martinsen
Rådgivning & Revision

Vektor Capital Investment ApS

Fruebjergvej 3, 2100 København Ø

Annual report

2020

Company reg. no. 32 79 00 54

The annual report was submitted and approved by the general meeting on the 24 June 2021.

David Owen
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS 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 DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of Vektor Capital Investment ApS for the financial year 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, 22 June 2021

Executive board

David Owen

Carsten Pedersen Rise

Independent auditor's report

To the shareholders of Vektor Capital Investment ApS

Opinion

We have audited the financial statements of Vektor Capital Investment ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position 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.

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 and 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, 22 June 2021

Martinsen
State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson
State Authorised Public Accountant
mne25346

Company information

The company	Vektor Capital Investment ApS Fruebjergvej 3 2100 København Ø	
	Company reg. no.	32 79 00 54
	Established:	18 March 2010
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December 11th financial year
Executive board	David Owen Carsten Pedersen Rise	
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø	
Parent company	SJO Enterprises Limited	
Associated enterprises	Vektor Kapital Holding A/S, Copenhagen Bertoni Group A/S, Copenhagen K/S Larbert, Copenhagen	

Management commentary

The principal activities of the company

Like previous years, the principal activities are finance and investment in debt certificates.

Events occurring after the end of the financial year

On April 30, 2020, the equity was increased with 58 mio. DKK by a debt conversion. The share capital was increased with 1 mio. DKK and the rest, 57 mio. DKK, as share premium.

Accounting policies

The annual report for Vektor Capital 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.

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

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 incurred 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.

Results from equity investments in associates

After full elimination of intercompany profit or loss less amortised of consolidated goodwill, the equity investment in the individual associates are recognised in the income statement as a proportional share of the associate' post-tax profit or loss.

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

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in associates 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.

Investments

Equity investments in associates

Equity investments in associates are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Equity investments in associates are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in group enterprises, associates and equity interests but are not represented in the parent, the following accounting policies have been applied.

Equity investments in associates with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in associates are transferred to the reserve under equity for net revaluation according to the equity method. The reserve is adjusted by other equity movements in associates.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

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 fair value. The measurement is made on the basis of relevant accounting records.

Receivables

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

Accounting policies

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.

Cash on hand and demand deposits

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

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

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.

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.

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.

Accounting policies

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

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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

Income statement 1 January - 31 December

All amounts in DKK.

Note		2020	2019
	Gross loss	**-1.221.997**	**-143.813**
	Income from equity investments in associates	17.826.552	25.855.704
	Other financial income	4.046.896	2.259.739
1	Other financial costs	-981.151	-3.218.853
	Pre-tax net profit or loss	**19.670.300**	**24.752.777**
	Tax on net profit or loss for the year	246	-140.000
	Net profit or loss for the year	**19.670.546**	**24.612.777**
	Proposed appropriation of net profit:		
	Reserves for net revaluation according to the equity method	12.826.552	15.855.704
	Transferred to retained earnings	6.843.994	8.757.073
	Total allocations and transfers	**19.670.546**	**24.612.777**

Statement of financial position at 31 December

All amounts in DKK.

Note	Assets	2020	2019
	Non-current assets		
2	Equity investments in associates	147.235.425	134.093.873
3	Other financial instruments and equity investments	18.095.170	14.904.469
	Total investments	165.330.595	148.998.342
	Total non-current assets	**165.330.595**	**148.998.342**
	Current assets		
	Receivables from group enterprises	143.934	0
	Receivables from associates	1.143.658	2.070.658
	Income tax receivables	0	246.510
	Total receivables	1.287.592	2.317.168
	Cash on hand and demand deposits	1.651.301	1.357.579
	Total current assets	**2.938.893**	**3.674.747**
	Total assets	**168.269.488**	**152.673.089**

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities

Note		2020	2019
	Equity		
4	Contributed capital	6.000.000	5.000.000
5	Reserve for net revaluation according to the equity method	80.893.424	68.066.872
6	Retained earnings	81.314.337	17.470.342
	Total equity	**168.207.761**	**90.537.214**
	Liabilities other than provisions		
	Trade payables	60.000	60.000
	Payables to group enterprises	0	61.760.750
	Other payables	1.727	315.125
	Total short term liabilities other than provisions	61.727	62.135.875
	Total liabilities other than provisions	**61.727**	**62.135.875**
	Total equity and liabilities	**168.269.488**	**152.673.089**

7 Contingencies

Notes

All amounts in DKK.

		2020	2019
1.	**Other financial costs**		
	Financial costs, group enterprises	947.984	3.191.951
	Other financial costs	33.167	26.902
		981.151	**3.218.853**
2.	**Equity investments in associates**		
	Cost 1 January 2020	27.001	27.002
	Additions during the year	315.000	0
	Disposals during the year	0	-1
	Cost 31 December 2020	**342.001**	**27.001**
	Revaluation, opening balance 1 January 2020	134.066.872	108.211.167
	Net profit or loss for the year before amortisation of goodwill	17.826.552	25.855.704
	Reversals for the year concerning disposals	0	1
	Dividend	-5.000.000	0
	31 December 2020	**146.893.424**	**134.066.872**
	Carrying amount, 31 December 2020	**147.235.425**	**134.093.873**

Associated enterprises:

	Domicile	**Equity interest**
Vektor Kapital Holding A/S	Copenhagen	33,33 %
Bertoni Group A/S	Copenhagen	33,33 %
K/S Larbert	Copenhagen	10,00 %

Notes

All amounts in DKK.

		31/12 2020	31/12 2019
3.	**Other financial instruments and equity investments**		
	Cost 1 January 2020	11.103.771	11.978.664
	Disposals during the year	-439.614	-874.893
	Cost 31 December 2020	**10.664.157**	**11.103.771**
	Revaluation 1 January 2020	3.800.698	2.992.655
	Revaluations for the year	3.630.315	808.043
	Revaluation 31 December 2020	**7.431.013**	**3.800.698**
	Carrying amount, 31 December 2020	**18.095.170**	**14.904.469**

4.	**Contributed capital**		
	Contributed capital 1 January 2020	6.000.000	5.000.000
		6.000.000	**5.000.000**

On April 30, 2020, the equity was increased with 58 mio. DKK by a debt conversion. The share capital was increased with 1 mio. DKK and the rest, 57 mio. DKK, as share premium.

5.	**Reserve for net revaluation according to the equity method**		
	Reserves for net revaluation 1 January 2020	68.066.872	52.211.168
	Share of profit or loss	12.826.552	15.855.704
		80.893.424	**68.066.872**

6.	**Retained earnings**		
	Retained earnings 1 January 2020	74.470.343	8.713.269
	Retained earnings for the year	6.843.994	8.757.073
		81.314.337	**17.470.342**

Notes

All amounts in DKK.

7. Contingencies

Contingent assets

The company has a deferred tax asset of 1.030.000 DKK which is not included in the annual accounts due to an uncertainty of when it can be used.