

AX V Phase One Holding II ApS

Roskildevej 39, 2000 Frederiksberg

CVR no. 40 15 24 66

Annual report 2019

(As of the establishment of the Company 1 January - 31 December 2019)

Approved at the Company's annual general meeting on 28 August 2020

Chairman:

.....





Contents

| | |
|---|----------|
| Statement by the Board of Directors and the Executive Board | 2 |
| Independent auditor's report | 3 |
| Management's review | 5 |
| Financial statements for the period 1 January - 31 December 2019 | 6 |
| Income statement | 6 |
| Balance sheet | 7 |
| Statement of changes in equity | 9 |
| Notes to the financial statements | 10 |



Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of AX V Phase One Holding II ApS for the financial year as of the establishment of the Company 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 of the Company at 31 December 2019 and of the results of the Company's operations for the financial year as of the establishment of the Company 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 28 August 2020
Executive Board:

.....
Jesper Frydensberg
Rasmussen

Board of Directors:

.....
Christian Bamberger Bro
Chairman

.....
Asbjørn Mosgaard
Hylgaard

.....
Peter Nyegaard

Independent auditor's report

To the shareholders of AX V Phase One Holding II ApS

Opinion

We have audited the financial statements of AX V Phase One Holding II ApS for the financial year as of the establishment of the Company 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year as of the establishment of the company 1 January - 31 December 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 financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 rules and requirements.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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 as to 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 the 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.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 28 August 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

Nicklas Rasmussen
State Authorised Public Accountant
mne43474

Management's review

Company details

| | |
|----------------------------|--|
| Name | AX V Phase One Holding II ApS |
| Address, Postal code, City | Roskildevej 39, 2000 Frederiksberg |
| CVR no. | 40 15 24 66 |
| Established | 1 January 2019 |
| Financial year | 1 January - 31 December 2019 |
| Board of Directors | Christian Bamberger Bro, Chairman Asbjørn Mosgaard Hyldgaard Peter Nyegaard |
| Executive Board | Jesper Frydensberg Rasmussen |
| Auditors | EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark |

Management commentary

Business review

The main activity of the Company is to own the shares of AX V Phase One Holding I.

Financial review

The income statement for 2019 shows a loss of DKK 96,142 thousand, and the balance sheet at 31 December 2019 shows equity of DKK 744,197 thousand. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

The Covid-19 pandemic has to some extent had a negative impact on the financial performance of Phase One Group ApS, however in no way threatening to the existence of the Group. None the less, Management has taken preemptive steps to strengthen the financial resources in preparation of a potential financial crisis in the aftermath of the pandemic and as such Management believes that the Group is well prepared for a possible down-turn in the global economy.

No other events have occurred which affect the financial statements for 2019.

Reference is made to note 2 for more details.

Financial statements for the period 1 January - 31 December 2019

Income statement

| Note | DKK'000 | 2019 |
|------|--|---------|
| | Other external expenses | -41 |
| | Gross profit | -41 |
| 3 | Staff costs | 0 |
| | Profit/ loss before net financials | -41 |
| | Income from investments in group enterprises | -96,110 |
| | Profit/ loss before tax | -96,151 |
| 4 | Tax for the year | 9 |
| | Profit/ loss for the year | -96,142 |
| | Recommended appropriation of profit/ loss | |
| | Retained earnings/ accumulated loss | -96,142 |
| | | -96,142 |



Financial statements for the period 1 January - 31 December 2019

Balance sheet

| Note | DKK'000 | <u>2019</u> |
|------|----------------------------------|-----------------------|
| | ASSETS | |
| | Fixed assets | |
| 5 | Investments | |
| | Investments in group enterprises | 744,220 |
| | | <u>744,220</u> |
| | Total fixed assets | <u>744,220</u> |
| | Non-fixed assets | |
| | Receivables | |
| | Deferred tax assets | 9 |
| | | <u>9</u> |
| | Cash | <u>58</u> |
| | Total non-fixed assets | <u>67</u> |
| | TOTAL ASSETS | <u><u>744,287</u></u> |

Financial statements for the period 1 January - 31 December 2019

Balance sheet

| Note | DKK'000 | 2019 |
|------|--|-----------------------|
| | EQUITY AND LIABILITIES | |
| | Equity | |
| 6 | Share capital | 1,675 |
| | Retained earnings | 742,522 |
| | Total equity | <u>744,197</u> |
| | Liabilities other than provisions | |
| | Current liabilities other than provisions | |
| | Payables to group enterprises | 50 |
| | Other payables | 40 |
| | | <u>90</u> |
| | Total liabilities other than provisions | <u>90</u> |
| | TOTAL EQUITY AND LIABILITIES | <u><u>744,287</u></u> |

- 1 Accounting policies
- 2 Events after the balance sheet date
- 7 Contractual obligations and contingencies, etc.
- 8 Collateral
- 9 Related parties

Financial statements for the period 1 January - 31 December 2019

Statement of changes in equity

| DKK'000 | Share capital | Retained earnings | Total |
|--|---------------|-------------------|----------------|
| Cash payments concerning formation of enterprise | 50 | 0 | 50 |
| Capital increase | 1,625 | 835,613 | 837,238 |
| Transfer through appropriation of loss | 0 | -96,142 | -96,142 |
| Adjustment of investments through foreign exchange adjustments | 0 | 3,051 | 3,051 |
| Equity at 31 December 2019 | 1,675 | 742,522 | 744,197 |

The Company has established a share and warrant-based incentive program for the Board of Directors, Management and key employees in the Group. The program comprises a total of 14,250,000 warrants. Each warrant gives the right to buy one share at a subscription price of DKK 5.00 per share. At 31 December 2019, a total of 3,562,500 warrants were issued to members of the Board of Directors, Management and key employees.

Financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

1 Accounting policies

The annual report of AX V Phase One Holding II ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost. Transaction costs are recognised in the income statement at the date of acquisition.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 Events after the balance sheet date

The Covid-19 pandemic has to some extent had a negative impact on the financial performance of Phase One Group ApS, however in no way threatening to the existence of the Group. The management believes that the Group is well prepared for a possible down-turn in the global economy. No other events have occurred which affect the financial statements for 2019.

Financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

3 Staff costs

The Company has no employees.

| DKK'000 | 2019 |
|---------------------------|-----------|
| 4 Tax for the year | |
| Deferred tax | -9 |
| | <u>-9</u> |

5 Investments

| DKK'000 | Investments in group enterprises |
|--|--|
| Cost at 1 January 2019 | 0 |
| Additions | 837,279 |
| Cost at 31 December 2019 | <u>837,279</u> |
| Foreign exchange adjustments | 3,051 |
| Profit/loss for the year | -96,110 |
| Value adjustments at 31 December 2019 | <u>-93,059</u> |
| Carrying amount at 31 December 2019 | <u><u>744,220</u></u> |

6 Share capital

Changes in the share capital in the past year:

| DKK'000 | 2019 |
|------------------|--------------|
| Establishment | 50 |
| Capital increase | 1,625 |
| | <u>1,675</u> |

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, AX V Phase One Holding III ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

8 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

Financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

9 Related parties

AX V Phase One Holding II ApS' related parties comprise the following:

Parties exercising control

| Related party | Domicile | Basis for control |
|--------------------------------|------------|------------------------|
| AX V Phase One Holding III ApS | Copenhagen | Participating interest |

Information about consolidated financial statements

| Parent | Domicile | Requisitioning of the parent company's consolidated financial statements |
|------------------------|------------|--|
| AX V Phase One III ApS | Copenhagen | The consolidated financial statement can be retrieved by contacting the Company. |

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Jesper Frydensberg Rasmussen

Direktion

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Asbjørn Mosgaard Hyldgaard

Bestyrelse

On behalf of: AX V Phase One Holding II ApS
Serial number: PID:9208-2002-2-717553254214
IP: 77.241.xxx.xxx
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Christian Bamberger Bro

Bestyrelse

On behalf of: AX V Phase One Holding II ApS
Serial number: PID:9208-2002-2-534024407204
IP: 2.106.xxx.xxx
2020-08-30 15:55:09Z

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Peter Nyegaard

Bestyrelse

On behalf of: AX V Phase One Holding II ApS
Serial number: PID:9208-2002-2-187262509757
IP: 194.182.xxx.xxx
2020-08-31 07:31:02Z

NEM ID 

Nicklas Rasmussen

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:56769284
IP: 145.62.xxx.xxx
2020-08-31 08:03:40Z

NEM ID 

Jan C Olsen

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:28761615
IP: 145.62.xxx.xxx
2020-08-31 10:54:32Z

NEM ID 

Thomas Korfix Gjøel-Trønning

Dirigent

On behalf of: AX V Phase One Holding II ApS
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