

NIO VSO Feeder ApS

Højbro Plads 10, DK-1200 København K

CVR no. 40 51 99 71

Annual report for the period 14 May to 31 December 2019

Adopted at the annual general meeting
on 21/04/2020

Adis Cosovic
Chairman of the general meeting

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Statement by management on the annual report

The executive board has today reviewed and approved the annual report of NIO VSO Feeder ApS for the financial year 14 May 2019 - 31 December 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 14 May - 31 December 2019.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Executive board recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 30 March 2020

Executive board



Ashvind Kumar Guiness
CEO

Independent auditor's report

To the shareholder of NIO VSO Feeder ApS

Opinion

We have audited the financial statements of NIO VSO Feeder ApS for the financial year 14 May 2019 to 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31 December 2019 and of the results of its operations for the financial year 14 May 2019 to 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 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 this auditor's report. We are independent of the Entity 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30 March 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56



Michael Thorø Larsen
State Authorised Public Accountant
MNE no. mne35823



Rasmus Grynderup Kiær Steffensen
State Authorised Public Accountant
MNE no. mne44143

Company details

The company

NIO VSO Feeder ApS
Højbro Plads 10
DK-1200 København K

CVR no.: 40 51 99 71

Reporting period: 14 May - 31 December 2019

Domicile: København K

Executive board

Ashvind Kumar Guiness, CEO

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 København S

Management's review

Business review

The object of the company is to own, directly or indirectly, shares or other financial instruments in portfolio companies.

Uncertainty relating to recognition and measurement

The company invests in unlisted equity investments. The valuation is therefore associated with some uncertainty as the valuation is dependent on the earnings of underlying portfolio companies, macroeconomic conditions, etc.

Financial review

The company's income statement for the year ended 31. december 2019 shows a loss of TEUR 197, and the balance sheet at 31 December 2019 shows equity of TEUR 977.

Significant events occurring after the end of the financial year

Society and public markets are currently affected by considerable uncertainty and volatility due to COVID-19.

The company continues to execute our investment strategy unaffected by such uncertainty and volatility. Since our investments are in the early stage of their portfolio buildup, we expect no material negative effects on our strategy. Entry and exit multiples and financing structures may be affected in our portfolio funds, but our strategy and expectations in respect of private market versus public market performance remain unaffected.

The COVID-19 have up and until the release of the annual report not had any impact on the financial position of the Company; however as the event is ongoing and the outbreak of COVID-19 is very recent, the impact on 2020 financials cannot be assessed at this point.

Income statement 14 May 2019 - 31 December 2019

	<u>Note</u>	<u>2019</u> TEUR
Gross profit		-39
Fair value adjustment on financial asset		<u>-158</u>
Profit/loss for the year		<u><u>-197</u></u>
 Distribution of profit		
Retained earnings		<u>-197</u>
		<u><u>-197</u></u>

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> TEUR
Assets		
Investments in Portfolio Companies		302
Fixed asset investments		302
Total non-current assets		302
Receivable from parent company		660
Other receivables		5
Prepayments		3
Receivables		668
Cash at bank and in hand		10
Total current assets		678
Total assets		980

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> TEUR
Equity and liabilities		
Share capital		297
Share premium account		877
Retained earnings		<u>-197</u>
Equity	2	<u>977</u>
Trade payables		<u>3</u>
Total current liabilities		<u>3</u>
Total liabilities		<u>3</u>
Total equity and liabilities		<u><u>980</u></u>
Contingent assets, liabilities and other financial obligations	3	

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
Equity at 14 May 2019	5	0	0	5
Cash capital increase	292	877	0	1.169
Net profit/loss for the year	0	0	-197	-197
Equity at 31 December 2019	297	877	-197	977

Notes

	<u>2019</u>
1 Staff expenses	
Average number of employees	<u>0</u>

2 Equity

The share capital consists of 297.610 shares of a nominal value of EUR 1. No shares carry any special rights.

3 Contingent assets, liabilities and other financial obligations

The company has made 3 commitments in 3 different investment portfolio companies and is jointly liable and severally for all uncalled commitments together with NIO CIV VSO Feeder KS, NIO CIV I AIV KS and NIO CIV I KS.

The commitments are as follows:

CVC Strategic Opportunities II: Committed amount is MEUR 45,0 and uncalled amount is MEUR 45,0

Warburg Pincus Global Growth: Committed amount is MUSD 33,0 and uncalled amount is MUSD 29,4

NREP NSF IV: Committed amount is MEUR 33,0 and uncalled amount is MEUR 30,1

Accounting policies

The annual report of NIO VSO Feeder ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as rules applying to reporting class C.

The annual report for 2019 is presented in TEUR.

As 2019 is the company's first reporting period, no comparatives have been presented.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Financial assets and liabilities are measured at fair value unless different method is described below for each asset and liability.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external expenses

Other external expenses include expenses related to administration, etc.

Value adjustment of investment

Investments comprise investments in portfolio companies and are measured at fair value on the balance sheet date. Value adjustments are recognised in the income statement as fair value adjustment on financial assets.

Investments in portfolio companies are measured according to the International Private Equity and Venture Capital (IPEV) Valuation Guidelines, which is why investments are recognised at fair value at the balance sheet date.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised currency translation and value adjustment in portfolio companies.

Tax on profit/loss for the year

Pursuant to §19 of the Danish Equity Taxation Act, the company has the status of a tax-exempt investment company, whereby Danish investors are taxed on the ongoing value adjustment on the investments.

The company is only liable to tax on dividends received from Danish companies, which is taxed at 15%. Withholding tax may occur from taxes related to income from other countries and are recognised in the income statement as tax expense, if recovery is not possible.

Balance sheet

Other securities and investments, fixed assets

Investments in portfolio companies and are measured at fair value according to the International Private Equity and Venture Capital (IPEV) Valuation Guidelines, which is why investments are recognised at fair value at the balance sheet date.

Fair value estimation

Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Given the unquoted nature of the Company's investments, the calculation of Fair Value assumes that the investment is realized or sold at the measurement date regardless of the Company's intention to sell.

Valuations will factor in, among other items, the portfolio company's financial position and operating results, recent rounds of financing, exit or bid at portfolio company, subsequent events, exit strategy, shareholder rights and liquidation preferences, current developments including investment specific as well as industry/region related and commodity related events (if applicable).

The fair value estimates presented herein are not necessarily indicative of an amount the Company could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

Receivables

Receivables are measured at amortised cost.

Cash

Cash comprises cash in bank deposits

Accounting policies

Liabilities

Liabilities, which include trade payables, are measured at amortised cost, which is usually equivalent to nominal value.