



Vækstfabrikken Innovation House ApS

Gammel Kongevej 11
1610 København V
CVR No. 37942820

Annual report 2019

The Annual General Meeting adopted the
annual report on 11.06.2020

Mads Váczy Kragh

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's extended review report	4
Management commentary	6
Income statement for 2019	7
Balance sheet at 31.12.2019	8
Statement of changes in equity for 2019	10
Notes	11
Accounting policies	12

Entity details

Entity

Vækstfabrikken Innovation House ApS

Gammel Kongevej 11

1610 København V

CVR No.: 37942820

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Marianna Teresa Grzymala-Lubanski

Ying Li

Liu Qing

Helge Lykke Kristensen

Executive Board

Mads Váczy Kragh, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Tværkajen 5

P. O. Box 10

5100 Odense

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Vækstfabrikken Innovation House 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.

Copenhagen, 11.06.2020

Executive Board

Mads Váczy Kragh
CEO

Board of Directors

Marianna Teresa Grzymala-Lubanski

Ying Li

Liu Qing

Helge Lykke Kristensen

Independent auditor's extended review report

To the shareholders of Vækstfabrikken Innovation House ApS

Conclusion

We have performed an extended review of the financial statements of Vækstfabrikken Innovation House 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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.

Odense, 11.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Per Krause Therkelsen

State Authorised Public Accountant
Identification No (MNE) mne19698

Management commentary

Primary activities

The Company's objective is to provide incubation services to Asian enterprises wishing to enter Northern Europe and to Danish enterprises with interest in the Asian market.

Development in activities and finances

Vækstfabrikken Innovation House China Denmark ApS is a development company with the intention to create a sustainable business incubator for Chinese businesses wanting to enter the Danish market and Danish businesses seeking toward Asia. The partners of the company transferred the last 2 million DKK in 2019 of the agreed 4 million DKK to create a sustainable business incubator within a three-year period from September 2016. There is no plans of additional capital grants in the nearby future.

It has been an area of focus again in 2019 to create financial balance in the operation of the premises of Vækstfabrikken Innovation House.

It was therefore decided in the start of 2019 to physically relocate Vækstfabrikken Innovation House to a more cost-efficient location in the center of Copenhagen, which was effectuated in August of 2019. The move has made the operation financially balanced in the second half of 2019.

The deficit of 2019 is primarily due to staff-related resources spent on recruitment and content to the businesses that reside on the premises of Innovation House and the high rent in the first 8 months of 2019. As a result of the loss for the year, the share capital is lost, but the income- and expense-ratio now match much better than before.

The Danish Authorities has stated that Erhvervshus Sjælland as a semi public organization, can't be involved in activities such as business incubators in the Copenhagen region and therefore has to end its commitment and involvement in Vækstfabrikken Innovation House as soon as possible. Erhvervshus Sjælland is therefore in talks with a potential organization, that can take over Erhvervshus Sjællands commitment and ownership of Vækstfabrikken Innovation House before the summer, so that the activities can continue going forward.

The Covid-19 epidemic has so far only had a minor impact on Vækstfabrikken Innovation House. In order to help out the members of the business incubator, the membership fee was halved in April and May and we haven't had any members cancel their membership as a result of the crisis. We hope and expect that this also will be so in the nearby future.

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 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(181,034)	(635,856)
Staff costs	1	(575,448)	(93,389)
Operating profit/loss		(756,482)	(729,245)
Other financial expenses		(8,002)	(1,240)
Profit/loss for the year		(764,484)	(730,485)
Proposed distribution of profit and loss			
Retained earnings		(764,484)	(730,485)
Proposed distribution of profit and loss		(764,484)	(730,485)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Deposits		71,604	142,500
Other financial assets	2	71,604	142,500
Fixed assets		71,604	142,500
Trade receivables		2,700	16,138
Other receivables		156,953	136,192
Prepayments		3,279	60,756
Receivables		162,932	213,086
Cash		515,433	341,215
Current assets		678,365	554,301
Assets		749,969	696,801

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		200,000	100,000
Share premium		1,900,000	0
Retained earnings		(2,156,129)	(1,391,643)
Equity		(56,129)	(1,291,643)
Other payables		18,800	0
Non-current liabilities other than provisions	3	18,800	0
Trade payables		15,848	103,709
Payables to group enterprises		295,838	1,417,446
Other payables		138,094	96,489
Deferred income		337,518	370,800
Current liabilities other than provisions		787,298	1,988,444
Liabilities other than provisions		806,098	1,988,444
Equity and liabilities		749,969	696,801
Contingent liabilities	4		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	0	(1,391,645)	(1,291,645)
Increase of capital	100,000	1,900,000	0	2,000,000
Profit/loss for the year	0	0	(764,484)	(764,484)
Equity end of year	200,000	1,900,000	(2,156,129)	(56,129)

The increase of capital consists of DKK 978.000 in cash and DKK 1.022.000 in remission of debt.

Notes

1 Staff costs

	2019 DKK	2018 DKK
Average number of full-time employees	1	1

2 Financial assets

	Deposits DKK
Cost beginning of year	142,500
Additions	71,604
Disposals	(142,500)
Cost end of year	71,604
Carrying amount end of year	71,604

3 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	18,800
	18,800

4 Contingent liabilities

The company has entered into a rental contract for 1 property with an annual fee of 286.4k DKK. The contract is terminable at three months' notice.

The Entity participates in a Danish joint taxation arrangement where Vækstfabrikkerne 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, which is limited to the equity interest by which the entity participates in the Group, as well as 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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue 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.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

Balance sheet

Receivables

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

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.