LNZ Holding Zibra ApS

Høveltevej 67

3460 Birkerød

CVR No. 39188996

Annual Report 2018

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 24 May 2019

Trine Bøgelund
Chairman

Contents

Management's Statement

Today, the Executive Board have considered and adopted the Annual Report of LNZ Holding Zibra ApS for the financial year1 January 2018 - 31 December 2018.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Group's and the Company's operations and the Group's cash flows for the financial year 1 January 2018 - 31 December 2018.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Furesø, 24 May 2019

Executive Board

Lisbeth Neel Zibrandtsen
CEO

Independent Auditor’s Report

To the shareholders of LNZ Holding Zibra ApS

Opinion
We have audited the consolidated financial statements and the parent financial statements of LNZ Holding Zibra ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2018 and of the results of its operations and cash flows for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under “Auditors' responsibility for the audit of the consolidated financial statements and the financial statements”. As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Group and the Company, 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 responsibility for the financial statements
Management is responsible for the preparation of consolidated financial statements and financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, Management is responsible for assessing the Group's and the Company's ability to continue as a going concern; disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting in preparing the consolidated financial statements and the financial statements unless Management either intends to either liquidate the Group and the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the consolidated financial statements and the financial statements
Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements and the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these consolidated financial statements and financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

* Identify and assess the risk of material misstatements in the consolidated financial statements and 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

Independent Auditor's Report

not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.

* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Grpou's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may imply that the Group and the Company can no longer remain a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the consolidated financial statements and the financial statements reflect 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 which we identify during our audit.

Independent Auditor's Report

Statement on Management's Review
Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the consolidated financial statements and the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements and the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the consolidated financial statements and the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 24 May 2019

DELOITTE STATSAUTORISERET
REVISIONSPARTNERSELSKAB
CVR-no. 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
mne31482

Company details

Company	LNZ Holding Zibra ApS Høveltevej 67 3460 Birkerød
CVR No.	39188996
Financial year	1 January 2018 - 31 December 2018
Executive Board	Lisbeth Neel Zibrandtsen, CEO
Auditors	DELOITTE STATSAUTORISERET REVISIONSPARTNERSELSKAB Weidekampsgade 6 DK-2300 København S CVR-no.: 33963556

Management's Review

The Group's principal activities
The Group's main focus is investment activity within the areas of Tech, IoT, Telecom, Security & Media and Asset Management. Significant portions of the investments are within start-ups through the subsidiary inQvation ApS.

Profit/loss for the year compared to expectations
The Group's EBIT was tDKK -66.402. The Group presents a profit of tDKK -106.798.

Management finds the result in accordance with the plan for the year 2018 and is satisfied with the progress and development of the Group companies according to the long term plan. Management believes that the progress of 2018 is well within the threshold of the overall plan and therefore the result is considered as satisfactory.

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of tDKK -73.673 and the Balance Sheet of the Group at 31 December 2018 an equity of tDKK 768.553.

During the year the last ownership portion of GlobalConnect was divested.

Significant events after the end of the financial year
No events have occurred from the balance sheet date until the date of signature that could change the assessment of the Group's financial position.

Future expectations
The Group expects that the core business of its companies will grow in 2019 with a positive effect on revenue and result of the year. The Group will continue to invest in start-ups and other interesting business' during 2019 in accordance with the long-term investment plan, devised by management and owners.

Environmental situation
The Group is working on optimizing its energy consumption in order to contribute to the reduction of global CO2 emissions. The Group is continuously working to exert influence on legislators so that environmental economically sound laws overrule the economically inexpedient laws within the boundaries of Community Social Responsibility. The Group considers cooperation between the public sector and the industry very important and is therefore actively seeking to promote such partnerships.

Research and development activities
The Group is actively focused on innovation and the start-up environment in particular and aims to apply the newest technologies in all areas possible. During 2018 the inQvation center in Taastrup was opened and today houses more than 20+ Tech & IoT start-ups.

The Group is working together with research institutions and development companies in order to support the development of disciplines within the telecommunications and knowledge industry. Moreover, the Group has development activities within the field of big data, IOT and encrypting data in motion and cooperates with accelerator programs.

Management's Review

Consolidation

Company included in the consolidation:

LNZ Holding Zibra ApS	Furesø, Denmark	100%	nom. DKK 50.000
Zibra Holding ApS	Furesø, Denmark	70%	nom. DKK 50.000
Zibra Family Office ApS	Furesø, Denmark	70%	nom. DKK 50.000
Zibra A/S	Furesø, Denmark	70%	nom. DKK 500.000
Zibrasport ApS	Taastrup, Denmark	70%	nom. DKK 100.000
InQvation ApS	Taastrup, Denmark	70%	nom. DKK 100.000
InSpring ApS	Taastrup, Denmark	70%	nom. DKK 50.000
BornFiber ApS	Taastrup, Denmark	70%	nom. DKK 50.000
BornFiber Service Provider ApS	Taastrup, Denmark	70%	nom. DKK 100.000
Baltic Axis ApS	Taastrup, Denmark	70%	nom. DKK 50.000
Zibra Invest II ApS	Taastrup, Denmark	70%	nom. DKK 50.000
ZibraWireless ApS	Taastrup, Denmark	70%	nom. DKK 100.000
MOOT ApS	Taastrup, Denmark	70%	nom. DKK 100.000
Zibra Digital Media Group ApS	Taastrup, Denmark	70%	nom. DKK 100.000
Heartbeats ApS	Copenhagen, Denmark	56%	nom. DKK 100.000
Zibra Invest III ApS	Taastrup, Denmark	70%	nom. DKK 100.000
Zybersafe ApS	Taastrup, Denmark	61%	nom. DKK 500.000
Zibra Ejendomme ApS	Taastrup, Denmark	70%	nom. DKK 50.000
Erik Husfeldts Vej 7 ApS	Taastrup, Denmark	70%	nom. DKK 100.000
Zibra Ejendomme NewCo ApS	Taastrup, Denmark	70%	nom. DKK 50.000
Bregnerødgård ApS	Furesø, Denmark	70%	nom. DKK 100.000
ZS Portugal	Almerin, Portugal	70%	

Key Figures and Financial Ratios

Comparisen figures includes activity of 8 days in the income statement.
For definitions of key ratios, see Accounting and Valuation Principles.

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2018	**2017**
Group		
Gross profit	13.318	-5
Operating profit/loss	-66.402	-5
Profit/loss for the year	-106.798	-6
Net financial income and expenses	-36.352	0
Total fixed assets	981.677	1.119.845
Investment in non-current assets	95.662	744.143
Total equity	93.457	94.489
Cash flows from operating	-43.758	-23.881
Cash flows from investment-related activities	135.332	0
Cash flows from financing activities	-32.194	-10.275
Total cash flows	59.380	-34.156
Return on equity (ROE) (%)	-12,2	0
Solvency ratio (%)	80,41	78,29
Company gearing	1,24	1,28
Avg. number of full-time employees	108	0

Parent

Accounting Policies

Reporting Class
The Annual Report of LNZ Holding Zibra ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year, except for minor adjustments concerning classifications without effect on result and equity.

Business combinations
For business combinations the acquisition method is applied. According to this method, acquired assets and liabilities are recognised at fair value when control is gained of the entity regardless of whether or not the assets or liabilities have been recognised in the acquired entity. Any positive balance between the cost of the entity and the book value of the net assets are recognised as goodwill in the financial statements and amortised over the expected usefil life. Any negative balance is recognized directly in the income statement as negative goodwill. When assessing which entity is the acquired party in a business combination, the actual conditions are used as a starting point.

Reporting currency
The Annual Report is presented in Danish kroner.

Translation policies
On initial recognition, transactions in foreign currencies are translated at the exchange rates prevailing at the date of transaction. Gains and losses occurring due to differences between the transaction date rates and the rates at the date of payment are recognised as and item under Financial Income and Expenses in the Income Statement.

Receivables, debt and other monetary items denominated in a foreign currency are translated at the rate at the balance sheet date. The difference between the rate at the balance sheet date and the rate at the time when the receivable or payable occurred or was recognised in the latest Financial Statements is recognised in the Income Statement under Financial Income and Expenses.

Foreign subsidiaries and associates are considered separate entities. The income statements are translated into a monthly average rate of exchange and the balance sheet items are translated into the rates of exchange at the balance sheet date. Currency translation differences that occur when translating foreign subsidiaries' equity at the beginning of the year at the rates of exchange at the balance sheet date and when translating Income Statements from average rates at the rates of exchange at the balance sheet date are recognised directly in equity.

Translation adjustment of balances with separate foreign subsidiaries that is considered a part of the total investment in the subsidiary is recognised directly in equity. Similarly, foreign exchange gains and losses on loans and derivative financial instruments entered to assure net investments in foreign subsidiaries are recognised directly in equity.

Consolidated Financial Statements
The Consolidated Financial Statements comprise the parent company LNZ Holding Zibra ApS and subsidiaries in which LNZ Holding Zibra ApS directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates, cf. Group chart.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date

Accounting Policies

of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

Minority Interests
Items of the subsidiaries are recognised in the Consolidated Financial Statements by 100%. The minority interests' proportionate share of the subsidiaries result and equity is adjusted annually and are recognised as separate items under Income Statement and Balance Sheet.

General Information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss
The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue
Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Income from delivery of services is recognised as revenue as the service is delivered.

Income from construction contracts are recognised as revenue as production is carried out whereby revenue corresponds to the selling price of the work performed for the year.

Other sales revenues are recognised as revenue according to the invoicing principle.

Accounting Policies

Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

Cost of sales

Costs of sales are recognised concurrently with the related income and include purchase and cost price for sold goods during the year. Raw materials, consumables and indirect production costs are included in the cost price.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

General development costs, which cannot be related to a specific project, are expensed as they arise.

Staff expenses

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company’s employees. Repayments from public authorities are deducted from staff costs.

Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	5-7 years	0%
Consolidated Goodwill	10 years	0%
Goodwill	5 years	0%
Properties	20-40 years	0%
Plant and machinery	5-40 years	0%
Other fixtures and fittings, tools and equipment	3-5 years	0%
Leasehold improvements	5 years	0%

Land is not amortised.

Depreciation period and residule value are reassessed annualy.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under depreciatopns.

Result of equity investments in subsidiaries and associates

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

The proportionate shares of the associates' profit/loss after tax are recognised in both the group's and parent company's Income Statement after elimination of the proportionate share of intercompany profit/loss.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Accounting Policies

Tax on net profit/loss for the year
The parent company is subjected to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time when they are included in the consolidation in the Consolidated Financial Statement until they leave the consolidation.

The parent company is the administration company of the joint taxation and therefore settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is distributed by settling the joint taxation contributions between the jointly taxed enterprises in proportion to their taxable income. In this connection, enterprises with tax losses receive joint taxation contributions from enterprises that have been able to use these losses to reduce their own tax profit.

Tax for the year which comprises the current corporation tax for the year and any changes in deferred tax, including as a consequence of a change to the tax rate, is recognised by the part attributable to the profit/loss for the year and directly in equity by the part attributable to items directly in equity.

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets
Goodwill is measured at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Other intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses.

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

An impairment test of acquired intangible assets is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Accounting Policies

Tangible assets
Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

The cost of self-constructed assets comprises payroll and materials costs etc. directly incurred for the production as well as the share of the production costs indirectly attributable for this.

Tangible assets that are leased and meet the conditions for financial leasing are treated according to the same guidelines as those applying to purchased assets.

The cost of financially leased assets is measured at the lower value of the purchase prices according to the leases and the present value of the lease payments, determined on the basis of the interest rate implicit in the leases.

Equity investments in group enterprises and associates
Equity investments in group enterprises and associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

An impairment test of consolidated goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Equity investments accounted in consolidated financial statements in subsidiaries and associates are measured by the equity method.

Equity investments in subsidiaries and associates are measured at the proportionate share of the enterprises' equity value determined according to the group's accounting policies with deduction or addition of unrealised intercompany profit or loss and with the addition or deduction of the residual value of positive or negative goodwill determined according to the acquisition method.

Equity investments in subsidiaries and associates with a negative equity value are measured at DKK 0, and any receivable from these enterprises are written down in so far as the receivable is uncollectible. In so far as the parent company has a legal or actual obligation to cover a negative balance that exceeds the receivable, the residual amount is recognised in provisions.

Net revaluation of equity investments in subsidiaries and associates is tied up as reserve for net revaluation by the equity method in equity, in so far as the carrying amount exceeds the cost. Dividends from subsidiaries that are expected to be adopted before the annual report for LNZ Holding Zibra ApS is approved are not tied up in the revaluation reserve.

The acquisition method is used to purchase enterprises, cf. the above description under determination of goodwill.

Other investments
Other securities and equity investments are measured at the market value at the balance sheet date if they are listed, or at an estimated fair value if they are not.

Investments in unlisted companies are recognised in the balance sheed at cost. The cost includes the purchase consideration calculated at fair value plus direct acqusition 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.

Accounting Policies

Inventories
Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price. The cost of goods for resale, raw materials and consumables equals landed cost.

Biological animals is measured to the fair value subsequent to initial recognition.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued income, assets
Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Other securities and equity investments recognised in current assets
Other securities and equity investments that are listed are measured at market value at the balance sheet date. Other securities are measured at estimated fair value.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Other provisions
Other provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Financial liabilities
Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Accounting Policies

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

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Accruals and deferred income, equity and liabilities
Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Accounting policies Cash Flow Statement

The Cash Flow Statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flow from the operating activity is determined as the profit/loss for the year adjusted for changes in working capital and non-cash income statement items such as amortisation and impairment losses and provisions. The working capital comprises current assets less short-term liabilities, exclusive of the items that are included in cash and cash equivalents.

Cash flow from the investing activity comprises cash flows from purchase and sale of intangible, tangible and investments.

Cash flow from the financing activity comprises cash flows from raising and repaying long-term liabilities and payments to and from the owners.

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Return on equity (%) = $\frac{\text{Profit/loss for the year}}{\text{Avg. equity}}$

Equity interest (equity ratio) (%) = $\frac{\text{Total equity X 100}}{\text{Total liabilities}}$

Gearing (%) = $\frac{\text{Total liabilities X 100}}{\text{Total equity}}$

Income Statement

	Note	Group 2018 tkr.	Group 2017 tkr.	Parent 2018 tkr.	Parent 2017 tkr.
Gross Profit		**13.318**	**-5**	**-4**	**-2**
Employee benefits expense	1	-59.435	0	0	0
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-20.173	0	0	0
Profit from ordinary operating activities		**-66.290**	**-5**	**-4**	**-2**
Income from investments in group enterprises and associates		-112	0	-73.701	-3
Other finance income from group enterprises		0	0	32	0
Other finance income		10.523	0	0	0
Finance expences		-46.875	0	0	0
Profit from ordinary activities before tax		**-102.754**	**-5**	**-73.673**	**-5**
Tax expense on ordinary activities	2	-4.044	1	0	0
Profit		**-106.798**	**-4**	**-73.673**	**-5**

Balance Sheet as of 31 December

	Note	Group 2018 tkr.	Group 2017 tkr.	Parent 2018 tkr.	Parent 2017 tkr.
Assets					
Completed development projects	4	3.552	4.022	0	0
Goodwill	5	1.620	3.360	0	0
Development projects in progress	6	5.026	0	0	0
Intangible assets		**10.198**	**7.382**	**0**	**0**
Land and buildings	7	115.610	104.287	0	0
Plant and machinery	8	275.048	254.576	0	0
Fixtures, fittings, tools and equipment	9	11.751	9.129	0	0
Leasehold improvements	10	222	188	0	0
Property, plant and equipment		**402.631**	**368.180**	**0**	**0**
Long-term investments in group enterprises	11, 12	0	0	539.092	628.193
Long-term investments in associates	12, 13	18.747	366.581	0	0
Other long-term investments	14	111.463	0	0	0
Other long-term receivables	15	10.706	2.449	0	0
Investments		**140.916**	**369.030**	**539.092**	**628.193**
Fixed assets		**553.745**	**744.592**	**539.092**	**628.193**

Balance Sheet as of 31 December

		Group		Parent	
		2018	2017	2018	2017
	Note	tkr.	tkr.	tkr.	tkr.
Manufactured goods and goods for resale		2.151	1.886	0	0
Prepayments for goods		0	256	0	0
Biological assets	16	91.306	92.346	0	0
Inventories		**93.457**	**94.488**	**0**	**0**
Short-term trade receivables		4.007	2.246	0	0
Short-term receivables from group enterprises		0	0	902	0
Short-term receivables from associates		245	21.445	0	0
Short-term tax receivables		1.648	2.071	0	0
Other short-term receivables		20.311	31.440	0	0
Short-term receivables from owners and management		133	0	0	0
Prepaid expenses	17	6.074	2.034	0	0
Receivables		**32.418**	**59.236**	**902**	**0**
Other short-term investments		267.119	186.070	0	0
Short-term investments		**267.119**	**186.070**	**0**	**0**
Cash and cash equivalents		**34.938**	**36.605**	**0**	**0**
Current assets		**427.932**	**376.399**	**902**	**0**
Assets		**981.677**	**1.120.991**	**539.994**	**628.193**

Balance Sheet as of 31 December

	Note	Group 2018 tkr.	Group 2017 tkr.	Parent 2018 tkr.	Parent 2017 tkr.
Liabilities and equity					
Equity before minority interests					
Contributed capital		50	50	50	50
Sundry reserves		14.108	9.547	0	0
Retained earnings		524.848	618.594	493.568	612.741
Proposed dividend recognised in equity		0	0	45.500	15.400
Equity before minority interests		**539.006**	**628.191**	**539.118**	**628.191**
Minority interests		229.547	267.947	0	0
Equity		**768.553**	**896.138**	**539.118**	**628.191**
Provisions for deferred tax	19	17.592	14.379	0	0
Other provisions	20	9.795	13.470	0	0
Provisions		**27.387**	**27.849**	**0**	**0**
Mortgage debt		102.475	109.305	0	0
Deferred income, liabilities	21	12.144	28.313	0	0
Long-term liabilities other than provisions	22	**114.619**	**137.618**	**0**	**0**
Short-term part of long-term liabilities other than provisions		6.831	0	0	0
Debt to other credit institutions		20.000	6.277	0	0
Trade payables		12.984	14.913	0	2
Payables to associates		1.106	0	0	0
Other payables		12.031	7.849	0	0
Payables to shareholders and management		1.962	11.151	876	0
Deferred income, liabilities	21	15.833	19.008	0	0
Lease commitments		371	188	0	0
Short-term liabilities other than provisions		**71.118**	**59.386**	**876**	**2**
Liabilities other than provisions		**185.737**	**197.004**	**876**	**2**
Liabilities and equity		**981.677**	**1.120.991**	**539.994**	**628.193**

Contingent liabilities	23
Related parties	24

Statement of changes in Equity

Parent

	Contributed capital	Revaluation reserve	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2018	50		613.495	15.400	628.945
Dividend paid				-15.400	-15.400
Other adjustments of equity			-754		-754
Profit (loss)			-119.173	45.500	-73.673
Equity 31 December 2018	**50**		**493.568**	**45.500**	**539.118**

Group

	Contributed capital	Revaluation earnings	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2018	50	9.547	619.348		628.945
Purchase of minority shares			-167		-167
Dividend paid			-15.400		-15.400
Change of investments through net exchange differences			25		25
Other adjustments of equity			-754		-754
Profit (loss)		4.561	-78.204		-73.643
Equity 31 December 2018	**50**	**14.108**	**524.848**		**539.006**

Cash Flow Statement

	2018 tkr.	2017 tkr.
Profit	-106.798	-4
Adjustments	60.681	0
Decrease (increase) in inventories	1.031	0
Decrease (increase) in receivables	36.210	0
Decrease (increase) in trade payables and accrued costs	-27.360	-9.652
Other adjustments for decrease (increase) in working capital	-748	-10.918
Cash flow from operating activities before financial items	**-36.984**	**-20.574**
Interest received	2.383	0
Cash flow from ordinary operating activities	**-34.601**	**-20.574**
Income taxes paid	-5.118	0
Prepayments	-4.039	-3.307
Cash flows from operating activities	**-43.758**	**-23.881**
Purchase of intangible assets	-6.364	0
Purchase of property, plant and equipment	-52.474	0
Purchase of investments	-10.500	0
Sale of investments	331.467	0
Purchase of financial instruments	-99.673	0
Acquisition of associates	-18.746	0
Loans	-10.079	0
Other components of cash flows from investing activities	1.701	0
Cash flows from investing activities	**135.332**	**0**
Repayment of mortgage debt	-10.194	-10.275
Dividend paid	-22.000	0
Cash flows from financing activities	**-32.194**	**-10.275**
Net increase (decrease) in cash and cash equivalents	**59.380**	**-34.156**
Cash and cash equivalents, beginning balance	222.675	256.831
Cash and cash equivalents, ending balance	**282.055**	**222.675**
Cash and cash equivalents specified:		
Cash and cash equivalents	34.937	36.605
Shares included as cash and cash equivalents	267.118	186.070
Short-term debt to banks	-20.000	0
Cash and cash equivalents in total	**282.055**	**222.675**

Notes

	Group		Parent	
	2018	2017	2018	2017

1. Employee benefits expense

Wages and salaries	60.434	0	0	0
Post-employement benefit expense	4.262	0	0	0
Social security contributions	371	0	0	0
Employee expenses transferred to assets	-7.895	0	0	0
Other employee expense	2.263	0	0	0
	59.435	**0**	**0**	**0**
Average number of employees	108	0		0

With reference to section 98 b, paragraph 1, of the Danish Financial Statements Act. 3, the remuneration of the Executive Board is not disclosed.

2. Tax expense

Tax on taxable income of earlier years	5.118	0	0	0
Calculated tax on taxable income of the year	505	-1	0	0
Adjustment of deferred tax	-1.579	0	0	0
	4.044	**-1**	**0**	**0**

3. Distribution of profit

Proposed dividend recognized in equity			45.500	15.400
Sundry reserves	4.560	0		
Minority interests	-33.154	0		
Retained earnings	-78.204	-4	-119.173	-15.405
	-106.798	**-4**	**-73.673**	**-5**

Notes

4. Completed development projects

	Group 2018	Group 2017	Parent 2018	Parent 2017
Cost at the beginning of the year	6.101	0	0	0
Addition during the year, incl. improvements	1.339	6.101	0	0
Cost at the end of the year	**7.440**	**6.101**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-2.079	0	0	0
Amortisation for the year	-1.333	-2.079	0	0
Impairment losses for the year	-476	0	0	0
Impairment losses and amortisation at the end of the year	**-3.888**	**-2.079**	**0**	**0**
Carrying amount at the end of the year	**3.552**	**4.022**	**0**	**0**

5. Goodwill

	Group 2018	Group 2017	Parent 2018	Parent 2017
Cost at the beginning of the year	8.700	0	0	0
Addition during the year, incl. improvements	0	8.700	0	0
Cost at the end of the year	**8.700**	**8.700**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-5.340	0	0	0
Amortisation for the year	-1.740	-5.340	0	0
Impairment losses and amortisation at the end of the year	**-7.080**	**-5.340**	**0**	**0**
Carrying amount at the end of the year	**1.620**	**3.360**	**0**	**0**

Notes

	Group		Parent	
	2018	2017	2018	2017

6. Development projects in progress

Addition during the year, incl. improvements	5.026	0	0	0
Cost at the end of the year	**5.026**	**0**	**0**	**0**
Carrying amount at the end of the year	**5.026**	**0**	**0**	**0**

As previous years certain cost have been treated as Development cost in this Annual Report. The development costs are related to the development of the company's costumer portal, sales applications, new WIFI solutions as well as cloud/server development, unique core basic encryption hardware products along with add on applications, test of the platform, documentation etc. Furthermore development costs are related to the development of unique platforms.

Mangement expects the value of the development cost will carry value for many years as the business model is centered around the new platform.

Notes

	Group		Parent	
	2018	2017	2018	2017

7. Land and buildings

	2018	2017	2018	2017
Cost at the beginning of the year	108.998	0	0	0
Addition during the year, incl. improvements	15.647	108.998	0	0
Cost at the end of the year	**124.645**	**108.998**	**0**	**0**
Revaluations at the beginning of the year	11.158	11.158	0	0
Revaluations for the year	-282	0	0	0
Revaluations at the end of the year	**10.876**	**11.158**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-15.869	0	0	0
Depreciation for the year	-4.042	-15.869	0	0
Impairment losses and amortisation at the end of the year	**-19.911**	**-15.869**	**0**	**0**
Carrying amount at the end of the year	**115.610**	**104.287**	**0**	**0**
Net value of revaluations made	104.734	96.418	0	0

8. Plant and machinery

	2018	2017	2018	2017
Change due to change in accounting policies	274.510	0	0	0
Addition during the year, incl. improvements	30.121	274.510	0	0
Cost at the end of the year	**304.631**	**274.510**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-19.934	0	0	0
Depreciation for the year	-9.649	-19.934	0	0
Impairment losses and amortisation at the end of the year	**-29.583**	**-19.934**	**0**	**0**
Carrying amount at the end of the year	**275.048**	**254.576**	**0**	**0**
Carrying amount of recognised assets not owned by the Company	1.467	1.600	0	0

Notes

	Group		Parent	
	2018	**2017**	**2018**	**2017**

9. Fixtures, fittings, tools and equipment

Cost at the beginning of the year	18.773	0	0	0
Addition during the year, incl. improvements	6.615	18.773	0	0
Disposal during the year	-3.553	0	0	0
Cost at the end of the year	**21.835**	**18.773**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-9.644	0	0	0
Depreciation for the year	-3.440	-9.644	0	0
Reversal of prior years' impairment losses and amortisation	3.000	0	0	0
Impairment losses and amortisation at the end of the year	**-10.084**	**-9.644**	**0**	**0**
Carrying amount at the end of the year	**11.751**	**9.129**	**0**	**0**
Carrying amount of recognised assets not owned by the Company	139	494	0	0

10. Leasehold improvements

Cost at the beginning of the year	231	0	0	0
Addition during the year, incl. improvements	92	231	0	0
Cost at the end of the year	**323**	**231**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-43	0	0	0
Depreciation for the year	-58	-43	0	0
Impairment losses and amortisation at the end of the year	**-101**	**-43**	**0**	**0**
Carrying amount at the end of the year	**222**	**188**	**0**	**0**

Notes

	Group 2018	Group 2017	Parent 2018	Parent 2017

11. Long-term investments in group enterprises

	Parent 2018	Parent 2017
Cost at the beginning of the year	628.196	0
Change due to change in accounting policies	0	-753
Addition during the year, incl. improvements	0	628.949
Cost at the end of the year	**628.196**	**628.196**
Depreciation and amortisation at the beginning of the year	-3	0
Results for the year	-89.101	-3
Impairment losses and amortisation at the end of the year	**-89.104**	**-3**
Carrying amount at the end of the year	**539.092**	**628.193**

12. Disclosure in long-term investments in group enterprises and associates

Group enterprises (Parent company)

Name	Registered office	Share held in %	Equity	Profit
Zibra Holding ApS	Fureso	70,00	770.134	-105.287
			770.134	**-105.287**

Associates (Group companies)

Name	Registered office	Share held in %
Cortrium ApS	Taastrup	23,50
Cognize.life Inc	Irvine, CA, USA	25,00

13. Long-term investments in associates

	Group 2018	Group 2017	Parent 2018	Parent 2017
Cost at the beginning of the year	366.581	0	0	0
Addition during the year, incl. improvements	18.747	366.581	0	0
Disposal during the year	-366.581	0	0	0
Cost at the end of the year	**18.747**	**366.581**	**0**	**0**
Carrying amount at the end of the year	**18.747**	**366.581**	**0**	**0**

The total value of consolidated goodwill amounts to tDKK 19.728. The total consolidated goodwill is recognized and amortisation according to accounting policies.

Notes

	Group		Parent	
	2018	2017	2018	2017

14. Other long-term investments

Addition during the year, incl. improvements	111.463	0	0	0
Cost at the end of the year	**111.463**	**0**	**0**	**0**
Carrying amount at the end of the year	**111.463**	**0**	**0**	**0**

15. Long-term receivables

Long-term receivables consist primarily of loans to other long-term investments with a termination above 1 year.

16. Biological assets

Biological assets are measured to the fair value subsequent to initial recognition. Fair value is determeined by the expected value between independent parties. The value is evaluated by an external expert and measured by breeding skills, age, education, health, and results.

17. Prepayments and deferred income

This amount consist primarily of prepaid costs.

18. Minority interests

Beginning of the year	267.947	0	0	0
Addition during the year	-33.153	267.947	0	0
Disposal during the year	1.353	0	0	0
Other adjustments	-6.600	0	0	0
	229.547	**267.947**	**0**	**0**

Notes

19. Provisions for deferred tax

	Group 2018	Group 2017	Parent 2018	Parent 2017
Balance start of the year	14.379	14.379	0	0
Change in deferred tax recognised in profit and loss	3.213	0	0	0
Deferred tax for the year recognised directly on equity	0	0	0	0
Balance at the end of the year	**17.592**	**14.379**		
Specification of defered tax:				
Intangible assets	1.316	0	0	0
Property, plant and equipment	10.358	0	0	0
Stock	1.545	0	0	0
Current assets and provisions	-19	0	0	0
IPO	4.392	0	0	0
Tax losses carried forward	0	0	0	0
	0			
	17.592	**0**	**0**	**0**

20. Other provisions

Other provisions are determent by uncertainty of time and amount. It is expected that the provision will decay within 5 years.

21. Deferred income

Deferred income consists of contract accruals for future periods.

22. Long-term liabilities other than provisions

Group

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	102.474	6.831	75.150
Deferred income	12.144	15.833	0
	114.618	**22.664**	**75.150**

Notes

	Group		Parent	
	2018	2017	2018	2017

23. Contingent liabilities

Zibra A/S has pledged the shares in BornFiber ApS.

The Group has lease and rental liabilities which at the balance sheet date amounts to TDKK 14.449 in the period of non-terminability, which have a residual term of up to 60 months.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The amount of corporation tax payable in the period 1st January – 31st December is disclosed in the Annual Report of LNZ Holding Zibra ApS, which is the management company of the joint taxation purposes.

Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

GROUP	Carrying amount of assets	Nom. value of mortgage or outstanding debt
The following assets are pledge as security for debt:		
Mortgages	0	116.136
Debt to other credit institutions		20.000
Plant and machinery	127.818	0
Securities	20.000	
The following assets are financed by financial leasing:		
Other fixtures and equipment	494	188
Plant and machinery	1.600	0

24. Related parties

LNZ Holding Zibra ApS' related parties include:

Controlling interest
Lisbeth Zibrandtsen, Høveltevej 65, 3460 Birkerød is the principal shareholder

Other related parties having performed transactions with the company
The company’s related parties having a significant influence comprise subsidiaries and associates as well as the companies’ Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The company informs of all substantial transactions that were not concluded on market conditions. There has not been such transaction in 2018.