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LNZ Holding Zibra ApS

Høveltevej 67
3460 Birkerød
Central Business Registration
No 39188996

Annual report 2019

The Annual General Meeting adopted the annual report on 14.08.2020

Chairman of the General Meeting

Name: Trine Bøgelund

Contents

Entity details

Entity
LNZ Holding Zibra ApS
Høveltevej 67
3460 Birkerød

Central Business Registration No (CVR): 39188996
Registered in: Furesø
Financial year: 01.01.2019 - 31.12.2019

Executive Board
Lisbeth Neel Zibrandtsen, CEO

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
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Postboks 1600
0900 København C

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 01.01.2019 - 31.12.2019.

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

In my opinion, the consolidated financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019 and of the results of their operations and cash flows for the Group for the financial year 01.01.2019 - 31.12.2019.

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

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

Furesø, 14.08.2020

Executive Board

Lisbeth Neel Zibrandtsen
CEO

Independent auditor's report

To the shareholder 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 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 Parent'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 Group or 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

Independent auditor's report

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 these 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 Parent’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 Parent’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 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.

Independent auditor's report

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, 14.08.2020

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Thomas Rosquist Andersen
State Authorised Public Accountant
Identification No (MNE) mne31482

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000
Financial highlights			
Key figures			
Gross loss	(5.196)	13.318	(5)
Operating profit/loss	(105.921)	(66.290)	(5)
Net financials	32.794	(36.464)	-
Profit/loss for the year	(64.967)	(106.798)	(4)
Profit/loss excl minority interests	(46.212)	(73.644)	-
Total assets	829.926	981.677	1.120.991
Investments in property, plant and equipment	32.790	52.475	402.512
Equity	650.608	768.553	896.138
Equity excl minority interests	455.505	539.006	628.191
Cash flows from (used in) operating activities	(21.863)	(43.758)	(23.881)
Cash flows from (used in) investing activities	(101.850)	135.332	-
Cash flows from (used in) financing activities	(70.999)	(32.194)	(10.275)
Ratios			
Return on equity (%)	(9,3)	(12,6)	0,0
Equity ratio (%)	54,9	54,9	56,0

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

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	Profit/loss excl minority interests x 100 Average equity excl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity excl minority interests x 100 Total assets	The financial strength of the entity.

Management commentary

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 in-Qvation ApS.

Development in activities and finances
The Group´s EBIT was tDKK -113.063 . The Group presents a loss of tDKK -64.967.

Management finds the result in accordance with the revised plan for the year 2019. 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 2019 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 2019- 31 December 2019 shows a result of tDKK -35.918 and the Balance Sheet of the Group at 31 December 2019 an equity of tDKK 650.608

Outlook
The Group expects that the core business of its companies will grow in 2020 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 2020 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. During 2019 the inQvation center in Taastrup added new start-ups and is now 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.

Events after the balance sheet date
After the end of the financial year, no events have occurred which may change the financial position of the Group substantially. So far the COVID-19 outbreak at the beginning of 2020 has not had any material effect on the Group’s financial position and development. The Group is closely monitoring any potential impact from COVID-19 on the Group’s business.

Consolidated income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross loss		**(5.196)**	**13.318**
Staff costs	1	(72.001)	(59.435)
Depreciation, amortisation and impairment losses		(24.309)	(20.173)
Other operating expenses		(4.415)	0
Operating profit/loss		**(105.921)**	**(66.290)**
Income from investments in associates		(6.653)	(112)
Income from investments in joint ventures		(489)	0
Other financial income		42.988	10.523
Impairment losses on financial assets	2	(2.522)	0
Other financial expenses		(530)	(46.875)
Profit/loss before tax		**(73.127)**	**(102.754)**
Tax on profit/loss for the year	3	8.160	(4.044)
Profit/loss for the year	4	**(64.967)**	**(106.798)**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK'000	2018 DKK'000
Completed development projects		5.083	3.552
Goodwill		994	1.620
Development projects in progress		4.895	5.026
Intangible assets	5	**10.972**	**10.198**
Land and buildings		116.540	115.610
Plant and machinery		287.165	275.048
Other fixtures and fittings, tools and equipment		9.792	11.751
Leasehold improvements		29	222
Property, plant and equipment	6	**413.526**	**402.631**
Investments in associates		36.414	18.747
Investments in joint ventures		0	0
Other investments		133.997	111.463
Other receivables		13.058	10.706
Fixed asset investments	7	**183.469**	**140.916**
Fixed assets		**607.967**	**553.745**
Manufactured goods and goods for resale		2.523	2.151
Livestock		76.859	91.306
Inventories	9	**79.382**	**93.457**
Trade receivables		5.131	4.007
Receivables from associates		74	245
Other receivables		35.333	20.311
Income tax receivable		2.318	1.648
Receivables from owners and management		0	133
Prepayments	10	4.417	6.074
Receivables		**47.273**	**32.418**
Other investments		89.462	267.119
Other investments		**89.462**	**267.119**
Cash		**5.842**	**34.938**
Current assets		**221.959**	**427.932**
Assets		**829.926**	**981.677**

Consolidated balance sheet at 31.12.2019

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		50	50
Reserve for development expenditure		7.783	0
Other reserves		10.593	14.108
Retained earnings		437.079	524.848
Equity attributable to the Parent's owners		**455.505**	**539.006**
Share of equity attributable to minority interests		**195.103**	**229.547**
Equity		**650.608**	**768.553**
Deferred tax	11	14.029	17.592
Other provisions	12	6.192	9.795
Provisions		**20.221**	**27.387**
Bank loans		92.269	102.475
Prepayments received from customers		2.700	0
Other payables		1.793	0
Deferred income	13	528	12.144
Non-current liabilities other than provisions	14	**97.290**	**114.619**
Current portion of long-term liabilities other than provisions	14	9.707	22.664
Bank loans		7.960	20.000
Finance lease liabilities		262	371
Prepayments received from customers		156	0
Trade payables		12.256	12.984
Payables to associates		4.772	1.106
Payables to shareholders and management		68	1.962
Other payables		16.821	12.031
Deferred income		9.805	0
Current liabilities other than provisions		**61.807**	**71.118**
Liabilities other than provisions		**159.097**	**185.737**
Equity and liabilities		**829.926**	**981.677**
Associates	8		
Unrecognised rental and lease commitments	16		
Contingent liabilities	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Other reserves DKK'000	Retained earnings DKK'000
Equity beginning of year	50	0	14.108	524.848
Exchange rate adjustments	0	0	0	235
Other entries on equity	0	0	0	11.787
Dividends from group enterprises	0	0	0	(45.500)
Transfer to reserves	0	7.783	(3.232)	(8.362)
Profit/loss for the year	0	0	(283)	(45.929)
Equity end of year	**50**	**7.783**	**10.593**	**437.079**

	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	229.547	768.553
Exchange rate adjustments	0	235
Other entries on equity	0	11.787
Dividends from group enterprises	(19.500)	(65.000)
Transfer to reserves	3.811	0
Profit/loss for the year	(18.755)	(64.967)
Equity end of year	**195.103**	**650.608**

Consolidated cash flow statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Operating profit/loss		(105.921)	(66.290)
Amortisation, depreciation and impairment losses		24.310	20.173
Working capital changes	15	16.966	5.094
Cash flow from ordinary operating activities		**(64.645)**	**(41.023)**
Financial income received		42.988	2.383
Financial expenses paid		(530)	0
Income taxes refunded/(paid)		324	(5.118)
Cash flows from operating activities		**(21.863)**	**(43.758)**
Acquisition etc of intangible assets		(6.446)	(6.364)
Sale of intangible assets		609	0
Acquisition etc of property, plant and equipment		(32.790)	(52.474)
Sale of property, plant and equipment		2.254	0
Acquisition of fixed asset investments		(67.505)	(118.419)
Sale of fixed asset investments		9.531	0
Acquisition of enterprises		(1.105)	(10.500)
Disposal of enterprises		10.885	331.467
Loans		(20.366)	(10.079)
Repayments received		3.083	0
Other components of cash flows from investing activities		0	1.701
Cash flows from investing activities		**(101.850)**	**135.332**
Loans raised		99.750	0
Repayments of loans etc		(109.415)	(10.194)
Dividend paid		(61.334)	(22.000)
Cash flows from financing activities		**(70.999)**	**(32.194)**
Increase/decrease in cash and cash equivalents		**(194.712)**	**59.380**
Cash and cash equivalents beginning of year		282.056	222.676
Cash and cash equivalents end of year		**87.344**	**282.056**

Consolidated cash flow statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Cash and cash equivalents at year-end are composed of:			
Cash		5.842	34.938
Securities		89.462	267.118
Short-term debt to banks		(7.960)	(20.000)
Cash and cash equivalents end of year		**87.344**	**282.056**

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
1. Staff costs		
Wages and salaries	71.191	60.434
Pension costs	4.648	4.261
Other social security costs	974	371
Other staff costs	2.417	2.263
Staff costs classified as assets	(7.229)	(7.894)
	72.001	**59.435**
Average number of employees	**122**	**108**

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 losses on financial assets

During the financial period the Group has recognized an impairment loss on one of its investments, due to uncertaincy related to the underlying business case. The impairment amounts to TDKK 2,522 and adresses the expected risk of the investment. After the impairment there is no further risk related to the investment.

	2019 DKK'000	2018 DKK'000
3. Tax on profit/loss for the year		
Current tax	(703)	505
Change in deferred tax	(7.457)	(1.579)
Adjustment concerning previous years	0	5.118
	(8.160)	**4.044**

	2019 DKK'000	2018 DKK'000
4. Proposed distribution of profit/loss		
Retained earnings	(46.212)	(73.644)
Minority interests' share of profit/loss	(18.755)	(33.154)
	(64.967)	**(106.798)**

Notes to consolidated financial statements

	Completed development projects DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
5. Intangible assets			
Cost beginning of year	7.440	8.700	5.026
Disposals on divestments etc	0	0	(871)
Transfers	2.372	0	(2.372)
Additions	2.725	1.105	3.721
Disposals	0	0	(609)
Cost end of year	**12.537**	**9.805**	**4.895**
Amortisation and impairment losses beginning of year	(3.888)	(7.080)	0
Impairment losses for the year	(1.607)	0	0
Amortisation for the year	(1.959)	(1.731)	0
Amortisation and impairment losses end of year	**(7.454)**	**(8.811)**	**0**
Carrying amount end of year	**5.083**	**994**	**4.895**

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 costumer 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 1.607 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 3.094.

Notes to consolidated financial statements

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve-ments DKK'000
6. Property, plant and equipment				
Cost beginning of year	124.645	304.631	21.835	323
Disposals on divestments etc	0	0	(345)	0
Additions	7.212	23.361	2.217	0
Disposals	(1.850)	(393)	(917)	(258)
Cost end of year	**130.007**	**327.599**	**22.790**	**65**
Revaluations beginning of year	10.876	0	0	0
Revaluations for the year	(283)	0	0	0
Revaluations end of year	**10.593**	**0**	**0**	**0**
Depreciation and impairment losses beginning of year	(19.911)	(29.583)	(10.084)	(101)
Disposals on divestments etc	0	0	190	0
Depreciation for the year	(4.358)	(10.851)	(3.773)	(31)
Reversal regarding disposals	209	0	669	96
Depreciation and impairment losses end of year	**(24.060)**	**(40.434)**	**(12.998)**	**(36)**
Carrying amount end of year	**116.540**	**287.165**	**9.792**	**29**
Carrying amount if asset had not been revalued	**105.947**	**-**	**-**	**-**
Recognised assets not owned by entity	**-**	**1.333**	**303**	**-**

Notes to consolidated financial statements

	Investments in associates DKK'000	Investments in joint ventures DKK'000	Other investments DKK'000	Other receivables DKK'000
7. Fixed asset investments				
Cost beginning of year	18.747	0	111.463	10.706
Exchange rate adjustments	224	0	0	0
Additions	33.134	9.034	25.056	2.849
Disposals	(9.034)	(9.034)	0	(497)
Cost end of year	**43.071**	**0**	**136.519**	**13.058**
Amortisation of goodwill	(1.969)	0	0	0
Share of profit/loss for the year	(4.688)	(602)	0	0
Impairment losses for the year	0	0	(2.522)	0
Reversal regarding disposals	0	602	0	0
Impairment losses end of year	**(6.657)**	**0**	**(2.522)**	**0**
Carrying amount end of year	**36.414**	**0**	**133.997**	**13.058**

The total value of goodwill from investments in associates amounts to tDKK 26.694. The total goodwill from investments in associates is recognized and amortized according to accounting policies.

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

	Registered in	Equity interest %
8. Associates		
Cortrium ApS	Taastrup, Denmark	38,8
Cognize.life Inc	Irvine, CA, USA	45,0

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.

Notes to consolidated financial statements

11. Deferred tax	**2019 DKK'000**	**2018 DKK'000**
Intangible assets	1.660	1.316
Property, plant and equipment	14.134	10.358
Inventories	(1.751)	5.937
Provisions	(14)	(19)
	14.029	**17.592**

Changes during the year	
Beginning of year	17.591
Recognised in the income statement	(3.832)
Disposal from divestment	270
End of year	**14.029**

12. Other provisions

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

13. Long-term deferred income

Prepayments and deferred income consist of contract accruals for future periods.

14. Liabilities other than provisions	**Due within 12 months 2019 DKK'000**	**Due within 12 months 2018 DKK'000**	**Due after more than 12 months 2019 DKK'000**	**Outstanding after 5 years DKK'000**
Bank loans	7.481	6.831	92.269	70.000
Prepayments received from customers	1.800	0	2.700	0
Other payables	0	0	1.793	0
Deferred income	426	15.833	528	0
	9.707	**22.664**	**97.290**	**70.000**

15. Change in working capital	**2019 DKK'000**	**2018 DKK'000**
Increase/decrease in inventories	14.075	1.031
Increase/decrease in receivables	9.076	32.171
Increase/decrease in trade payables etc	(8.602)	(27.360)
Other changes	2.417	(748)
	16.966	**5.094**

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
16. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	**13.585**	**14.449**

17. Contingent liabilities

Zibra A/S has pledged the shares in BornFiber ApS to a third party.

	Registered in	Corporate form	Equity interest %
18. Subsidiaries			
Zibra Holding ApS	Furesø, Denmark	ApS	70,0
Zibra Family Office 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
MOOT 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

Parent income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross loss		**(3)**	**(4)**
Income from investments in group enterprises		(35.889)	(73.701)
Other financial income from group enterprises		0	32
Other financial income	2	6	0
Other financial expenses		(32)	0
Profit/loss before tax		**(35.918)**	**(73.673)**
Tax on profit/loss for the year	3	4	0
Profit/loss for the year	4	**(35.914)**	**(73.673)**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK'000	2018 DKK'000
Investments in group enterprises		457.874	539.092
Fixed asset investments	5	**457.874**	**539.092**
Fixed assets		**457.874**	**539.092**
Receivables from group enterprises		0	902
Income tax receivable		4	0
Receivables		**4**	**902**
Current assets		**4**	**902**
Assets		**457.878**	**539.994**

Parent balance sheet at 31.12.2019

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		50	50
Retained earnings		457.825	493.567
Proposed dividend		0	45.500
Equity		**457.875**	**539.117**
Trade payables		3	1
Payables to group enterprises		0	876
Current liabilities other than provisions		**3**	**877**
Liabilities other than provisions		**3**	**877**
Equity and liabilities		**457.878**	**539.994**
Staff costs	1		
Contingent liabilities	6		
Related parties with controlling interest	7		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	50	493.568	45.500	539.118
Ordinary dividend paid	0	0	(45.500)	(45.500)
Exchange rate adjustments	0	171	0	171
Profit/loss for the year	0	(35.914)	0	(35.914)
Equity end of year	**50**	**457.825**	**0**	**457.875**

Notes to parent financial statements

	2019	2018
1. Staff costs		
Average number of employees	**1**	**1**

	2019 DKK'000	2018 DKK'000
2. Other financial income		
Financial income arising from group enterprises	6	0
	6	**0**

	2019 DKK'000	2018 DKK'000
3. Tax on profit/loss for the year		
Refund in joint taxation arrangement	(4)	0
	(4)	**0**

	2019 DKK'000	2018 DKK'000
4. Proposed distribution of profit/loss		
Retained earnings	(35.914)	(73.673)
	(35.914)	**(73.673)**

	Invest-ments in group enterprises DKK'000
5. Fixed asset investments	
Cost beginning of year	628.196
Cost end of year	**628.196**
Impairment losses beginning of year	(89.104)
Exchange rate adjustments	171
Share of profit/loss for the year	(35.889)
Dividend	(45.500)
Impairment losses end of year	**(170.322)**
Carrying amount end of year	**457.874**

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

Notes to parent financial statements

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 2019.

Accounting policies

Reporting class
This annual report has been presented 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, except minor adjustments concerning classifications without effect on result and equity. The annual report is presented in Danish kroner.

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' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition 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.

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.

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
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.

Accounting policies

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

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

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.

Income from investments in joint ventures
Income from investments in joint ventures comprises the pro rata share of the individual joint ventures’ profit or loss after pro rata elimination of intra-group profits or losses and profit from divestments.

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 losses on financial assets
Impairment losses on financial assets comprise impairment losses on 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.

Accounting policies

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

Accounting policies

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
In the parent financial statements, investments in group enterprises are recognised and measured 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.

Investments in joint ventures
Investments in joint ventures 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.

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 investments measured at the lower of cost and net realisable value.

Accounting policies

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.

Income 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.

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

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

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.

Finance 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

Accounting policies

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 as well as 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 income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as 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 as well as the raising of loans, inception of finance leases, instalments on 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.