
Embankment Depository Services A/S

Amagertorv 11,4, DK-1160 København K

Annual Report for 2024

CVR No. 43 40 52 41

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 1/4 2025

Martin Grønvald Raun
Chairman of the
general meeting



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Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Embankment Depository Services A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Company and of the results of the Company operations for 2024.

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.

København K, 1 April 2025

Executive Board

David Svante Hansen
CEO

Board of Directors

Martin Grønvald Raun
Chairperson

Axel Tobias Vieth

Rune Mai

Independent Auditor's report

To the shareholder of Embankment Depository Services A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Embankment Depository Services A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 Company 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 Financial Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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.

Hellerup, 1 April 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jakob Thisted Binder

State Authorised Public Accountant

mne42816

Company information

| | |
|---------------------------|---|
| The Company | Embankment Depositary Services A/S Amagertorv 11,4 DK-1160 København K CVR No: 43 40 52 41 Financial period: 1 January - 31 December Municipality of reg. office: 1160 København K |
| Board of Directors | Martin Grønvald Raun, chairperson Axel Tobias Vieth Rune Mai |
| Executive Board | David Svante Hansen |
| Auditors | PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup |

Management's review

Key activities

The Company, including its branches in Sweden and Norway, provides depositary services to alternative investment funds (AIFs) across Scandinavia. The focus is on closed-ended AIFs with investment strategies targeting illiquid asset classes, such as private equity (including venture capital), fund-of-funds, real estate, and infrastructure.

The Company is licensed as a depositary by the Danish Financial Supervisory Authority (FSA), its Norwegian branch is authorized by the Norwegian FSA, and its Swedish branch is registered as a Financial Institution (Förvaringsinstitut) with the Swedish FSA.

The Company operates on the basis of proprietary technology that enables more efficient and transparent service delivery compared to traditional providers. This has contributed to a marked increase in client acquisition throughout 2024, including several mandates from established AIF managers.

The Company aims to further strengthen its position in the Scandinavian market and increase its market share in 2025.

Development in the year

The Company remained profitable throughout 2024 and achieved improved margins compared to the previous year, primarily due to the continued development and utilization of its proprietary technology platform.

In October 2024, Seed Capital led a EUR 4.7 million investment round in the Company's parent undertaking, providing additional capital to further enhance the technology platform and support ongoing efficiency, user experience improvements and growth.

Revenue increased over the course of 2024, reflecting both new client onboarding and geographic expansion into Norway and Sweden. The overall cost base increased in line with this growth.

The Company's financial performance in 2024 is in line with management expectations and is viewed as a confirmation of the Company's ability to deliver value in an underserved segment of the market.

Outlook for 2025

The Company expects continued growth in 2025, supported by a solid pipeline of signed agreements. Investment in technology and service delivery will remain a priority to ensure continued scalability and to maintain a high level of client satisfaction.

Subsequent events

In January 2025, the parent company, Embankment Group A/S, closed the final tranche of the fundraising initiated in October 2024.

In March 2025, the Swedish branch received formal registration as a Financial Institution by the Swedish FSA (Förvaringsinstitut).

Income statement 1 January - 31 December

| | Note | 2024 | 2022/23 |
|---|------|------------------|------------------|
| | | DKK 12 months | DKK 18 months |
| Gross profit | | 2,524,858 | 42,463 |
| Staff expenses | 1 | -1,338,523 | -117,415 |
| Profit/loss before financial income and expenses | | 1,186,335 | -74,952 |
| Financial income | 2 | 1,202 | 0 |
| Financial expenses | | -15,838 | -4,209 |
| Profit/loss before tax | | 1,171,699 | -79,161 |
| Tax on profit/loss for the year | 3 | -277,391 | 0 |
| Net profit/loss for the year | | 894,308 | -79,161 |

Distribution of profit

| | 2024 | 2022/23 |
|--|----------------|----------------|
| | DKK | DKK |
| Proposed distribution of profit | | |
| Retained earnings | 894,308 | -79,161 |
| | 894,308 | -79,161 |

Balance sheet 31 December

Assets

| | Note | 2024 | 2022/23 |
|------------------------------------|------|---------------|----------------|
| | | DKK | DKK |
| Trade receivables | | 39,844 | 0 |
| Receivables from group enterprises | | 0 | 117,641 |
| Prepayments | | 25,098 | 0 |
| Receivables | | 64,942 | 117,641 |
| | | | |
| Cash at bank and in hand | | 2,465,456 | 955,005 |
| | | | |
| Current assets | | 2,530,398 | 1,072,646 |
| | | | |
| Assets | | 2,530,398 | 1,072,646 |

Balance sheet 31 December

Liabilities and equity

| | Note | 2024 | 2022/23 |
|--|------|------------------|------------------|
| | | DKK | DKK |
| Share capital | | 1,000,000 | 1,000,000 |
| Retained earnings | | 826,008 | -79,161 |
| Equity | | 1,826,008 | 920,839 |
| Trade payables | | 203 | 0 |
| Payables to group enterprises | | 28,870 | 97,720 |
| Payables to group enterprises relating to corporation tax | | 277,391 | 0 |
| Other payables | | 397,926 | 54,087 |
| Short-term debt | | 704,390 | 151,807 |
| Debt | | 704,390 | 151,807 |
| Liabilities and equity | | 2,530,398 | 1,072,646 |
| Contingent assets, liabilities and other financial obligations | 4 | | |
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Statement of changes in equity

| | Share capital | Retained earnings | Total |
|------------------------------|------------------|-------------------|------------------|
| | DKK | DKK | DKK |
| Equity at 1 January | 1,000,000 | -79,161 | 920,839 |
| Contribution from group | 0 | 10,861 | 10,861 |
| Net profit/loss for the year | 0 | 894,308 | 894,308 |
| Equity at 31 December | 1,000,000 | 826,008 | 1,826,008 |

Notes to the Financial Statements

| | 2024 | 2022/23 |
|--------------------------------|------------------|------------------|
| | DKK 12 months | DKK 18 months |
| 1. Staff expenses | | |
| Wages and salaries | 1,237,464 | 107,599 |
| Pensions | 97,646 | 9,600 |
| Other social security expenses | 3,413 | 0 |
| Other staff expenses | 0 | 216 |
| | <u>1,338,523</u> | <u>117,415</u> |
| | | |
| Average number of employees | <u>2</u> | <u>1</u> |

| | 2024 | 2022/23 |
|----------------------------|------------------|------------------|
| | DKK 12 months | DKK 18 months |
| 2. Financial income | | |
| Other financial income | 1,202 | 0 |
| | <u>1,202</u> | <u>0</u> |

| | 2024 | 2022/23 |
|------------------------------|------------------|------------------|
| | DKK 12 months | DKK 18 months |
| 3. Income tax expense | | |
| Current tax for the year | 277,391 | 0 |
| | <u>277,391</u> | <u>0</u> |

4. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Embankment Foundercorp ApS, which is the management company of the joint taxation purposes. Moreover, the group 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

5. Accounting policies

The Annual Report of Embankment Depository Services A/S for 2024 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 Financial Statements for 2024 are presented in DKK.

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.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year.

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

Other external expenses

Other external expenses comprise expenses for premises, sales, insurance as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

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.

Notes to the Financial Statements

The Company is jointly taxed with Danish group entities . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

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.

Prepayments

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

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, including the tax base of tax loss carry-forwards, 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 liabilities

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