distribution of profit and loss

	2023	2022
	DKK'000	DKK'000
Ordinary dividend for the financial year	57,000	83,000
Retained earnings	(233)	(220,297)
	56,767	(137,297)

5 Financial assets

	Other investments DKK'000	Other receivables DKK'000
Cost beginning of year	18,481	5,600
Additions	3,148	0
Disposals	0	(5,600)
Cost end of year	21,629	0
Revaluations beginning of year	(1,173)	0
Revaluations for the year	(2,312)	0
Revaluations end of year	(3,485)	0
Carrying amount end of year	18,144	0

Key assumptions

Other investments consists primarily of investments through alternative investment funds and is considered illiquid in the short term.

Financial Instruments

The group trades in derivative financial instruments as part of the company's investment strategy. Derivative financial instruments are used to obtain effective exposure to, or hedge risks from, different types of assets.

At the end of 2023, share-related instruments accounted for 0% (2022: <25%) of the company's equity, currency related instruments less than 10% (2022: <10%) of the company's equity, interest-related instruments 0% (2022: 0%) of the company's equity and energy/raw materials-related instruments 0% (2022: <10%) of the company's equity.

6 Deferred tax

	2023 DKK'000	2022 DKK'000
Tax losses carried forward	28,287	39,408
Deferred tax	28,287	39,408

	2023 DKK'000	2022 DKK'000
Changes during the year		
Beginning of year	39,408	0
Recognised in the income statement	(11,121)	39,408
End of year	28,287	39,408

Deferred tax assets

Management assess that the recognized tax asset can be realized through future earnings within a period between 2-5 years.

7 Share capital

	Number	Par value DKK'000
Capital fund A	20	20
Capital fund B	180	180
	200	

8 Employees

The company has no employees apart from the management. Management remuneration is charged as a part of the management fee paid to IPQ Capital ApS from the daily operation of Insalvo ApS. In 2023, the management fee amounted to DKK 2,825,000 (2022: 2,900,000).

9 Fair value information

	Listed securities and Other Investments DKK'000	Unlisted securities and other investments DKK'000
Fair value end of year	769,493	18,144
Unrealised fair value adjustments recognised in the income statement	53,787	(2,312)

For details concerning valuation method reference is made to description under key assumption in note 5.

10 Contingent liabilities

The company has entered into investment contracts which commits the company to invest in two funds.

1) Total commitment of DKK 10,000 thousand, as of 31 December 2023, a total of DKK 7,400 thousand has been invested. The remaining commitment amounts to DKK 2,600 thousand as of 31 December 2023.

2) Total commitment of USD 2,500 thousand, as of 31 December 2023, a total of USD 1,500 thousand has been invested. The remaining commitment amounts to USD 1,000 thousand as of 31 December 2023.

The company is part of a Danish joint taxation with Equilibria as the management company. The company is therefore liable in accordance with the rules of the Corporation Tax Act regarding income taxes etc. for the jointly taxed companies and also for any obligations to withhold tax on interest, royalties and dividends for them jointly taxed companies. The joint taxed companies' total known net liability in the joint taxation appears from the management company's annual accounts.

11 Assets charged and collateral

As security for a debt of DKK 0 thousand. cash and securities have been pledged to credit institutions, the accounting value as of 31 December 2023 amounts to DKK 925.513 thousand.

12 Related parties with controlling interest

Søren Fryland Møller, Frederiksberg owns all shares in Equilibria, thus exercising control.

13 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Equilibria ApS, København K

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised in other receivables or other payables.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities such as distribution, sales and advertising, administration, premises and losses on debtors to the extent that they do not exceed normal write-downs.

Income from other fixed asset investments

Income from other fixed asset investments comprises gains in the form of interest, dividends, etc on fixed asset investments which are not investments in group enterprises or associates.

Other financial income

Other financial income comprises of dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise of interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Other investments

Other investments comprise primarily of investments in unlisted shares and investments through mutual funds, which are measured at fair value (market price) at the balance sheet date, which is considered illiquid in the short term.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other investments

Other current asset investments comprise of listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at fair value based on the latest valuation of the underlying investments.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Equilibria ApS, Business Reg. No. 25 16 55 35