



EAF Proceidius K/S

Klampenborgvej 248, 1.
2800 Kongens Lyngby
CVR No. 38350102

Annual report 2019

The Annual General Meeting adopted the
annual report on 08.04.2020

Jan Bjerrum Bach

Chairman of the General Meeting

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Entity details

Entity

EAF Procecius K/S

Klampenborgvej 248, 1.

2800 Kongens Lyngby

CVR No.: 38350102

Registered office: Lyngby-Taarbæk

Financial year: 01.01.2019 - 31.12.2019

Executive Board

Ole Skov

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Executive Board have today considered and approved the annual report of EAF Proceidius K/S for the financial year 01.01.2019 - 31.12.2019.

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

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

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

Rudersdal, 08.04.2020

Executive Board

Ole Skov

Independent auditor's report

To the shareholders of EAF Procedius K/S

Opinion

We have audited the financial statements of EAF Procedius K/S 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, 08.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 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.

Description of material changes in activities and finances

This year's result is aligned with the owners' expectations.

Events after the balance sheet date

Since the balance sheet date, one portfolio company has been written off completely, representing a reduction in book value of DKK 6 million. At the time of writing this, the World is impacted by the outbreak of the "Corona" virus, resulting in a lock-down of much business activity internationally. While this has a negative impact, and while it is currently difficult to assess the full impact, it is Management's assessment that, apart from the above write-off, the book value of the other portfolio companies as per 31st December, 2019 remains intact.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(12,500)	(47,063)
Other financial expenses		(11,090)	(12,205)
Profit/loss for the year		(23,590)	(59,268)
Proposed distribution of profit and loss			
Retained earnings		(23,590)	(59,268)
Proposed distribution of profit and loss		(23,590)	(59,268)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other receivables		0	628,580
Receivables		0	628,580
Investments in associates		6,000,000	5,000,000
Other investments		27,875,731	21,658,156
Other investments		33,875,731	26,658,156
Cash		11,214	10,772
Current assets		33,886,945	27,297,508
Assets		33,886,945	27,297,508

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		33,976,273	27,356,996
Retained earnings		(108,078)	(84,488)
Equity		33,868,195	27,272,508
Trade payables		18,750	25,000
Current liabilities other than provisions		18,750	25,000
Liabilities other than provisions		18,750	25,000
Equity and liabilities		33,886,945	27,297,508

Uncertainty relating to recognition and measurement

1

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	27,356,996	(84,488)	27,272,508
Increase of capital	6,619,277	0	6,619,277
Profit/loss for the year	0	(23,590)	(23,590)
Equity end of year	33,976,273	(108,078)	33,868,195

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.

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 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.

Balance sheet

Receivables

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

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.