
GRO Fund II K/S

Amaliegade 49, 1., DK-1256 Copenhagen

Annual Report for 1 January - 31 December 2019

CVR No 39 82 67 71

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
25/3 2020

Lars Dybkjær
Chairman of the General
Meeting



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Management's Statement

The Executive Board has today considered and adopted the Annual Report of GRO Fund II K/S for the financial year 1 January - 31 December 2019.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

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

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

Copenhagen, 25 March 2020

Executive Board

Simon Krogh
GRO Fund II GP ApS

Torben Carlsen
GRO Fund II GP ApS

Erik Banner-Voigt
GRO Fund II GP ApS

Independent Auditor's Report

To the of GRO Fund II K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GRO Fund II K/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

Independent Auditor's Report

ment, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

Independent Auditor's Report

in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 25 March 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Lasse Babel Vilhelm
State Authorised Public Accountant
mne45863

Company Information

The Company

GRO Fund II K/S
Amaliegade 49, 1.
DK-1256 Copenhagen

CVR No: 39 82 67 71
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Executive Board

Simon Krogh
Torben Carlsen
Erik Banner-Voigt

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of GRO Fund II K/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Key activities

The object of the limited partnership is to generate returns on the limited partnership's capital by making investments in primarily small and medium-sized unlisted Danish, Nordic and Northern European companies.

Development in the year

The income statement of the Company for 2019 shows a loss of TEUR 5,845, and at 31 December 2019 the balance sheet of the Company shows equity of TEUR 73,960.

The Company's investment activities are handled by the Management Company GRO Capital A/S, which is paid a management fee for this according to the management agreement.

The Company completed following investments:

Omada (2018) is a market leading provider of IT solutions and services for Identity Management and Access Governance.

Adform (2019) is a global leader of ad tech software, which automate and optimise the effectiveness of digital advertising processes.

GRO Capital A/S is looking for additional investments and has a good pipeline for the next 12 months.

Uncertainty relating to recognition and measurement

Investments in portfolio companies consist of shares in unlisted companies where no exact trading value exists. The Company is using recognised valuation methods to measure the portfolio companies at fair value. The valuation is as far as possible based on comparable external market data, but also on accounting estimates to some extent. As a result, significant uncertainty is associated with this.

Unusual events

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

Subsequent events

The current global situation with Covid-19 virus and the impact on the marked development increases the uncertainty of the valuation of the portfolio in 2020.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> TEUR	<u>2018</u> TEUR
Gross profit/loss		-5.839	-1.544
Financial expenses	1	<u>-6</u>	<u>0</u>
Profit/loss before tax		-5.845	-1.544
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Net profit/loss for the year		<u>-5.845</u>	<u>-1.544</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-5.845</u>	<u>-1.544</u>
		<u>-5.845</u>	<u>-1.544</u>

Balance Sheet 31 December

	Note	2019 TEUR	2018 TEUR
Assets			
Investments in subsidiaries	2	71.479	34.381
Fixed asset investments		71.479	34.381
Fixed assets		71.479	34.381
Cash at bank and in hand		2.611	0
Currents assets		2.611	0
Assets		74.090	34.381
Liabilities and equity			
Share capital		251.470	194.400
Unpaid share capital		-175.878	-158.724
Revaluation reserve		6.160	0
Retained earnings		-7.792	-1.947
Equity		73.960	33.729
Other payables		130	652
Short-term debt		130	652
Debt		130	652
Liabilities and equity		74.090	34.381
Contingent assets, liabilities and other financial obligations	3		
Accounting Policies	4		

Statement of Changes in Equity

	Share capital	Unpaid share capital	Revaluation reserve	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	194.400	-158.724	0	-1.947	33.729
Cash payment concerning formation of entity	0	-57.070	0	0	-57.070
Cash capital increase	57.070	0	0	0	57.070
Payment of unpaid share capital	0	39.916	0	0	39.916
Revaluation for the year	0	0	6.160	0	6.160
Net profit/loss for the year	0	0	0	-5.845	-5.845
Equity at 31 December	251.470	-175.878	6.160	-7.792	73.960

Notes to the Financial Statements

	2019	2018
	TEUR	TEUR
1 Financial expenses		
Other financial expenses	2	0
Exchange adjustments, expenses	4	0
	<u>6</u>	<u>0</u>
2 Investments in subsidiaries		
Cost at 1 January	34.382	0
Additions for the year	30.937	34.381
Cost at 31 December	<u>65.319</u>	<u>34.381</u>
Value adjustments at 1 January	0	0
Revaluations for the year, net	6.160	0
Value adjustments at 31 December	<u>6.160</u>	<u>0</u>
Carrying amount at 31 December	<u>71.479</u>	<u>34.381</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
GRO Holding VII ApS	København	TDKK 60	98%
GRO Holding VIII ApS	København	TDKK 100	98%

3 Contingent assets, liabilities and other financial obligations

Contingent liabilities

As a collateral for credit at Nordea in Omada A/S the company is committed to perform a cash or capital contributions in the underlying subsidiary in relation to the company's indirect ownership of Omada A/S on request from Nordea Danmark. At 31 December 2019 the obligation amounts to TEUR 1,914.

There are no other security and contingent liabilities at 31 December 2019.

Notes to the Financial Statements

4 Accounting Policies

The Annual Report of GRO Fund II K/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TEUR.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

4 Accounting Policies (continued)

Income Statement

Other external expenses

Other external expenses comprise management and office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Annual Report does not contain any tax as the Company is not independently liable to tax. Each limited partner includes the taxable result of the Company in their respective income statement in relation to ownership share.

Balance Sheet

Investments in subsidiaries

Investments in portfolio companies are measured regardless of their ownership at fair value in accordance with the section 41 of the Danish Financial Statements Act.

Valuation is based on a market-based method if possible. Unlisted portfolio companies are valued on the basis of the latest share-based or external capital injection made between independent parties through the use of earnings multiples or by a present value calculation of future cash flows.

Value adjustments are taken to equity.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.