



LNZ Holding Zibra ApS

Høveltevej 67
3460 Birkerød
CVR No. 39188996

Annual report 2020

The Annual General Meeting adopted the
annual report on 30.06.2021

Trine Bøgelund

Chairman of the General Meeting

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Entity details

Entity

LNZ Holding Zibra ApS

Høveltevej 67

3460 Birkerød

Business Registration No.: 39188996

Registered office: Furesø

Financial year: 01.01.2020 - 31.12.2020

Executive Board

Lisbeth Neel Zibrandtsen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of LNZ Holding Zibra ApS for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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.

Furesø, 30.06.2021

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 01.01.2020 - 31.12.2020, which comprise the 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 parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 30.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Rosquist Andersen

State Authorised Public Accountant
Identification No (MNE) mne31482

Mads Juul Hansen

State Authorised Public Accountant
Identification No (MNE) mne44386

Management commentary

Financial highlights

| | 2020 | 2019 | 2018 | 2017 |
|---|----------|-----------|-----------|-----------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| Key figures | | | | |
| Gross profit/loss | 18,616 | (5,196) | 13,318 | -5 |
| Operating profit/loss | (81,282) | (105,921) | (66,290) | -5 |
| Net financials | (17,437) | 32,794 | (36,464) | - |
| Profit/loss for the year | (64,825) | (64,967) | (106,798) | -4 |
| Profit for the year excl. minority interests | (43,492) | (46,212) | (74,644) | - |
| Balance sheet total | 773,077 | 829,926 | 981,677 | 1,120,991 |
| Investments in property, plant and equipment | 13,967 | 32,790 | 52,475 | 402,512 |
| Equity | 585,783 | 650,608 | 768,553 | 896,138 |
| Equity excl. minority interests | 410,899 | 455,505 | 539,006 | 628,191 |
| Cash flows from operating activities | (4,603) | (21,863) | (43,758) | (23,881) |
| Cash flows from investing activities | 14,918 | (101,850) | 135,332 | - |
| Cash flows from financing activities | 19,877 | (70,999) | (32,194) | (10,275) |
| Ratios | | | | |
| Return on equity (%) | (10,9) | (9,3) | (12,6) | 0,0 |
| Equity ratio (%) | 53.15 | 54.89 | 54.91 | 56.04 |

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Calculation formulas:

Return on equity (%)

$\frac{\text{Profit/loss excl. minority interests} * 100}{\text{Average equity excl. minority interests}}$

Equity ratio (%):

$\frac{\text{Equity excl. minority interests} * 100}{\text{Balance sheet total}}$

Primary 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.

Development in activities and finances

The Group's EBIT was tDKK -74.659. The Group presents a loss of tDKK -64.825.

Management finds the result in accordance with the revised plan for the year 2020. The management is overall satisfied with the progress and development of the Group companies according to the long term plan. Management believes that the progress of 2020 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 2020 - 31 December 2020 shows a result of tDKK -35.914 and the Balance Sheet of the Group at 31 December 2020 an equity of tDKK 585.783.

Outlook

The Group expects that the core business of its companies will grow in 2021 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 2021 in accordance with the long-term investment plan, devised by management and owners.

Environmental performance

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. The inQvation center in Taastrup is now housing 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.

Events after the balance sheet date

The Group has sold the Bornfiber companies, who provides fast-speed internet on the Island, Bornholm. The companies were sold in February 2021.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2020

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|-------|-----------------|------------------|
| Gross profit/loss | | 18,616 | (5,196) |
| Staff costs | 1 | (74,387) | (72,001) |
| Depreciation, amortisation and impairment losses | | (25,079) | (24,309) |
| Other operating expenses | | (432) | (4,415) |
| Operating profit/loss | | (81,282) | (105,921) |
| Income from investments in associates | | 6,623 | (6,653) |
| Income from investments in joint ventures | | 0 | (489) |
| Other financial income | | 8,913 | 42,988 |
| Impairment of financial assets | 2 | (22,414) | (2,522) |
| Other financial expenses | | (3,936) | (530) |
| Profit/loss before tax | | (92,096) | (73,127) |
| Tax on profit/loss for the year | 3 | 27,271 | 8,160 |
| Profit/loss for the year | 4 | (64,825) | (64,967) |

Consolidated balance sheet at 31.12.2020

Assets

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|-------|-----------------|-----------------|
| Completed development projects | 6 | 3,814 | 5,083 |
| Goodwill | | 12,817 | 994 |
| Development projects in progress | 6 | 6,654 | 4,895 |
| Intangible assets | 5 | 23,285 | 10,972 |
| Land and buildings | | 103,178 | 116,540 |
| Plant and machinery | | 283,247 | 287,165 |
| Other fixtures and fittings, tools and equipment | | 9,724 | 9,792 |
| Leasehold improvements | | 17 | 29 |
| Property, plant and equipment | 7 | 396,166 | 413,526 |
| Investments in associates | | 18,139 | 36,414 |
| Other investments | | 113,204 | 133,997 |
| Deposits | | 932 | 0 |
| Other receivables | | 5,749 | 13,058 |
| Financial assets | 8 | 138,024 | 183,469 |
| Fixed assets | | 557,475 | 607,967 |
| Raw materials and consumables | | 103 | 0 |
| Manufactured goods and goods for resale | | 1,718 | 2,523 |
| Livestock | | 71,296 | 76,859 |
| Prepayments for goods | | 240 | 0 |
| Inventories | | 73,357 | 79,382 |

| | | | |
|-----------------------------|----|----------------|----------------|
| Trade receivables | | 10,159 | 5,131 |
| Receivables from associates | | 886 | 74 |
| Other receivables | | 22,902 | 35,333 |
| Tax receivable | | 2,030 | 2,318 |
| Prepayments | 10 | 3,757 | 4,417 |
| Receivables | | 39,734 | 47,273 |
| <hr/> | | | |
| Other investments | | 66,441 | 89,462 |
| Investments | | 66,441 | 89,462 |
| <hr/> | | | |
| Cash | | 36,070 | 5,842 |
| <hr/> | | | |
| Current assets | | 215,602 | 221,959 |
| <hr/> | | | |
| Assets | | 773,077 | 829,926 |
| <hr/> | | | |

Equity and liabilities

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|-------|-----------------|-----------------|
| Contributed capital | | 50 | 50 |
| Reserve for development costs | | 8,362 | 7,783 |
| Other reserves | | 10,310 | 10,593 |
| Retained earnings | | 392,177 | 437,079 |
| Equity belonging to Parent's shareholders | | 410,899 | 455,505 |
| Equity belonging to minority interests | | 174,884 | 195,103 |
| Equity | | 585,783 | 650,608 |
| Deferred tax | 11 | 1,546 | 14,029 |
| Other provisions | 12 | 46 | 6,192 |
| Provisions | | 1,592 | 20,221 |
| Bank loans | | 104,708 | 92,269 |
| Deposits | | 35 | 0 |
| Prepayments received from customers | | 67 | 2,700 |
| Other payables | | 4,936 | 1,793 |
| Deferred income | 15 | 0 | 528 |
| Non-current liabilities other than provisions | 14 | 109,746 | 97,290 |
| Current portion of non-current liabilities other than provisions | 14 | 102 | 9,707 |
| Bank loans | | 5,513 | 7,960 |
| Lease liabilities | | 0 | 262 |
| Prepayments received from customers | | 5,124 | 156 |
| Trade payables | | 14,307 | 12,256 |
| Payables to associates | | 1,230 | 4,772 |
| Payables to owners and management | | 3,031 | 68 |
| Other payables | | 45,092 | 16,821 |
| Deferred income | 15 | 1,557 | 9,805 |
| Current liabilities other than provisions | | 75,956 | 61,807 |
| Liabilities other than provisions | | 185,702 | 159,097 |
| Equity and liabilities | | 773,077 | 829,926 |
| Unrecognised rental and lease commitments | 17 | | |
| Subsidiaries | 18 | | |

Consolidated statement of changes in equity for 2020

| | Contributed capital DKK'000 | Reserve for development costs DKK'000 | Other reserves DKK'000 | Retained earnings DKK'000 | Equity belonging to Parent's shareholders DKK'000 |
|---------------------------|-----------------------------------|--|---------------------------|---------------------------------|---|
| Equity beginning of year | 50 | 7,783 | 10,593 | 437,079 | 455,505 |
| Transfer to reserves | 0 | 1,920 | 0 | (1,920) | 0 |
| Dissolution of reserves | 0 | (1,341) | 0 | 1,341 | 0 |
| Profit/loss for the year | 0 | 0 | (283) | (44,323) | (44,606) |
| Equity end of year | 50 | 8,362 | 10,310 | 392,177 | 410,899 |

| | Equity belonging to minority interests DKK'000 | Total DKK'000 |
|---------------------------|--|------------------|
| Equity beginning of year | 195,103 | 650,608 |
| Transfer to reserves | 0 | 0 |
| Dissolution of reserves | 0 | 0 |
| Profit/loss for the year | (20,219) | (64,825) |
| Equity end of year | 174,884 | 585,783 |

Consolidated cash flow statement for 2020

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|---|-------|-----------------|------------------|
| Operating profit/loss | | (81,282) | (105,921) |
| Amortisation, depreciation and impairment losses | | 32,731 | 24,310 |
| Working capital changes | 16 | 11,700 | 16,966 |
| Cash flow from ordinary operating activities | | (36,851) | (64,645) |
| Financial income received | | 8,913 | 42,988 |
| Financial expenses paid | | (3,936) | (530) |
| Taxes refunded/(paid) | | 27,271 | 324 |
| Cash flows from operating activities | | (4,603) | (21,863) |
| Acquisition etc. of intangible assets | | (3,590) | (6,446) |
| Sale of intangible assets | | 0 | 609 |
| Acquisition etc. of property, plant and equipment | | (11,613) | (32,790) |
| Sale of property, plant and equipment | | 1,487 | 2,254 |
| Acquisition of fixed asset investments | | (7,546) | (67,505) |
| Sale of fixed asset investments | | 54,892 | 9,531 |
| Acquisition of enterprises | | (18,527) | (1,105) |
| Disposal of enterprises | | 0 | 10,885 |
| Loans | | (3,813) | (20,366) |
| Repayments received | | 3,628 | 3,083 |
| Cash flows from investing activities | | 14,918 | (101,850) |
| Free cash flows generated from operations and investments before financing | | 10,315 | (123,713) |
| Loans raised | | 33,286 | 99,750 |
| Repayments of loans etc. | | (9,867) | (109,415) |
| Dividend paid | | (3,542) | (61,334) |
| Cash flows from financing activities | | 19,877 | (70,999) |
| Increase/decrease in cash and cash equivalents | | 30,192 | (194,712) |
| Cash and cash equivalents beginning of year | | 87,344 | 282,056 |

| | | |
|--|----------------|---------------|
| Cash and cash equivalents end of year | 117,536 | 87,344 |
| <hr/> | | |
| Cash and cash equivalents at year-end are composed of: | | |
| Cash | 36,070 | 5,842 |
| Securities | 86,979 | 89,462 |
| Short-term bank loans | (5,513) | (7,960) |
| Cash and cash equivalents end of year | 117,536 | 87,344 |
| <hr/> | | |

Notes to consolidated financial statements

1 Staff costs

| | 2020 DKK'000 | 2019 DKK'000 |
|---------------------------------------|-----------------|-----------------|
| Wages and salaries | 69,295 | 71,191 |
| Pension costs | 5,179 | 4,648 |
| Other social security costs | 444 | 974 |
| Other staff costs | 2,285 | 2,417 |
| | 77,203 | 79,230 |
| Staff costs classified as assets | (2,816) | (7,229) |
| | 74,387 | 72,001 |
| | | |
| Average number of full-time employees | 118 | 122 |

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 Impairment of financial assets

During the financial period the Group has recognized an impairment loss on one of its investments, due to uncertainty related to the underlying business case. The impairment amounts to DKK 22,414 and addresses the expected risk of the investment. After the impairment there is no further risk related to the investment.

3 Tax on profit/loss for the year

| | 2020 DKK'000 | 2019 DKK'000 |
|--------------------------------------|-----------------|-----------------|
| Current tax | (1,947) | (703) |
| Change in deferred tax | (18,605) | (7,457) |
| Adjustment concerning previous years | (6,719) | 0 |
| | (27,271) | (8,160) |

4 Proposed distribution of profit/loss

| | 2020 DKK'000 | 2019 DKK'000 |
|--|-----------------|-----------------|
| Retained earnings | (43,492) | (46,212) |
| Minority interests' share of profit/loss | (21,333) | (18,755) |
| | (64,825) | (64,967) |

5 Intangible assets

| | Completed development projects DKK'000 | Goodwill DKK'000 | Development projects in progress DKK'000 |
|---|---|-----------------------------|---|
| Cost beginning of year | 12,537 | 9,805 | 4,895 |
| Additions | 1,832 | 13,260 | 1,759 |
| Cost end of year | 14,369 | 23,065 | 6,654 |
| Amortisation and impairment losses beginning of year | (7,456) | (8,811) | 0 |
| Impairment losses for the year | (1,500) | 0 | 0 |
| Amortisation for the year | (1,599) | (1,437) | 0 |
| Amortisation and impairment losses end of year | (10,555) | (10,248) | 0 |
| Carrying amount end of year | 3,814 | 12,817 | 6,654 |

6 Development projects

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 Group's customer portal, sales applications, new WIFI solutions as well as cloud/server development, unique core basis encryption hardware products along with add on applications, test of platform, documentation etc. Furthermore development costs are related to the development of unique platforms.

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

In the financial year, the Group has written-off two of its development projects. The write-off amounts to tDKK 1,500 and the write-offs have been carried out due to a change of strategic direction. Therefor the assumption for capitalization is no longer present. The projects are written down to the highest value of the capital value and the expected sales value. The carrying values are calculated to be tDKK 3.814.

7 Property, plant and equipment

| | Land and buildings DKK'000 | Plant and machinery DKK'000 | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|----------------------------------|-----------------------------------|--|--------------------------------------|
| Cost beginning of year | 130,007 | 327,599 | 22,790 | 65 |
| Addition through business combinations etc | 0 | 0 | 2,697 | 0 |
| Additions | 414 | 7,387 | 3,469 | 0 |
| Disposals | (148) | 0 | (1,339) | 0 |
| Cost end of year | 130,273 | 334,986 | 27,617 | 65 |
| Revaluations beginning of year | 10,593 | 0 | 0 | 0 |
| Revaluations for the year | (283) | 0 | 0 | 0 |
| Revaluations end of year | 10,310 | 0 | 0 | 0 |
| Depreciation and impairment losses beginning of year | (24,060) | (40,434) | (12,998) | (35) |
| Addition through business combinations etc | 0 | 0 | (1,364) | 0 |
| Impairment losses for the year | (8,807) | 0 | (2,271) | 0 |
| Depreciation for the year | (4,538) | (11,305) | (2,426) | (13) |
| Reversal regarding disposals | 0 | 0 | 1,166 | 0 |
| Depreciation and impairment losses end of year | (37,405) | (51,739) | (17,893) | (48) |
| Carrying amount end of year | 103,178 | 283,247 | 9,724 | 17 |

8 Financial assets

| | Investments in associates DKK'000 |
|--------------------------------------|---|
| Cost beginning of year | 14,402 |
| Additions | 6,639 |
| Cost end of year | 21,041 |
| Share of profit/loss for the year | (2,902) |
| Impairment losses end of year | (2,902) |
| Carrying amount end of year | 18,139 |

| Associates | Registered in | Ownership % |
|------------------|-----------------------|----------------|
| Cognize.life Inc | Irvine, CA, USA | 45,0 |
| Passendo ApS | København, Denmark | 40,0 |
| Cortrium ApS | Taastrup, Denmark | 38,8 |

9 Inventories

Livestock (Biological assets) are measured to the fair value subsequent to initial recognition. Fair value is determined 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.

10 Prepayments

This amount consist primarily of prepaid costs.

11 Deferred tax

| | 2020 | 2019 |
|-------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Intangible assets | 10 | 1,660 |
| Property, plant and equipment | (1,576) | 14,134 |
| Inventories | 15 | (1,751) |
| Provisions | 5 | (14) |
| Deferred tax | (1,546) | 14,029 |

| | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| | DKK'000 | DKK'000 |
| Changes during the year | | |
| Beginning of year | 14,029 | 17,591 |
| Recognised in the income statement | (18,605) | (3,832) |
| Disposal from divestment | 0 | 270 |
| Changes regarding previous years | 3,030 | 0 |
| End of year | (1,546) | 14,029 |

12 Other provisions

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

13 Deferred income

Deferred income consist of contract accruals for future periods.

14 Non-current liabilities other than provisions

| | Due within 12 months 2020 DKK'000 | Due within 12 months 2019 DKK'000 | Due after more than 12 months 2020 DKK'000 |
|---------------------------------------|--|--|--|
| Bank loans | 0 | 7,481 | 104,708 |
| Loans raised by the issuance of bonds | 102 | 0 | 0 |
| Deposits | 0 | 0 | 35 |
| Prepayments received from customers | 0 | 1,800 | 67 |
| Other payables | 0 | 0 | 4,936 |
| Deferred income | 0 | 426 | 0 |
| | 102 | 9,707 | 109,746 |

15 Deferred income

Deferred income consist of contract accruals for future periods

16 Changes in working capital

| | 2020 DKK'000 | 2019 DKK'000 |
|--|-----------------|-----------------|
| Increase/decrease in inventories | 7,888 | 14,075 |
| Increase/decrease in receivables | (717) | 9,076 |
| Increase/decrease in trade payables etc. | 1,970 | (8,602) |
| Other changes | 2,559 | 2,417 |
| | 11,700 | 16,966 |

17 Unrecognised rental and lease commitments

| | 2020 DKK'000 | 2019 DKK'000 |
|---|-----------------|-----------------|
| Total liabilities under rental or lease agreements until maturity | 11,877 | 13,585 |

18 Subsidiaries

| | Registered in | Corporate form | Ownership % |
|--------------------------------|----------------------|-----------------------|--------------------|
| Zibra Holding ApS | Furesø, Denmark | ApS | 70,0 |
| Zibra A/S | Furesø, Denmark | A/S | 70,0 |
| Zibrasport ApS | Taastrup, Denmark | ApS | 70,0 |
| InQvation ApS | Taastrup, Denmark | ApS | 70,0 |
| InSPRING ApS | Taastrup, Denmark | ApS | 70,0 |
| BornFiber ApS | Taastrup, Denmark | ApS | 70,0 |
| BornFiber Service Provider ApS | Taastrup, Denmark | ApS | 70,0 |
| Baltic Axis ApS | Taastrup, Denmark | ApS | 70,0 |
| Zibra Invest II ApS | Taastrup, Denmark | ApS | 70,0 |
| ZibraWireless ApS | Taastrup, Denmark | ApS | 70,0 |
| Zibra Invest III ApS | Taastrup, Denmark | ApS | 70,0 |
| Zybersafe ApS | Taastrup, Denmark | ApS | 61,0 |
| Zibra Ejendomme ApS | Taastrup, Denmark | ApS | 70,0 |
| Erik Husfeldts Vej 7 ApS | Taastrup, Denmark | ApS | 70,0 |
| Bregnerødgård ApS | Furesø, Denmark | ApS | 70,0 |
| ZS Portugal | Almerin, Portugal | Lda | 70,0 |
| Nivo Performance ApS | Taastrup, Denmark | ApS | 66,5 |
| Motus A/S | Brøndby, Denmark | A/S | 63,0 |
| ZibraLabs ApS | Taastrup, Denmark | ApS | 70,0 |
| Mindfuture ApS | Taastrup, Denmark | ApS | 70,0 |

Parent income statement for 2020

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|-------|-----------------|-----------------|
| Gross profit/loss | | (96) | (3) |
| Income from investments in group enterprises | | (63,399) | (35,889) |
| Other financial income | 1 | 0 | 6 |
| Other financial expenses | | 0 | (32) |
| Profit/loss before tax | | (63,495) | (35,918) |
| Tax on profit/loss for the year | 2 | 1,636 | 4 |
| Profit/loss for the year | 3 | (61,859) | (35,914) |

Parent balance sheet at 31.12.2020

Assets

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|-------|-----------------|-----------------|
| Investments in group enterprises | | 394,477 | 457,874 |
| Financial assets | 4 | 394,477 | 457,874 |
| Fixed assets | | 394,477 | 457,874 |
| Receivables from group enterprises | | 1,585 | 0 |
| Tax receivable | | 0 | 4 |
| Joint taxation contribution receivable | | 5 | 0 |
| Receivables | | 1,590 | 4 |
| Current assets | | 1,590 | 4 |
| Assets | | 396,067 | 457,878 |

Equity and liabilities

| | Notes | 2020 DKK'000 | 2019 DKK'000 |
|--|--------------|-------------------------|-------------------------|
| Contributed capital | | 50 | 50 |
| Retained earnings | | 395,966 | 457,825 |
| Equity | | 396,016 | 457,875 |
| Trade payables | | 51 | 3 |
| Current liabilities other than provisions | | 51 | 3 |
| Liabilities other than provisions | | 51 | 3 |
| Equity and liabilities | | 396,067 | 457,878 |
| Working conditions | 5 | | |
| Contingent liabilities | 6 | | |
| Related parties with controlling interest | 7 | | |

Parent statement of changes in equity for 2020

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---------------------------|-----------------------------------|---------------------------------|------------------|
| Equity beginning of year | 50 | 457,825 | 457,875 |
| Profit/loss for the year | 0 | (61,859) | (61,859) |
| Equity end of year | 50 | 395,966 | 396,016 |

Notes to parent financial statements

1 Other financial income

| | 2020 DKK'000 | 2019 DKK'000 |
|---|-----------------|-----------------|
| Financial income from group enterprises | 0 | 6 |
| | 0 | 6 |

2 Tax on profit/loss for the year

| | 2020 DKK'000 | 2019 DKK'000 |
|--------------------------------------|-----------------|-----------------|
| Refund in joint taxation arrangement | (1,636) | (4) |
| | (1,636) | (4) |

3 Proposed distribution of profit and loss

| | 2020 DKK'000 | 2019 DKK'000 |
|-------------------|-----------------|-----------------|
| Retained earnings | (61,859) | (35,914) |
| | (61,859) | (35,914) |

4 Financial assets

| | Investments in group enterprises DKK'000 |
|--------------------------------------|---|
| Cost beginning of year | 628,196 |
| Cost end of year | 628,196 |
| Impairment losses beginning of year | (170,322) |
| Share of profit/loss for the year | (63,399) |
| Impairment losses end of year | (233,721) |
| Carrying amount end of year | 394,475 |

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Working conditions

Average number of employees:

2020: 1 employee

2019: 1 employee

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc

for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

7 Related parties with controlling interest

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 og 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 transactions in 2020.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Income statement

Gross profit or 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 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.

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

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 expenses as they arise.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

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.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Impairment of financial assets

Impairment of financial assets comprise impairment of financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, 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

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience

gained by Management for each business area. The amortisation periods used are 5-10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 5-7 years.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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

| | |
|--|-------------|
| Buildings | 20-40 years |
| Plant and machinery | 5-40 years |
| Other fixtures and fittings, tools and equipment | 3-5 years |
| Leasehold improvements | 5 years |

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Investments in associates

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

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation periods used are 5-10 years.

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

Receivables

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

Other investments

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Livestock (Biological assets) is measured to the fair value subsequent to initial recognition.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments (current assets)

Other current asset investments comprise listed securities measured at fair value (market price) at the

balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.