
VPK Fond II K/S

Klostervej 28, st., DK-8680 Ry

Annual Report for 1 January - 31 December 2022

CVR No 40 48 27 76

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/3 2023

Klaus Bilow Davidsen
Chairman of the General
Meeting

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Management's Statement

The General Partner has today considered and adopted the Annual Report of VPK Fond II K/S for the financial year 1 January - 31 December 2021.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2022.

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.

Ry, 31 March 2023

On behalf of the General Partner: VPK Komplementar II ApS

Brian Vahlun Jørgensen

Jon Erik Risvig

Klaus Bülow Davidsen

Independent Auditor's Report

To the General Partner of VPK Fond II K/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of VPK Fond II K/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Consolidated Financial Statements and the Parent Company 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

Independent Auditor's Report

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Group or 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 and the Group'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 Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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

Independent Auditor's Report

may cause the Group and 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 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.

Aarhus, 31 March 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding
statsautoriseret revisor
mne33714

Mike Bork Jun
statsautoriseret revisor
mne48473

Company Information

The Company

VPK Fond II K/S
Klostervej 28, st.
DK-8680 Ry

CVR No: 40 48 27 76

Financial period: 1 January - 31 December

Municipality of reg. office: Skanderborg

Executive Board

Brian Vahlun Jørgensen
Jon Erik Risvig
Klaus Bülow Davidsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Financial Highlights

Seen over a four-year period, the development of the Group is described by the following financial highlights:

	Group			
	2022*	2021*	2020	2019*
	TDKK	TDKK	TDKK	TDKK
Key figures				
Profit/loss				
Operating profit/loss	-21.197	-16.377	-15.790	-3.826
Profit/loss before financial income and expenses	-22.805	-16.551	-11.777	-3.827
Net financials	-33.025	27.754	-4.704	-1.092
Net profit/loss for the year	-62.826	8.930	-17.433	-5.180
Balance sheet				
Balance sheet total	421.400	282.755	238.448	151.189
Equity	179.904	133.338	135.981	58.915
Cash flows				
Cash flows from:				
- operating activities	-5.293	1.862	4.873	-4.958
- investing activities	-54.769	4.959	-62.955	-115.456
including investment in property, plant and equipment	-4.534	-5.392	-7.586	-3.522
- financing activities	58.594	256	63.365	122.726
Change in cash and cash equivalents for the year	-1.468	7.077	5.283	2.312
Number of employees	149	93	77	72
Ratios				
Return on assets	-5,4%	-5,9%	-4,9%	-2,5%
Solvency ratio	42,7%	47,2%	57,0%	39,0%
Return on equity	-40,1%	6,6%	-17,9%	-17,6%

*Hjernø Værtøjsfabrik A/S and Hjernø Holding ApS are included in the consolidated figures from 1 July 2019.

Saxlift A/S and SL Invest 2019 ApS are included in the consolidated figures from 1 September 2019.

Blue Idea Group Holding ApS is included in the consolidated figures from 5 January 2021.

Microdata Holding ApS is included in the consolidated figures from 4 February 2022.

ROEQ ApS is included in the consolidated figures from 17 June 2022.

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analyst. For definitions, see under accounting policies.

Management's Review

Key activities

The purpose of the Limited Partnership is to generate profits by conducting, monitoring, developing and realizing investments in companies, either directly or through wholly or partly owned holding companies.

Development in the year

The income statement of the Group for 2022 shows a loss of TDKK 62,826, and at 31 December 2022 the balance sheet of the Group shows equity of TDKK 179,904.

Expectations for the coming year

It is expected that the portfolio companies will develop positively. The accounting result for 2023 will primarily be determined by potential realization of investments, however such events are by nature difficult to predict.

Subsequent events

The Company has realized the investment in Saxlift as of 5 January 2023 with a satisfactory profit.

Hjernø Holding ApS and Hjernø Værktøjsfabrik A/S went into reconstruction on 22 March 2023. The event has no impact on the Parent Company. The event is reflected in the Consolidated Financial Statements, and no significant impact is thus expected in 2023

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Group		Parent Company	
		2022	2021	2022	2021
		TDKK	TDKK	TDKK	TDKK
Gross profit/loss		101.565	53.349	-8.322	-7.989
Staff expenses	1	-74.337	-51.001	0	0
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-48.103	-18.725	0	0
Other operating expenses		-1.930	-174	0	0
Profit/loss before financial income and expenses		-22.805	-16.551	-8.322	-7.989
Income from investments in associates	3	-10.830	30.818	0	39.738
Financial income	4	3	537	0	0
Financial expenses	5	-22.198	-3.601	-8.469	-7.377
Profit/loss before tax		-55.830	11.203	-16.791	24.372
Tax on profit/loss for the year	6	-6.996	-2.273	0	0
Net profit/loss for the year		-62.826	8.930	-16.791	24.372

Balance Sheet 31 December

Assets

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Completed development projects		11.463	831	0	0
Goodwill		221.066	118.609	0	0
Intangible assets	7	232.529	119.440	0	0
Other fixtures and fittings, tools and equipment		9.422	24.857	0	0
Leasehold improvements		1.146	3.102	0	0
Property, plant and equipment	8	10.568	27.959	0	0
Investments in subsidiaries	9	0	0	92.117	50.466
Investments in associates	10	70.630	51.087	104.644	64.679
Other investments	11	0	17.762	0	17.762
Deposits	11	2.151	1.317	0	0
Fixed asset investments		72.781	70.166	196.761	132.907
Fixed assets		315.878	217.565	196.761	132.907
Inventories	12	40.800	15.244	0	0
Trade receivables		38.719	27.262	0	0
Contract work in progress	13	3.979	2.903	0	0
Other receivables		3.222	1.849	0	46
Deferred tax asset	16	134	0	0	0
Corporation tax		0	76	0	0
Prepayments	14	2.817	537	0	0
Receivables		48.871	32.627	0	46
Cash at bank and in hand		15.851	17.319	89	3.861
Currents assets		105.522	65.190	89	3.907
Assets		421.400	282.755	196.850	136.814

Balance Sheet 31 December

Liabilities and equity

	Note	Group		Parent Company	
		2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Share capital		186.137	121.239	186.137	121.239
Retained earnings		-66.563	-8.165	-5.663	11.128
Equity attributable to shareholders of the Parent Company		119.574	113.074	180.474	132.367
Minority interests		60.330	20.264	0	0
Equity		179.904	133.338	180.474	132.367
Provision for deferred tax	16	792	216	0	0
Provisions		792	216	0	0
Credit institutions		74.004	71.480	0	0
Lease obligations		11.260	9.217	0	0
Other payables		17.326	2.623	0	0
Long-term debt	17	102.590	83.320	0	0
Credit institutions	17	52.748	16.146	0	0
Lease obligations	17	4.651	3.161	0	0
Trade payables		16.991	9.357	4.127	3.942
Contract work in progress, liabilities	13	7.069	7.584	0	0
Payables to owners and Management		0	477	0	0
Corporation tax		4.934	257	0	0
Other payables	17	40.960	20.728	12.249	505
Deferred income	18	10.761	8.171	0	0
Short-term debt		138.114	65.881	16.376	4.447
Debt		240.704	149.201	16.376	4.447
Liabilities and equity		421.400	282.755	196.850	136.814
Subsequent events	23				
Distribution of profit	15				
Contingent assets, liabilities and other financial obligations	22				
Accounting Policies	24				

Statement of Changes in Equity

Group

	Share capital	Retained earnings	Equity excl. minority interests	Minority interests	Total
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	121.239	-8.165	113.074	20.264	133.338
Cash capital increase	64.898	0	64.898	50.362	115.260
Cash capital reduction	0	6.668	6.668	-6.668	0
Ordinary dividend paid	0	0	0	-6.325	-6.325
Sale of treasury shares	0	0	0	-14	-14
Other equity movements	0	-3.948	-3.948	4.419	471
Net profit/loss for the year	0	-61.118	-61.118	-1.708	-62.826
Equity at 31 December	186.137	-66.563	119.574	60.330	179.904

Parent Company

Equity at 1 January	121.239	11.128	132.367	0	132.367
Cash capital increase	64.898	0	64.898	0	64.898
Net profit/loss for the year	0	-16.791	-16.791	0	-16.791
Equity at 31 December	186.137	-5.663	180.474	0	180.474

Cash Flow Statement 1 January - 31 December

	Note	Group	
		2022 TDKK	2021 TDKK
Net profit/loss for the year		-62.826	8.930
Adjustments	19	86.044	-7.011
Change in working capital	20	-13.938	10.429
Cash flows from operating activities before financial income and expenses		9.280	12.348
Financial income		3	537
Financial expenses		-10.793	-3.603
Cash flows from ordinary activities		-1.510	9.282
Corporation tax paid		-3.783	-7.420
Cash flows from operating activities		-5.293	1.862
Purchase of intangible assets		861	0
Purchase of property, plant and equipment		-4.534	-5.392
Fixed asset investments made etc		-35.410	-30.646
Sale of fixed asset investments etc		3.161	62.138
Business acquisitions	21	-25.515	-31.843
Sale of minority interest		6.668	10.702
Cash flows from investing activities		-54.769	4.959
Repayment of loans from credit institutions		-3.967	-2.906
Reduction of lease obligations		3.533	-397
Lease obligations incurred		0	959
Purchase of treasury shares		-6.682	0
Cash capital increase		64.896	64.868
Cash capital reduction		6.668	-62.137
Dividend paid		-5.854	-131
Cash flows from financing activities		58.594	256
Change in cash and cash equivalents		-1.468	7.077
Cash and cash equivalents at 1 January		17.319	10.242
Cash and cash equivalents at 31 December		15.851	17.319
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		15.851	17.319
Cash and cash equivalents at 31 December		15.851	17.319

Notes to the Financial Statements

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
1 Staff expenses				
Wages and salaries	63.967	42.553	0	0
Pensions	8.245	6.345	0	0
Other social security expenses	1.237	840	0	0
Other staff expenses	888	1.263	0	0
	74.337	51.001	0	0
Average number of employees	149	93	0	0
Remuneration to the Executive Board of VPK Fond II K/S amounts to DKK 0.				
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Amortisation of intangible assets	27.059	14.567	0	0
Depreciation of property, plant and equipment	1.044	4.158	0	0
Impairment of intangible assets	785	0	0	0
Impairment of property, plant and equipment	19.215	0	0	0
	48.103	18.725	0	0
3 Income from investments in associates				
Share of profits of associates	-15.802	-8.920	0	0
Amortisation of goodwill	-9.118	0	0	0
Realised gain	14.090	39.738	0	39.738
	-10.830	30.818	0	39.738

Notes to the Financial Statements

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
4 Financial income				
Other financial income	3	0	0	0
Exchange adjustments	0	537	0	0
	3	537	0	0
5 Financial expenses				
Impairment losses on financial assets	14.142	0	8.450	7.355
Other financial expenses	8.056	3.601	19	22
	22.198	3.601	8.469	7.377
6 Tax on profit/loss for the year				
Current tax for the year	7.069	4.284	0	0
Deferred tax for the year	-73	-2.011	0	0
	6.996	2.273	0	0
7 Intangible assets				
Group			Completed development projects TDKK	Goodwill TDKK
Cost at 1 January			2.195	136.218
Additions for the year			13.365	135.549
Disposals for the year			-65	0
Cost at 31 December			15.495	271.767
Impairment losses and amortisation at 1 January			1.364	23.072
Impairment losses for the year			785	5.692
Amortisation for the year			1.883	21.937
Impairment losses and amortisation at 31 December			4.032	50.701
Carrying amount at 31 December			11.463	221.066

Notes to the Financial Statements

7 Intangible assets (continued)

Group

Completed development projects	Goodwill
<u>TDKK</u>	<u>TDKK</u>

Goodwill consists of positive differences that have occurred in connection with the acquisition of Sax Lift A/S, Blue Idea Group Holding ApS, Microdata Holding ApS and ROEQ ApS. It is Management's assessment that goodwill is to be amortised over 10 years.

8 Property, plant and equipment

Group

Other fixtures and fittings, tools and equipment	Leasehold improvements
<u>TDKK</u>	<u>TDKK</u>

Cost at 1 January	41.433	5.167
Net effect from merger and acquisition	8.628	913
Additions for the year	3.899	635
Disposals for the year	-1.651	0
Cost at 31 December	<u>52.309</u>	<u>6.715</u>
Impairment losses and depreciation at 1 January	16.576	2.065
Net effect from merger and acquisition	6.424	905
Impairment losses for the year	17.193	2.022
Depreciation for the year	3.599	577
Reversal of impairment and depreciation of sold assets	-905	0
Impairment losses and depreciation at 31 December	<u>42.887</u>	<u>5.569</u>
Carrying amount at 31 December	<u>9.422</u>	<u>1.146</u>
Including assets under finance leases amounting to	<u>15.251</u>	<u>0</u>

Notes to the Financial Statements

	Parent Company	
	2022	2021
	TDKK	TDKK
9 Investments in subsidiaries		
Cost at 1 January	57.821	32.671
Additions for the year	50.101	25.150
Cost at 31 December	<u>107.922</u>	<u>57.821</u>
Value adjustments at 1 January	-7.355	0
Impairment of subsidiaries	-8.450	-7.355
Value adjustments at 31 December	<u>-15.805</u>	<u>-7.355</u>
Carrying amount at 31 December	<u>92.117</u>	<u>50.466</u>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>40.319</u>	<u>0</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Hjernø Holding ApS	Odense	132.561	74,85%
Hjernø Værktøjsfabrik A/S	Odense	1.387.302	74,85%
SL invest 2019 ApS	Skanderborg	100.000	67,30%
Sax Lift A/S	Vejen	500.000	67,30%
Blue Idea Group Holding ApS	Silkeborg	100.000	70,00%
Blue Idea Group ApS	Silkeborg	80.000	70,00%
Blue Idea Development ApS	Silkeborg	80.000	70,00%
Blue Idea ApS	Silkeborg	138.889	70,00%
Blue Idea AB	Malmö, Sweden	36.985	70,00%
ROEQ ApS	Vissenbjerg	1.620.589	51,96%
ROEQ US Inc.	USA	6.561	51,96%
Microdata Holding ApS	Brøndby	38.244	62,18%
Microdata ApS	Brøndby	125.000	62,18%
1stLevel ApS	Brøndby	125.000	62,18%
Skandata A/S	Skanderborg	500.000	62,18%
ADDVision A/S	Herlev	588.233	62,18%

Notes to the Financial Statements

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
10 Investments in associates				
Cost at 1 January	64.261	73.776	64.679	73.776
Additions for the year	52.935	12.884	53.245	13.304
Disposals for the year	-13.280	-22.401	-13.280	-22.401
Cost at 31 December	103.916	64.259	104.644	64.679
Value adjustments at 1 January	-13.172	-4.253	0	0
Disposals for the year	4.807	6.154	0	0
Net profit/loss for the year	-14.852	-9.763	0	0
Other equity movements, net	-951	0	0	0
Amortisation of goodwill	-9.118	-5.310	0	0
Value adjustments at 31 December	-33.286	-13.172	0	0
Carrying amount at 31 December	70.630	51.087	104.644	64.679
Positive differences arising on initial measurement of subsidiaries at net asset value	83.296	38.440	26.927	38.440
Remaining positive difference included in the above carrying amount at 31 December	71.717	37.134	83.296	38.440

Investments in associates are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Bizbrains Holding ApS	Vejle	620.000	33,80%
Playable ApS	Aarhus	115.745	22,18%
Capturi A/S	Aarhus	1.138.497	28,20%

Notes to the Financial Statements

11 Other fixed asset investments

	Group		Parent Company
	Other investments	Deposits	Other investments
	TDKK	TDKK	TDKK
Cost at 1 January	17.762	2.075	17.762
Additions for the year	0	76	0
Disposals for the year	-17.762	0	-17.762
Cost at 31 December	0	2.151	0
Carrying amount at 31 December	0	2.151	0

Other investments consist of investment in Capturi A/S.

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
Raw materials and consumables	7.967	1.238	0	0
Finished goods and goods for resale	31.183	8.487	0	0
Prepayments for goods	1.650	5.519	0	0
	40.800	15.244	0	0

12 Inventories

13 Contract work in progress

Selling price of work in progress	17.082	11.542	0	0
Payments received on account	-20.172	-16.223	0	0
	-3.090	-4.681	0	0
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	3.979	2.903	0	0
Prepayments received recognised in debt	-7.069	-7.584	0	0
	-3.090	-4.681	0	0

Notes to the Financial Statements

14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

	Group		Parent Company	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	TDKK	TDKK	TDKK	TDKK
15 Distribution of profit				
Minority interests' share of net profit/loss of subsidiaries	-1.708	-4.466	0	0
Retained earnings	-61.118	13.396	-16.791	24.372
	-62.826	8.930	-16.791	24.372

16 Provision for deferred tax

Provision for deferred tax at 1 January	216	2.212	0	0
Amounts recognised in the income statement for the year	-73	-2.011	0	0
Amounts recognised in equity for the year	515	15	0	0
Provision for deferred tax at 31 December	658	216	0	0
Intangible assets	658	0	0	0
Tax loss carry-forward	0	216	0	0
Transferred to deferred tax asset	134	0	0	0
	792	216	0	0
Deferred tax asset				
Calculated tax asset	134	0	0	0
Carrying amount	134	0	0	0

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years.

Notes to the Financial Statements

17 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent Company	
	2022 TDKK	2021 TDKK	2022 TDKK	2021 TDKK
Credit institutions				
After 5 years	18.875	20.250	0	0
Between 1 and 5 years	55.129	51.230	0	0
Long-term part	74.004	71.480	0	0
Other short-term debt to credit institutions	52.748	16.146	0	0
	126.752	87.626	0	0
Lease obligations				
After 5 years	1.423	1.310	0	0
Between 1 and 5 years	9.837	7.907	0	0
Long-term part	11.260	9.217	0	0
Within 1 year	4.651	3.161	0	0
	15.911	12.378	0	0
Other payables				
After 5 years	3.226	2.355	0	0
Between 1 and 5 years	14.100	268	0	0
Long-term part	17.326	2.623	0	0
Other short-term payables	40.960	20.728	12.249	505
	58.286	23.351	12.249	505

18 Deferred income

Deferred income comprises payments received in respect of income in subsequent years. Deferred income is measured at cost.

Notes to the Financial Statements

	Group	
	2022	2021
	TDKK	TDKK
19 Cash flow statement - adjustments		
Financial income	-3	-537
Financial expenses	22.198	3.601
Depreciation, amortisation and impairment losses, including losses and gains on sales	46.023	18.723
Income from investments in associates	10.830	-30.818
Tax on profit/loss for the year	6.996	2.273
Other adjustments	0	-253
	86.044	-7.011

	Group	
	2022	2021
	TDKK	TDKK
20 Cash flow statement - change in working capital		
Change in inventories	-18.448	-2.787
Change in receivables	-2.238	2.063
Change in trade payables, etc	6.748	11.153
	-13.938	10.429

21 Cash flow statement - business acquisitions		
Intangible assets	138.620	72.039
Property, plant and equipment	2.900	187
Financial assets	-21.966	0
Current assets	21.054	4.631
Minority interests	-40.598	0
Cash	11.035	0
Tax debt	-1.980	-2.196
Other payables	-14.719	-8.786
Long-term debt	-57.796	-34.032
	36.550	31.843
Acquired cash, net	-11.035	0
	25.515	31.843

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK

22 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

For Hjernø Værktøjsfabrik A/S' account with Sparekassen Kronjylland, Hjernø Værktøjsfabrik A/S has given below as security:

TDKK 8,500, floating charge with security in the stock of raw materials, semimanufactures and finished goods, fuel and ancillary material, unsecured debts stemming from sale of goods and services, vehicles which are not or have not previously been registered, goodwill, domains, rights according to the Act of Patents, the Act of Trade Marks, the Act of Design, the Act of Utility Models, (topography), as well as operating fixtures, plant and machinery.

Shares in Sax Lift A/S amounting to (measured at the equity method)	64.890	62.765	0	0
Shares in Hjernø Værktøjsfabrik A/S, amounting (measured at the equity method)	1.401	11.346	0	0
Shares in Blue Idea Group ApS, amounting (measured at the equity method)	67.030	69.639	0	0
Shares in Blue Idea ApS, Blue Idea Development ApS and Blue Idea AB, amounting (measured at the equity method)	7.853	8.201	0	0

Notes to the Financial Statements

	Group		Parent Company	
	2022	2021	2022	2021
	TDKK	TDKK	TDKK	TDKK
22 Contingent assets, liabilities and other financial obligations (continued)				
Rental and lease obligations				
Lease obligations under operating leases. Total future lease payments:				
Within 1 year	3.225	536	0	0
Between 1 and 5 years	171	79	0	0
	3.396	615	0	0
Rent obligation, non-cancellation period	837	836	0	0

Other contingent liabilities

Sax Lift A/S and SL Invest 2019 ApS are joint taxed, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Blue Idea Group Holding ApS, Blue Idea Group ApS, Blue Idea Development ApS and Blue Idea ApS are joint taxed, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Hjernø Værktøjsfabrik A/S and Hjernø Holding ApS are joint taxed, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Microdata Holding ApS, Microdata ApS, 1stLevel ApS, Skan-Data A/S and ADDVision A/S are joint taxed, and the companies are jointly and severally liable for tax on the jointly taxed incomes etc of each other. Moreover, the companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

23 Subsequent events

The Company has realized the investment in Saxlift as of 5 January 2023 with a satisfactory profit.

Hjernø Holding ApS and Hjernø Værktøjsfabrik A/S went into reconstruction on 22 March 2023. The event has no impact on the Parent Company. The event is reflected in the Consolidated Financial Statements, and no significant impact is thus expected in 2023

No other events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

24 Accounting Policies

The Annual Report of VPK Fond II K/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated and Parent Company Financial Statements for 2022 are presented in TDKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, VPK Fond II K/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

24 Accounting Policies (continued)

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Minority interests

Minority interests form part of the Group's total equity. Upon distribution of net profit, net profit is broken down on the share attributable to minority interests and the share attributable to the shareholders of the Parent Company. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests where the Group retains control of the subsidiary, the consideration is recognised directly in equity.

Notes to the Financial Statements

24 Accounting Policies (continued)

Leases

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Group.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Group.

Notes to the Financial Statements

24 Accounting Policies (continued)

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as 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 revenue, work on own account recognised in assets, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

24 Accounting Policies (continued)

Income from investments in associates

The item “Income from investments in associates” in the income statement includes the proportionate share of the profit for the year.

The item “Income from investments in associates” in the income statement includes the proportionate share of the profit for the year for the Group.

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

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Development costs and costs relating to rights developed by the Company are recognised in the income statement as costs in the year of acquisition.

Property, plant and equipment

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	12	years
Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	10	years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Notes to the Financial Statements

24 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries and associates

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Investments in associates are recognised and measured under the equity method in the Consolidated Financial Statements and at cost in the Parent Company. Where cost exceeds the recoverable amount, write-down is made to this lower value.

The item "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the associates.

Associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

24 Accounting Policies (continued)

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

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

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

24 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Notes to the Financial Statements

24 Accounting Policies (continued)

Cash Flow Statement

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

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	$\frac{\text{Profit before financials} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$