



InQvation ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 37911488

Annual report 2020

The Annual General Meeting adopted the
annual report on 26.05.2021

Trine Bøgelund
Conductor

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	8
Balance sheet at 31.12.2020	9
Statement of changes in equity for 2020	11
Notes	12
Accounting policies	14

Entity details

Entity

InQvation ApS

Erik Husfeldts Vej 7

2630 Taastrup

CVR No.: 37911488

Registered office: Høje Taastrup

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Niels Erik Blangstrup Zibrandtsen, Chairman

Anders Leonhard Friedl

Claus Zibrandtsen

Executive Board

Claus Zibrandtsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of InQvation ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

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

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

Taastrup, 26.05.2021

Executive Board

Claus Zibrandtsen
CEO

Board of Directors

Niels Erik Blangstrup Zibrandtsen
Chairman

Anders Leonhard Friedl

Claus Zibrandtsen

Independent auditor's report

To the shareholder of InQvation ApS

Opinion

We have audited the financial statements of InQvation ApS for the financial year 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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.

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, 26.05.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Primary activities

inQvation is a start-up development firm helping entrepreneurs succeed. With people, with resources, with money. inQvation turns great ideas into healthy start-ups themselves, helps businesses take the next step with a very hands-on approach, and puts a roof over the head of tech entrepreneurs and start-ups. In other words, inQvation is an investor, a home for entrepreneurs, and a creator of start-ups.

Description of material changes in activities and finances

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of TDKK -15,560, and the Balance Sheet at 31 December 2020 a balance sheet total of TDKK 107,062 and an equity of TDKK 2,987.

Management finds the result in accordance with the plan for the year 2020, and is satisfied with the progress and development of the company according to the long term plan. Management believes that progress of 2020 is well within the threshold of the overall plan and therefore the result is considered as satisfactory.

During 2020 half of the company's shareholder capital was lost. The management is aware that the company is subject to the Danish Companies Act on capital losses. The Executive board has presented a plan for recapitalization. The share capital will be recapitalised firstly by future profit or secondly by conversion of debt.

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 2020

	Notes	2020 DKK	2019 DKK
Gross profit/loss		(2,978,914)	(4,166,571)
Staff costs	1	(11,675,108)	(8,954,669)
Depreciation, amortisation and impairment losses		(14,560)	(14,560)
Operating profit/loss		(14,668,582)	(13,135,800)
Income from investments in group enterprises		(1,563,537)	(1,318,378)
Other financial income from group enterprises		124,899	0
Other financial income		356,908	369,877
Impairment losses on financial assets		2,522,240	(2,522,254)
Other financial expenses	2	(3,512,948)	(1,832,925)
Profit/loss before tax		(16,741,020)	(18,439,480)
Tax on profit/loss for the year	3	1,180,901	2,131,693
Profit/loss for the year		(15,560,119)	(16,307,787)
Proposed distribution of profit and loss			
Retained earnings		(15,560,119)	(16,307,787)
Proposed distribution of profit and loss		(15,560,119)	(16,307,787)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		17,057	31,617
Property, plant and equipment		17,057	31,617
Investments in associates		18,138,779	15,700,000
Other investments		68,952,713	39,441,455
Other receivables		5,130,787	12,646,367
Financial assets		92,222,279	67,787,822
Fixed assets		92,239,336	67,819,439
Trade receivables		474,376	821,666
Receivables from group enterprises		507,137	1,566,127
Receivables from associates		0	73,578
Deferred tax		5,000	1,813
Other receivables		4,827,295	274,606
Income tax receivable		309,871	2,128,631
Joint taxation contribution receivable		862,720	0
Prepayments		232,227	0
Receivables		7,218,626	4,866,421
Cash		7,603,711	28,553
Current assets		14,822,337	4,894,974
Assets		107,061,673	72,714,413

Equity and liabilities

	Notes	2020 DKK	2019 DKK
Contributed capital		150,000	150,000
Retained earnings		2,836,844	18,396,963
Equity		2,986,844	18,546,963
Other payables		1,024,318	346,683
Non-current liabilities other than provisions	4	1,024,318	346,683
Trade payables		104,109	961,466
Payables to group enterprises		100,448,419	51,399,783
Other payables		2,292,008	1,316,589
Deferred income		205,975	142,929
Current liabilities other than provisions		103,050,511	53,820,767
Liabilities other than provisions		104,074,829	54,167,450
Equity and liabilities		107,061,673	72,714,413
Unrecognised rental and lease commitments	5		
Contingent liabilities	6		
Group relations	7		

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	150,000	18,396,963	18,546,963
Profit/loss for the year	0	(15,560,119)	(15,560,119)
Equity end of year	150,000	2,836,844	2,986,844

Notes

1 Staff costs

	2020	2019
	DKK	DKK
Wages and salaries	9,815,362	7,619,362
Pension costs	948,009	582,360
Other social security costs	36,761	48,267
Other staff costs	874,976	704,680
	11,675,108	8,954,669
Average number of full-time employees	16	12

2 Other financial expenses

	2020	2019
	DKK	DKK
Financial expenses from group enterprises	3,013,908	1,827,500
Other interest expenses	499,040	5,425
	3,512,948	1,832,925

3 Tax on profit/loss for the year

	2020	2019
	DKK	DKK
Change in deferred tax	(3,187)	(3,062)
Adjustment concerning previous years	(314,994)	0
Refund in joint taxation arrangement	(862,720)	(2,128,631)
	(1,180,901)	(2,131,693)

4 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK	Outstanding after 5 years 2020 DKK
Other payables	1,024,318	1,024,318
	1,024,318	1,024,318

5 Unrecognised rental and lease commitments

Unrecognised rental and lease commitments until maturity amounts to 3,154,340 DKK.

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where LNZ Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

7 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

LNZ Holding Zibra ApS
 Høveltevej 67
 DK-3460 Birkerød
 CVR-no. 39 18 89 96

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises 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.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise 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.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

Other fixtures and fittings, tools and equipment

3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

The carrying amount of tangible fixed assets is reviewed annually to determine whether there is an indication of impairment beyond the annual depreciation. If this is the case, a write-down is made to the lower of recoverable amount and carrying amount

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Other investments

Investments in unlisted companies are recognised in the balance sheet at cost. The cost includes the purchase consideration calculated at fair value plus direct acquisition costs. Where the net realisable value is lower than cost, the investments are written down to this lower value. Realised and unrealised capital gains and losses are recognised in the income statement

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.

Tax payable or receivable

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.