

EAF Proceidius K/S
Klampenborgvej 248, 1. mf.
2800 Kongens Lyngby
Business Registration No
38350102

Annual report 2018

The Annual General Meeting adopted the annual report on 29.03.2019

Chairman of the General Meeting

Name: Jan Bjerrum Bach

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Entity details

Entity

EAF Procedius K/S
Klampenborgvej 248, 1. mf.
2800 Kongens Lyngby

Central Business Registration No (CVR): 38350102
Registered in: Lyngby-taarbæk
Financial year: 01.01.2018 - 31.12.2018

Executive Board

Ole Skov

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of EAF Proceadius K/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

I 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.

Rudersdal, 29.03.2019

Executive Board

Ole Skov

Independent auditor's report

To the shareholders of EAF Proceidius K/S

Opinion

We have audited the financial statements of EAF Proceidius K/S for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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:

Independent auditor's report

- 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.

Independent auditor's report

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.

København, 29.03.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Keld Juel Danielsen
State Authorised Public Accountant
Identification No (MNE) mne26741

Management commentary

Primary activities

The Limited Partnership's objective is to generate an attractive risk-adjusted return from investments in SMEs.

Development in activities and finances

This year's result is a deficit of DKK 59.268. The result is aligned with the owners expectations.

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 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Gross loss		(47.063)	(25)
Other financial expenses		(12.205)	0
Profit/loss before tax		(59.268)	(25)
Tax on profit/loss for the year		0	0
Profit/loss for the year		(59.268)	(25)
Proposed distribution of profit/loss			
Retained earnings		(59.268)	(25)
		(59.268)	(25)

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Other receivables		628.580	249
Receivables		628.580	249
Investments in associates		5.000.000	0
Other investments		21.658.156	14.830
Other investments		26.658.156	14.830
Cash		10.772	1
Current assets		27.297.508	15.080
Assets		27.297.508	15.080

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital	2	27.356.996	15.010
Retained earnings		<u>(84.488)</u>	<u>(25)</u>
Equity		<u>27.272.508</u>	<u>14.985</u>
Trade payables		<u>25.000</u>	<u>95</u>
Current liabilities other than provisions		<u>25.000</u>	<u>95</u>
Liabilities other than provisions		<u>25.000</u>	<u>95</u>
Equity and liabilities		<u>27.297.508</u>	<u>15.080</u>
Uncertainty relating to recognition and measurement	1		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	15.010.000	(25.220)	14.984.780
Increase of capital	12.346.996	0	12.346.996
Profit/loss for the year	0	(59.268)	(59.268)
Equity end of year	27.356.996	(84.488)	27.272.508

Notes

1. Uncertainty relating to recognition and measurement

The companies primary activity is to invest in small and startup enterprises, with the intention to help the investments onwards until a succesfull exit strategy can be performed.

Most of the investments are according to plan not realizing a profit or positive cash flow, and the equity value of the enterprises does there fore not represent the fair value of the investments. The investments in both associated companies and other investments are measured at cost, which is also often based on the latest market valuation of the investment.

Any profits from the investments are expected to be realized by a succesfull exit. Due to the nature of the investments there is a degree of uncertainty related to the valuation of these. Impairment of the investments are based on the managements best estimate of future profits from the investments.

2. Contributed capital

27.356.996 limited partnership interests of 1 kr.	<u>27.356.996</u>
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The limited partnership's capital is 46.000.000 limited partnership interests of 1 kr.	<u>46.000.000</u>
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Change in contributed capital from 01.01.2018 - 31.12.2018:

Contributed at the beginning of the year	15.010.000
Contributed at the end of the year	<u>12.346.996</u>
Contributed capital at the end of the year	<u>27.356.996</u>

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.

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 external expenses.

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.

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 as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

The limited partnership is not an independent taxpayer and therefore no tax has been recognized in the financial statements. The limited partners are taxed by their share of the limited company's tax profit.

Balance sheet

Receivables

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

Accounting policies

Investments in associates (current assets)

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

Other investments

Other current asset investments comprise investments measured at the lower of cost and net realisable value.

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.