



Nordic Eye K/S

Havnegade 55, st. th.
1058 København K
CVR No. 38155326

Annual report 2020

The Annual General Meeting adopted the
annual report on 22.04.2021

Tina Øster Larsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020	9
Balance sheet at 31.12.2020	10
Statement of changes in equity for 2020	12
Cash flow statement for 2020	13
Notes	14
Accounting policies	16

Entity details

Entity

Nordic Eye K/S

Havnegade 55, st. th.

1058 København K

CVR No.: 38155326

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

Executive Board

On behalf of Nordic Eye General Partner ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board have today considered and approved the annual report of Nordic Eye K/S ("The Company") for the financial year 01.01.2020 - 31.12.2020.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Ordinary Partnership meeting.

Copenhagen, 07.04.2021

Executive Board

On behalf of Nordic Eye General Partner ApS

Independent auditor's report

To the shareholders of Nordic Eye K/S

Opinion

We have audited the financial statements of Nordic Eye K/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2020 and of the results of its operations and cash flows for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

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.

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, 07.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Financial highlights

	2020 EUR'000	2019 EUR'000	2018 EUR'000	2016/17 EUR'000
Key figures				
Gross profit/loss	(1,773)	(1,956)	(1,786)	(1,496)
Net financials	57,722	20,482	19,568	15,556
Profit/loss for the year	55,949	18,526	17,782	14,059
Total assets	140,167	84,689	58,226	18,743
Equity	140,008	84,367	56,356	16,572
Ratios				
Equity ratio (%)	99.89	99.62	96.79	88.42

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

Primary activities

The company's objective is to invest in Companies that are specialized in tech and lifestyle.

Development in activities and finances

The company's income statement for 2020 shows a profit of EUR 55,9m and at December 31, 2020, and a Net Asset Value (NAV) of 137,4 m EUR with Assets under Management (AUM) of 140,7 m EUR.

In 2020 The Company made a number of follow-on investments in existing portfolio companies.

As the fund has passed its investment period, no new investments have been made.

Several of our portfolio companies have shown a very impressive performance in 2020, and we find the annual report to be satisfactory.

Uncertainty relating to recognition and measurement

We refer to note 2 in the annual report and the accounting policies applied, as well as financial risk.

Outlook

We expect no new investments in 2021 but will make necessary follow-on investments. We expect a general progress in the portfolio companies based on the cooperation with Nordic Eye Management.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2020

	Notes	2020 EUR	2019 EUR
Other external expenses		(1,772,531)	(1,956,142)
Gross profit/loss		(1,772,531)	(1,956,142)
Other financial income		57,751,472	20,543,081
Other financial expenses		(29,506)	(60,997)
Profit/loss for the year	1	55,949,435	18,525,942

Balance sheet at 31.12.2020

Assets

	Notes	2020 EUR	2019 EUR
Other investments		137,413,651	78,427,897
Other receivables		293,746	384,749
Financial assets	2	137,707,397	78,812,646
Fixed assets		137,707,397	78,812,646
Other receivables		43,139	203,840
Receivables		43,139	203,840
Cash		2,416,353	5,672,728
Current assets		2,459,492	5,876,568
Assets		140,166,889	84,689,214

Equity and liabilities

	Notes	2020 EUR	2019 EUR
Contributed capital		49,946,892	49,796,892
Reserve for non-paid contributed capital		0	150,000
Retained earnings		90,060,677	34,419,906
Equity		140,007,569	84,366,798
Other payables	3	159,320	322,416
Current liabilities other than provisions		159,320	322,416
Liabilities other than provisions		159,320	322,416
Equity and liabilities		140,166,889	84,689,214
Working conditions	5		
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		
Non-arm's length related party transactions	9		

Statement of changes in equity for 2020

	Contributed capital EUR	Reserve for non-paid contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	49,796,892	150,000	34,419,906	84,366,798
Increase of capital	150,000	(150,000)	0	0
Extraordinary dividend paid	0	0	(308,664)	(308,664)
Profit/loss for the year	0	0	55,949,435	55,949,435
Equity end of year	49,946,892	0	90,060,677	140,007,569

The contributed capital for the Company is divided into two classes, Limited Partners class and Special Partners class. A preference right is attached to the special partner class in accordance with the Limited Partnership Agreement.

Cash flow statement for 2020

	Notes	2020 EUR	2019 EUR
Operating profit/loss		(1,772,531)	(1,956,142)
Working capital changes	4	3,344,413	(619,173)
Cash flow from ordinary operating activities		1,571,882	(2,575,315)
Financial expenses paid		(30,261)	(50,333)
Cash flows from operating activities		1,541,621	(2,625,648)
Acquisition of other investments		(4,928,926)	(8,609,745)
Sale of other investments		341,380	0
Other receivables		(51,786)	(157,281)
Cash flows from investing activities		(4,639,332)	(8,767,026)
Free cash flows generated from operations and investments before financing		(3,097,711)	(11,392,674)
Dividend paid		(308,664)	(1,738,950)
Cash increase of capital		150,000	11,072,571
Cash flows from financing activities		(158,664)	9,333,621
Increase/decrease in cash and cash equivalents		(3,256,375)	(2,059,053)
Cash and cash equivalents beginning of year		5,672,728	7,731,781
Cash and cash equivalents end of year		2,416,353	5,672,728
Cash and cash equivalents at year-end are composed of:			
Cash		2,416,353	5,672,728
Cash and cash equivalents end of year		2,416,353	5,672,728

Notes

1 Proposed distribution of profit and loss

	2020 EUR	2019 EUR
Retained earnings	55,949,435	18,525,942
	55,949,435	18,525,942

2 Financial assets

	Other investments EUR	Other receivables EUR
Cost beginning of year	35,476,446	384,749
Additions	1,516,873	51,786
Disposals	(195,591)	(145,789)
Cost end of year	36,797,728	290,746
Revaluations beginning of year	42,951,451	0
Fair value adjustments	57,664,472	3,000
Revaluations end of year	100,615,923	3,000
Carrying amount end of year	137,413,651	293,746

The fund invests in unlisted equity investments within the venture environment. Investments are made through equity instruments, loans or convertible bonds/debt instruments. As a result, the valuation is associated with uncertainty, just as the valuation is dependent on the future execution of the strategy by the individual companies. In periods of high economic uncertainty, the uncertainty surrounding the valuation will also be greater. Other receivables consists of convertible notes and loans. Fair value adjustments consists of exchange rate adjustments.

The Company calculates with an AUM on € 140.765.390, which includes the strike price of options in the money.

The Company has assets in both EUR, USD and DKK.

As the fund is nominated in EUR, changes in currency rates can have a significant effect on the value of the companies in EUR and hence the P&L effect.

The effect as of 31. december 2020 a 5% change in DKK and USD respectively is shown below.

This risk is not hedged.

AuM (m EUR)

Currency	5 % increase	Actual	5 % decrease
DKK	142,7	140,8	139,1
Relative change	1,3%		-1,2%
Absolute change	1,9		-1,7
USD	145,7	140,8	136,3
Relative change	3,6%		-3,0%
Absolute change	5,1		-4,3

3 Other payables

	2020	2019
	EUR	EUR
Wages and salaries, personal income taxes, social security costs, etc payable	25,243	8,057
Other costs payable	134,077	314,359
	159,320	322,416

4 Changes in working capital

	2020	2019
	EUR	EUR
Increase/decrease in receivables	160,170	1,544,884
Increase/decrease in trade payables etc	3,088,070	(2,164,057)
Other changes	96,173	0
	3,344,413	(619,173)

5 Working conditions

The Fund has no employees.

Management receive no remuneration.

6 Contingent liabilities

There are no contingent liabilities of the fund.

7 Assets charged and collateral

There are no assets charged or guarantees of the fund.

8 Related parties with controlling interest

The Fund has no related parties with controlling interest.

9 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Reporting currency is Euro (EUR)

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

Other external expenses include management fee, GP fee, investorboard fee and administration cost relating to the Entity's ordinary activities.

Other financial income

Other financial income comprises unrealized and realized net gains including transaction cost for unlisted investments.

Other financial expenses

Other financial expenses comprise interest expenses, bank fees and net capital or exchange losses on transactions in foreign currencies.

Income taxes

Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partners' taxable income.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Convertible notes in other currency than EUR, are being exchange rate adjusted.

Other investments

On initial recognition, other investments are measured at cost, and subsequently measured at fair value. Other investments comprise unlisted equity investments, warrant and options. Warrant and options are recognized in the balance sheet at fair value, when they are assessed in the money, i.e. when the share price of the investment is higher than the strike price of the warrant or option. The share price of the warrants and options are measured under the same principles as unlisted equity investments.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, The International Private Equity and Venture Capital Valuation Guidelines and accepted valuation techniques, including recent price of transactions (recent funding round) and multiple method to provide the best estimate of the fair value. Choice of valuation method is dependant on the underlying companies lifecycle including whether positive EBITDA is generated or similar.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of equity and financial instruments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs and payment of dividend.

Cash and cash equivalents comprise cash.