

NIO VSO Feeder II ApS

Amerika Plads 29, 1., DK-2100 Copenhagen
CVR no. 41 67 46 95

Annual report for the period 10 September to 31 December 2020

Adopted at the annual general
meeting on 26 May 2021



Anders Skouenborg
chairman

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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 II ApS for the financial year 10 September - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 10 September - 31 December 2020.

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

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 5 May 2021

Executive board

Ashvind Kumar Guiness

Independent auditor's report

To the shareholder of NIO VSO Feeder II ApS

Opinion

We have audited the financial statements of NIO VSO Feeder II ApS for the financial year 10 September - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 10 September - 31 December 2020 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 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.

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 the 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 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.

Independent auditor's report

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 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 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.

Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 of management's review.

Copenhagen, 5 May 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Michael Thorø Larsen
State Authorised Public Accountant
MNE no. mne35823

Company details

The company

NIO VSO Feeder II ApS
Amerika Plads 29, 1.
DK-2100 Copenhagen

CVR no.: 41 67 46 95

Reporting period: 10 September - 31 December 2020

Domicile: Copenhagen

Executive board

Ashvind Kumar Guness

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
DK-2300 Copenhagen

Management's review

Business review

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

Recognition and measurement uncertainties

The fund invests in unlisted equity investments within infrastructure investments. Investments are made through equity instruments. As a result, the valuation is associated with natural uncertainty due to the fact of being unlisted investments. The valuation is furthermore dependent on the future execution of the strategy by the underlying investment funds. In periods of high economic uncertainty, the uncertainty surrounding the valuation will also be greater.

Unusual matters

The company's financial position at 31 December 2020 and the results of its operations for the financial year ended 31 December 2020 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of TEUR 20, and the balance sheet at 31 December 2020 shows negative equity of TEUR 15.

The negative equity is in line with management's expectations and relates to start-up costs and the "J-curve" effect on the company's unlisted investments.

The negative equity will be re-established via future earnings on underlying investments as well as further capital contributions from the shareholder.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 10 September 2020 - 31 December 2020

	<u>Note</u>	<u>2020</u> TEUR
Gross profit		0
Fair value adjustments of other investment assets		-20
Profit/loss for the year		-20
Distribution of profit		
Retained earnings		-20
		-20

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> TEUR
Assets		
Cash at bank and in hand		<u>5</u>
Total current assets		<u>5</u>
Total assets		<u><u>5</u></u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020</u> TEUR
Equity and liabilities		
Share capital		5
Retained earnings		-20
Equity		<u>-15</u>
Other payables		20
Total current liabilities		<u>20</u>
Total liabilities		<u>20</u>
Total equity and liabilities		<u><u>5</u></u>
Staff expenses	1	
Uncertainty about the continued operation (going concern)	2	
Contingent assets, liabilities and other financial obligations	3	

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 10 September 2020	0	0	0
Cash capital increase	5	0	5
Net profit/loss for the year	0	-20	-20
Equity at 31 December 2020	5	-20	-15

Notes

	<u>2020</u>
1 Staff expenses	
Average number of employees	<u>0</u>
2 Uncertainty about the continued operation (going concern)	
The negative equity is in line with management's expectations and relates to start-up costs and the "J-curve" effect on the company's unlisted investments. The negative equity will be re-established via future earnings on underlying investments as well as further capital contributions from the shareholder.	
3 Contingent assets, liabilities and other financial obligations	
The company has made a commitment in investment portfolio companies and is liable for all uncalled commitments which amounts to TEUR 3.200 at 31 December 2020.	

Accounting policies

The annual report of NIO VSO Feeder II ApS for 2020 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 annual report for 2020 is presented in TEUR.

As 2020 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 cost on initial recognition. Subsequently, financial asset are measured at cost less impairment losses or a proportionate share of the companies' net asset value calculated.

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

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less costs of other external expenses.

Other external expenses

Other external expenses include expenses related to administration etc.

Accounting policies

Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement. Management fee paid to underlying investments are included in the fair value adjustment of equity investments.

Tax on profit/loss for the year

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

Balance sheet

Other securities and investments, fixed assets

Investments are measured at fair value.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date.

Fair value for unlisted equity securities are determined by the General Partner using valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The Partnership adjust the valuation model as deemed necessary for factors such as non maintainable earnings, tax risk, growth stage and cash traps.

The general partner has chosen to adopt different valuation techniques depending on the portfolio company. For holdings with substantial and sustainable cash flow or earnings, the general partner has adopted a valuation technique using either P/E or multiples based on EBITDA or revenues. For holdings without significant profits or positive cash flow, the general partner has maintained cost or the price of a recent investment or the use of multiples based on revenues.

Receivables

Receivables are measured at amortised cost.

Cash

Cash comprises cash in bank deposits.

Liabilities

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

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

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Michael Thorø Larsen

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Ashvind Kumar Guess

Adm. direktør

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