



InQvation ApS

Erik Husfeldts Vej 7
2630 Taastrup
CVR No. 37911488

Annual report 2019

The Annual General Meeting adopted the
annual report on 14.08.2020

Moustafa Mahmoud Moustafa
Conductor

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Entity details

Entity

InQvation ApS

Erik Husfeldts Vej 7

2630 Taastrup

CVR No.: 37911488

Registered office: Høje Taastrup

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Niels Erik Blangstrup Zibrandtsen, Chairman

Claus Zibrandtsen

Anders Leonhard Friedl

Executive Board

Claus Zibrandtsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

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 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 14.08.2020

Executive Board

Claus Zibrandtsen
CEO

Board of Directors

Niels Erik Blangstrup Zibrandtsen
Chairman

Claus Zibrandtsen

Anders Leonhard Friedl

Independent auditor's report

To the shareholder of InQvation ApS

Opinion

We have audited the financial statements of InQvation ApS for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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, 14.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

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 2019 - 31 December 2019 shows a result of TDKK - 16,308 and the Balance Sheet at 31 December 2019 a balance sheet total of TDKK 72,714 and an equity of TDKK 18,547.

Management finds the result in accordance with the plan for the year 2019, and is satisfied with the progress and development of the company according to the long term plan. Management believes that progress of 2019 is well within the threshold of the overall plan and therefore the result is considered as satisfactory.

The parent company has in the financial year injected funds of TDKK 25,000.

Events after the balance sheet date

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially. So far the COVID-19 outbreak at the beginning of 2020 has not had any material effect on the Entity's financial position and development. The Entity is closely monitoring any potential impact from the COVID -19 on the Entity's business.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(4,166,571)	(4,031,628)
Staff costs	1	(8,954,669)	(6,185,760)
Depreciation, amortisation and impairment losses		(14,560)	(14,560)
Operating profit/loss		(13,135,800)	(10,231,948)
Income from investments in group enterprises		(1,318,378)	(415,454)
Other financial income		369,877	228,166
Impairment losses on financial assets	2	(2,522,254)	0
Other financial expenses	3	(1,832,925)	(268,354)
Profit/loss before tax		(18,439,480)	(10,687,590)
Tax on profit/loss for the year	4	2,131,693	(1,249)
Profit/loss for the year		(16,307,787)	(10,688,839)
Proposed distribution of profit and loss			
Retained earnings		(16,307,787)	(10,688,839)
Proposed distribution of profit and loss		(16,307,787)	(10,688,839)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		31,617	46,177
Property, plant and equipment		31,617	46,177
Investments in group enterprises		0	0
Investments in associates		15,700,000	2,500,000
Other investments		39,441,455	11,790,000
Other receivables		12,646,367	10,078,562
Other financial assets		67,787,822	24,368,562
Fixed assets		67,819,439	24,414,739
Trade receivables		821,666	347,565
Receivables from group enterprises		1,566,127	2,791,340
Receivables from associates		73,578	244,781
Deferred tax		1,813	0
Other receivables		274,606	408,780
Income tax receivable		2,128,631	0
Prepayments		0	72,507
Receivables		4,866,421	3,864,973
Cash		28,553	264,689
Current assets		4,894,974	4,129,662
Assets		72,714,413	28,544,401

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		150,000	100,000
Retained earnings		18,396,963	9,754,750
Equity		18,546,963	9,854,750
Deferred tax		0	1,252
Provisions		0	1,252
Other payables		346,683	0
Non-current liabilities other than provisions		346,683	0
Trade payables		961,466	405,782
Payables to group enterprises		51,399,783	17,211,036
Other payables		1,316,589	793,631
Deferred income		142,929	277,950
Current liabilities other than provisions		53,820,767	18,688,399
Liabilities other than provisions		54,167,450	18,688,399
Equity and liabilities		72,714,413	28,544,401
Contingent liabilities	5		
Related parties with controlling interest	6		
Group relations	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	9,754,750	9,854,750
Increase of capital	50,000	24,950,000	25,000,000
Profit/loss for the year	0	(16,307,787)	(16,307,787)
Equity end of year	150,000	18,396,963	18,546,963

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	8,211,906	5,342,240
Pension costs	582,360	516,218
Other social security costs	48,267	23,562
Other staff costs	112,136	303,740
	8,954,669	6,185,760
Average number of full-time employees	14	8

2 Impairment losses on financial assets

During the financial period the company has recognized an impairment loss on one of its investments, due to uncertainty related to the underlying business case. The impairment amounts to DKK 2,522 and addresses the expected risk of the investment. After the impairment there is no further risk related to the investment.

3 Other financial expenses

	2019	2018
	DKK	DKK
Financial expenses from group enterprises	1,827,500	254,900
Other interest expenses	5,425	13,454
	1,832,925	268,354

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Change in deferred tax	(3,062)	1,249
Refund in joint taxation arrangement	(2,128,631)	0
	(2,131,693)	1,249

5 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.

6 Related parties with controlling interest

Zibra A/S, Høveltevej 67, 3460 Birkerød

Zibra Holding ApS, Høveltevej 67, 3460 Birkerød

LNZ Holding Zibra ApS, Høveltevej 67, 3460 Birkerød

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.

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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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 dividends etc received from the individual group enterprises in the financial year.

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, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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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.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

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

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date, and unlisted equity investments measured at the lower of cost and net realisable value.

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.

Income 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.

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.