

# **COPENHAGEN VC FUND II K/S**

*Store Kongensgade 40H, 3. th  
DK-1264 Copenhagen*

**CVR no. 42 62 22 81**

**Annual Report 2023**

Chairman                     Niels Ankerstjerne Sloth                    

Approved at the Company's general partner meeting on 31/03 - 2024

CONTENTS

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Management's statement	2
Independent auditor's report on the financial statement	3
Company information	5
Management's review	6
Financial highlights	7
Statement of comprehensive income	8
Balance sheet 31 December	9
Statement of changes in equity for the years 2022 and 2023	10
Cash flow statement	11
Notes to the financial statements	12

MANAGEMENT'S STATEMENT

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The Management has today discussed and approved the Annual Report of COPENHAGEN VC FUND II K/S for the financial year 01 January 2023 - 31 December 2023.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards, which is approved by EU and further Danish disclosure requirements according to the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations and cash flow for the financial year 01 January 2023 - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the Annual Report is approved at the General Partner meeting.

Copenhagen, 31 March 2024

On behalf of the General Partner:  
IDC RP 2019 ApS

Richard Aitkenhead Castillo  
Chairman

Niels Ankerstjerne Sloth

Roberto Aitkenhead

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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**To the Limited Partners of Copenhagen VC Fund II K/S.**

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Copenhagen VC Fund II K/S for the financial year 1 January - 31 December 2023, which comprise statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies.

**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.

**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 IFRS Accounting Standards as adopted by the EU and further requirements in 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.

**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

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT

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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.

Copenhagen, 31 March 2024  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen  
State Authorised Public Accountant  
mne16675

Martin Birch  
State Authorised Public Accountant  
mne42825

## Company information

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Company name	COPENHAGEN VC FUND II K/S
CVR NO.	42 62 22 81
Address	Store Kongensgade 40H, 3. th, DK-1264 Copenhagen
Management	Richard Aitkenhead Castillo Niels Ankerstjerne Sloth Roberto Aitkenhead
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
General Partner (Authorised to sign for the Company)	IDC RP 2019 ApS Store Kongensgade 40H, 3. th 1264 Copenhagen

## MANAGEMENT'S REVIEW

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### **Business activities**

The purpose of the company is to act as investment advisor for alternative investment funds managed by IDC Management Denmark ApS as well as to carry out other activities related to this.

### **Profit/loss for the year**

The Fund's income statement for the year ended 31 December 2023 shows a profit of TUSD 12,109 and the balance sheet on 31 December 2023 shows an equity of TUSD 127,521. The result for the year reflects the number of investments made at this stage of the Fund.

### **Valuation principles**

The Fund's valuation principles are in accordance with the International Private Equity and Venture Capital "(IPEV) "Valuation Guidelines.

### **Recognition and measurement uncertainties**

The recognition and measurement of items in the annual report is not associated with any uncertainty beyond what is typical for companies investing in unlisted assets.

### **Unusual matters**

The Fund's financial position on 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

### **Significant events occurring after end of reporting period**

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

### **Financial risks**

Financial and other risks material to the financial statements are presented in section "Notes to the financial statements". Please refer to note 3. For information about the methods and assumptions used in determining fair value please refer to note 2 and 4.

### **Consolidated financial statements**

The Company meets the conditions of being an investment entity and is exempt from preparing consolidated financial statements for 2023. For further explanation, please refer to the disclosures.

### **Targets and expectations for the year ahead**

Continuing into its third year, Fund 2 is actively navigating the investment landscape with a keen focus on leveraging current market conditions to secure investments with favorable terms. With approximately 30% of the fund yet to be deployed, we are strategically positioned to capitalize on opportunities that align with our vision of growth, leadership, and market fit.

Our portfolio companies, including SuperSim, demonstrate significant achievements that reflect our investment strategy's effectiveness. These successes validate our approach and commitment to investing in companies poised for substantial growth. As we look towards completing our investment phase, we remain vigilant and selective, aiming to support and expand our portfolio in alignment with our long-term vision for high returns and market impact.

As the market evolves, our strategy adapts, always with an eye toward maximizing the potential of our investments and the returns for our stakeholders.

## Financial Highlights

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The financial highlights for the Fund per 31 December 2023 were as follows:

	2023 TUSD	2022 TUSD
Financial highlights		
Key figures		
Gross profit/loss	-3,871	-5,585
Profit/loss before net financials	12,158	-2,696
Net financials	-49	-135
Profit/loss for the year	12,109	-2,831
Balance sheet Total	130,784	82,378
Equity	127,521	76,200
Financial ratios		
Return on assets	9,26%	-3,30%
Equity ratio	97,5%	92,5%
Return on equity	9,5%	-3,44%

### Key Fund Financial Highlights

All amounts are in USD	Committed Capital to date	% committed Capital to date
Total Commitment to the Fund	163,534,000	100%
Cumulative Paid In Capital	118,242,580	72%
Cumulative Distributions to the Investors	-	0%
Of which - Recallable Distribution	-	0%
Total Unfunded Commitment available for Draw Down	45,291,420	28%
Total invested in portfolio companies	111,258,813	68%
Total additional commitment to portfolio companies	-	0%
Total invested and committed portfolio companies	111,258,813	68%
Total fair value of the current portfolio	130,176,265	
Total cash, borrowings, other assets and liabilities	(2,654,648)	
Total net asset value (NAV)	127,521,617	

### Multiples to investors:

Total Value to Paid in Capital (TVPI)	1,08x
Distributions to Paid In Capital (DPI)	0,00x
Residual Value to Paid In Capital (RVPI)	1,08x
Paid in Capital to Committed Capital (PICC)	0,72x
Multiple on Invested Capital (MOIC)	1,16x
Net IRR	5,78%

## STATEMENT OF COMPREHENSIVE INCOME

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	Note	<u>2023</u>	<u>2022</u>
		TUSD	TUSD
Value adjustment of investments		16,029	2,889
Other external costs		<u>-3,871</u>	<u>-5,585</u>
Operating profit/(loss) (EBIT)		12,158	-2,696
Financial expenses		<u>-49</u>	<u>-135</u>
Profit/(loss) before tax		12,109	-2,831
Tax on net profit/(loss) for the year		0	0
Net profit/(loss) for the year		<u>12,109</u>	<u>-2,831</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Comprehensive income		<u>12,109</u>	<u>-2,831</u>

COPENHAGEN VC FUND II K/S

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2023</u> TUSD	<u>2022</u> TUSD
<b>ASSETS</b>			
Investments in subsidiaries	4+5	34,288	16,231
Investments in associates	4+5	16,999	63,246
Other fixed asset investments		69,230	0
Convertible loans		9,659	2,900
		<u>130,176</u>	<u>82,377</u>
Total non-current assets			
Receivables from group entities		108	0
		<u>108</u>	<u>0</u>
Total receivables			
Cash and cash equivalents		607	1
		<u>607</u>	<u>1</u>
Total cash and cash equivalents			
Total assets		<u>130,891</u>	<u>82,378</u>
<b>EQUITY AND LIABILITIES</b>			
Contributed capital		118,243	79,031
Revaluation reserve		30,069	10,337
Retained earnings/(losses)		-20,791	-13,168
		<u>127,521</u>	<u>76,200</u>
Total equity			
Trade payables		3,370	3,352
Payables to group entities		0	2,826
		<u>3,370</u>	<u>6,178</u>
Total short-term liabilities			
Total equity and liabilities		<u>130,891</u>	<u>82,378</u>

COPENHAGEN VC FUND II K/S

BALANCE SHEET 31 DECEMBER

	<u>Contributed capital</u> TUSD	<u>Revaluation reserve</u> TUSD	<u>Retained earnings</u> TUSD	<u>Equity</u> TUSD
Balance 1 January 2022	0	0	0	0
Capital increase	79,031	0	0	79,031
Capital reduction	0	0	0	0
Result of the year	<u>0</u>	<u>10,337</u>	<u>-13,168</u>	<u>-2,831</u>
Limited partners equity total 31 December 2022	<u>79,031</u>	<u>10,337</u>	<u>-13,168</u>	<u>76,200</u>
	<u>Contributed capital</u> TUSD	<u>Revaluation reserve</u> TUSD	<u>Retained earnings</u> TUSD	<u>Equity</u> TUSD
Balance 1 January 2023	79,031	10,337	-13,168	76,200
Capital increase	39,212	0	0	39,212
Capital reduction	0	0	0	0
Result of the year	<u>0</u>	<u>19,732</u>	<u>-7,623</u>	<u>12,109</u>
Limited partners equity total 31 December 2023	<u>118,243</u>	<u>30,069</u>	<u>-20,791</u>	<u>127,521</u>

**CASH FLOW STATEMENT**

	<u>2023</u> TUSD	<u>2022</u> TUSD
Operating profit/(loss) (EBIT)	12,158	-2,696
Purchase of financial investments (portfolio Companies)	-31,990	-79,489
Proceeds from financial investments	0	0
Value adjustment of investments (unrealized)	-16,029	-2,889
Realized gain/loss from financial investments	0	0
Change in working capital	-2,696	6,178
Financial income received	0	0
Financial expense paid	-49	-134
Cash flow from operating activities	<u>-38,606</u>	<u>-79,030</u>
Paid in contributed capital	39,212	79,031
Distributions paid to limited partners	0	0
Cash flow from financing activities	<u>39,212</u>	<u>79,031</u>
Net increase in cash and cash equivalents	<u>606</u>	<u>1</u>
Cash and cash equivalents at the beginning of the year	<u>1</u>	<u>0</u>
Cash and cash equivalents at the end of the year	<u>607</u>	<u>1</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Summary of significant accounting policies

#### General information

The Annual Report of the Company has been prepared in accordance with the provisions of the International Financial Reporting Standard which is approved by the EU and further disclosure requirements according to the Danish Financial Statements Act for Class B as well as selected rules applying to reporting class C.

The Annual Report is prepared in TUSD which is the functional currency of the Company.

The most significant elements of the accounting principles applied are described below.

#### Explanation on omitting consolidated financial statements

COPENHAGEN VC FUND II K/S has multiple unrelated investors and holds multiple investments in both subsidiaries and in associates. The Company has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

- 1) The Company has obtained funds for the purpose of providing investors with professional investment management services,
- 2) the Company's business purpose, which was communicated directly to investors, is investing for capital appreciation and investment income and
- 3) the investments are measured and evaluated on a fair value basis.

As the Company meets the conditions above, it is exempt from consolidating its subsidiaries. Instead, it records its controlled investments as financial assets at fair value through profit or loss.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the date of the transaction.

Receivables, liabilities and other items in foreign currencies which have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date.

Realised and unrealised exchange rate adjustments are included in the income statement as financial income/expenses.

## NOTES TO THE FINANCIAL STATEMENTS

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### Balance sheet

Investments in portfolio companies etc.

Investments in subsidiaries, associates, other securities and 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.

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

Unlisted portfolio companies are valued either by way of a capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods.

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.

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

In determining fair value, the General Partner in many instances relies on the financial data of investee portfolio companies and on estimates by the management of the investee portfolio companies as to the effect of future developments. Although the General Partner uses its best judgement and cross-references results of primary valuation models against secondary models in estimating the fair value of investments, there are inherent limitations in any estimation techniques.

The fair value estimates presented herein are not necessarily indicative of an amount the Partnership 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. Write-downs for bad debt are based on individual assessment of receivables.

Equity

An amount corresponding to net positive unrealised value adjustments of investments in subsidiaries and associated companies is presented as “revaluation reserve” under the equity.

Liabilities

Liabilities are measured at amortised cost equal to nominal value.

## NOTES TO THE FINANCIAL STATEMENTS

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### Comprehensive income statement

#### Value adjustments of investments

The value adjustment of investments in portfolio companies comprises value adjustments realized from sale and value adjustments unrealized from any revaluation or impairment of investments in portfolio companies at fair value. Dividend received from investments is included in value adjustments.

#### Other external costs

Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement. Administrative expenses comprise expenses for establishing the Company and managing the operations of the company, including audit costs, legal advisors and other general expenses.

#### Financial items

Financial income and expense and similar items are recognised in the income statement with the amounts relating to the reporting period. Net financials include interest income and expense and realised and unrealised exchange rate gains and losses on foreign currency transactions.

#### Tax on profit/loss for the year

The Company is not independently liable to tax and consequently tax has not been recognized.

#### Cash Flow Statement

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

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. Working capital comprises movements related to investments, current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from financing activities comprise cash flows from payments/distributions and contributions to and from shareholders/limited partners.

Cash and cash equivalents comprise "Cash at bank and in hand" as well as balances in "Credit institutions". The cash flow statement cannot be immediately derived from the published financial records.

## NOTES TO THE FINANCIAL STATEMENTS

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### 2. Critical accounting estimates and judgments

COPENHAGEN VC FUND II K/S makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are presented below. Please refer to note 4 for further details on critical accounts estimates and judgments.

#### Fair value of investments

The fair value of securities that are not quoted in an active market are determined by using valuation techniques described below. The Company's general partner seeks to adhere to International Private Equity and Venture Capital "(IPEV) "Valuation Guidelines.

The general partner has chosen to adopt different valuation techniques depending on the portfolio company. The Fund is primarily using latest transaction as valuation method, however a reference transaction based on multiples are prepared to ensure latest capital injection is still a valid valuation principle. Please refer to note 4 for further details on the valuation models and processes.

### 3. Financial risks and financial instruments

The objective of the Partnership is to achieve medium to long-term positive impact and capital growth through investing in a selection of unlisted private companies.

The Partnership's activities expose it to a variety of financial risks: operating risk, market risk, foreign exchange risk, interest rate risk and credit risk.

#### Special operating risks, market risks and foreign exchange risks

##### Operating risks

The object of the Company is to contribute venture capital to competitive enterprises. The most important risk factor is therefore changes in the value of the investments made in portfolio companies.

##### Market risks

###### Investment Risk in general:

The Investments may involve highly speculative investment techniques, control and non-control positions and/or illiquid investments. This offering is a non-specified asset offering, and investors will not have an opportunity to evaluate specific assets prior to investing. Because of the specialized nature of the Fund, an investment in the Fund may not be suitable for certain investors and, in any event, an investment in the Fund should constitute only a limited part of an investor's total portfolio. There can be no assurance that (i) the Fund will have any profits, (ii) cash will be available for distributions, (iii) the income of the Fund will exceed its expenses, (iv) the net asset value of the Fund will increase, and (v) investors will not sustain a total loss of their investment in the Fund.

###### Past results are not indicative of future performance:

The current performance or past performance of the General Partner's, the Manager's or their affiliates' other investments are not predictive of the Fund's future performance.

###### Identification of investment opportunities and expenses:

The success of the Fund depends on the availability and identification of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Fund. There can be no assurance that the Fund will be able to identify sufficient attractive investment opportunities to meet its investment objective.

## NOTES TO THE FINANCIAL STATEMENTS

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### Nature of Portfolio Companies:

The Funds' Investments will include direct investments in various companies at different stages of maturity, including companies in Pre Series A, Series A, Series B and Opportunistic Investments. Investments in companies in the stages mentioned can be highly risky due to the lack of significant operating history, fully developed product lines, experienced management or a proven market for their product.

### Need to Follow-On Investments:

Following its initial investment in a given portfolio company, the Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Fund to increase its participation in a successful operation.

### Economic, political and legal risks:

The Investments will be made in a number of countries, including less developed countries, exposing investors to a range of potential economic, political and legal risks that might not exist in the Investors' domiciles, which could have an adverse effect on the Fund. These may include but are not limited to declines in economic growth, inflation, deflation, currency revaluation, nationalization, expropriation, confiscatory taxation, governmental restrictions, adverse regulation, social or political instability, negative diplomatic developments, military conflicts and terrorist attacks.

Investors should note that private markets in countries where the Investments are made may be significantly less developed than those in the Investors' domiciles. Certain Investments may be subject to extensive regulation by national governments and/or political subdivisions thereof, which prevent the Fund from making investments if otherwise, would make, or which may cause the Fund to incur substantial additional costs or delays that it otherwise would not suffer.

Such countries may have different regulatory standards with respect to insider trading rules, restrictions on market manipulation, shareholder proxy requirements and/or disclosure of information. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action difficult and provide little, if any, legal protection for investors, including the Fund. Any such laws or regulations may change unpredictably based on political, economic, social and/or market developments.

### Risk Relating to Accounting:

Auditing and Financial Reporting, etc. The legal, regulatory, disclosure, accounting, auditing and reporting standards in certain of the countries in which the Fund invests (both directly and indirectly) may be less stringent and may not provide the same degree of protection or information to investors as would generally apply in the Investors' domiciles. Although the Fund itself will be preparing its accounts in accordance with a recognized set of accounting principles, the assets, liabilities, profits and losses appearing in published financial statements of the Investments may not reflect their financial position or operating results as they would be reflected under generally accepted accounting principles in the Investors' domiciles. Accordingly, the net assets of the Fund published from time to time may not accurately reflect a realistic value for any or all of the Investments.

### Valuations:

The Investments are illiquid and may be difficult to value. For this reason, valuations are generally not performed by a third party. Investment companies are generally value based on the last successful financing round.

### Currency Risk:

The Investments may be made in a number of different currencies. Any returns on and the value of such Investments may therefore be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. A decline in the value of the currencies in which the Investments are denominated against the Fund Currency may result in a decrease in value of the Fund's net assets and the Shares in terms

## NOTES TO THE FINANCIAL STATEMENTS

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of the Fund Currency. The Manager may decide not to hedge the value of Investments made by the Fund against currency fluctuations, and even if the Manager deems hedging appropriate, it may not be possible or practicable to hedge currency risk exposure.

### Illiquid Investments:

Generally, the Investments will be subject to legal or other restrictions on transfer or will be investments for which no liquid market exists. Consequently, the Fund may not be able to sell its Investments when it desires to do so or to realize what it perceives to be their fair value upon a sale. It is not generally expected that Investments will be sold for a number of years after such Investments are made.

### Foreign exchange risks

The Company has no significant risk to changes in the exchange rate since a majority of portfolio investments is made in USD corresponding to the Company's chosen currency.

### Foreign exchange sensitivity

The Company is less sensitive to changes in the exchange rate since a majority of portfolio investments are made in USD corresponding to the Company's chosen currency.

### Interest rate risks

The Company is less sensitive to changes in the interest level. Cash carries current interest at fixed-term deposits.

### Credit risks

The Company has no significant receivables, why the credit risk is minimal. However, a small risk is related to convertible loans, but these can be converted to shares with a discount.

### Capital risk management

The capital of the Partnership is represented by the net assets attributable to the partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Partnership. In order to maintain or adjust the capital structure, the General Partner may call unfunded commitment from the limited partners or distribute funds to the limited partners.

## 4. Fair value estimation

### Methods and assumptions in determining fair value

#### The valuations process

The valuations are prepared by the relevant team and are reviewed on a quarterly basis as well as per year end by the team who report and make recommendations to the general partner. The recommendations are reported on a quarterly basis, in line with the quarterly valuations that are provided to investors. The team considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using various valuation methods and techniques generally recognized as standard within the industry. The fair value estimates are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guidelines" which is why investments are recognized at fair value at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

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In determining the valuation the IDCV team uses if possible the latest transaction. To support this valuation a rigorous approach relies on comparable trading multiples. To arrive at a reliable valuation, the investment team carefully selects public or private companies that are similar to the target company in terms of industry, size, development stage, revenue generation, and strategy. Once a peer group has been established, the team calculates the mean multiple of these comparable companies, which is then multiplied by the relevant multiple for each individual company. This multiple is calculated by dividing the enterprise value (EV) of each comparable company by its sales. By using this method, the IDCV team can arrive at a valuation grounded in industry benchmarks and supported by a thorough analysis of peer group multiples recommended to the General Partner for Partnership's investments.

In determining the continued appropriateness of the chosen valuation techniques, the General Partner may perform back testing to consider the various models' actual results and how they have historically aligned with the market transactions.

Fair value hierarchy for financial instruments

International Financial Reporting Standards require COPENHAGEN VC FUND II K/S to classify, for disclosure purposes, fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

## NOTES TO THE FINANCIAL STATEMENTS

Level 1: inputs are quoted (unadjusted) in active markets for identical assets or liabilities that COPENHAGEN VC FUND II K/S can access at the measurement date;

Level 2: inputs are inputs other than quoted prices included within level 1 that are observable for the assets or the liability, either direct or indirect;

Level 3: inputs are unobservable inputs that have been applied in valuing the respective asset or liability.

The determination of what constitutes “observable” requires significant judgement by COPENHAGEN VC FUND II K/S. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are involved in the relevant market.

The following table shows the classification of the financial instruments, measured at fair value. The values are classified in respect of the fair value hierarchy.

	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
<b>2023</b>				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	119,906	10,270	130,176
<b>Financial instruments, measured at fair value</b>	<b>0</b>	<b>119,906</b>	<b>10,270</b>	<b>130,176</b>
<b>2022</b>				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	82,337	0	82,337
<b>Financial instruments, measured at fair value</b>	<b>0</b>	<b>82,337</b>	<b>0</b>	<b>82,337</b>

### 5. Financial assets at fair value through profit or loss

Company Classification	Geography	2023		2022	
		Cost of investment TUSD	Fair value TUSD	Cost of investment TUSD	Fair value TUSD
SME	Europe	45,706	51,055	23,621	25,918
SME	Latin America	46,801	52,939	39,578	37,409
SME	North America	18,750	26,183	16,288	19,049
Small and medium-sized enterprises		111,259	130,176	79,488	82,377

Category of investment

The holdings are small and medium-sized enterprises with revenue of less than EURm 50 at time of entry.

## NOTES TO THE FINANCIAL STATEMENTS

## Investments in subsidiaries

Investment (2023)	Place of registered office	Currency	Share capital Local currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
IDCV Fuel CPH II CU III K/S	Copenhagen, Denmark	TUSD	13,780	92.47%	16,235	2,032
IDCV Fuel Merqueo K/S	Copenhagen, Denmark	TUSD	11,830	63.47%	-1	-80
NP SPV I K/S	Copenhagen, Denmark		9,823	56.98%	9,658	-157
Hastee	London, UK	TUSD	7,351	55.23%	13,163	-3,752
K50	USA	TUSD	1,860	100%	2,232	0

Investment (2022)	Place of registered office	Currency	Share capital Local currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
IDCV Kodit K/S	Copenhagen, Denmark	TUSD	1	100%	-7	-7
NP SPV I K/S	Copenhagen, Denmark	TUSD	1,526	100%	1,518	-8
IDCV Fuel Merqueo K/S	Copenhagen, Denmark	TUSD	11,830	63.48%	79	-11,751
IDCV Fuel CPH II CU III K/S	Copenhagen, Denmark	TUSD	8,703	88.08%	9,126	423

## Investments in associates

Investment (2023)	Place of registered office	Currency	Share capital Local currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
IDCV SPV CKU II K/S	Copenhagen, Denmark	TUSD	7,339	41.59%	20,961	10,058
IDCV Kodit	Copenhagen, Denmark	TUSD	2,439	32.06%	2,606	174
Coru	Dublin, Ireland	TUSD	6,033	41.59%	6,033	-3,613

Investment (2022)	Place of registered office	Currency	Share capital Local currency	Votes and ownership	Equity at last reporting date	Net profit/loss for the last reported year
IDCV SPV CKU II K/S	Copenhagen, Denmark	TUSD	7,339	48.06%	10,903	1,703
IDCV Fuel Merqueo	Copenhagen, Denmark	TUSD	11,830	48.06%	79	-11,751
Hastee	Copenhagen, Denmark	TUSD	5,101	33.50%	10,001	-2,791

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. Limited partners equity

Limited Partners' and General Partner's total committed capital is MUSD 164.

Capital reduction comprises of return of capital and distributions from investment companies.

### 7. Personnel expenses

The Company has no expenses to personnel,

Average number of employees 2023, 0.

Average number of employees 2022, 0.

#### 1. Related party transactions

The following transactions has occurred with other related parties:

	<u>2023</u>	<u>2022</u>
	TUSD	TUSD
Management fee	<u>2,599</u>	<u>5,328</u>
Total expenses	<u>2,599</u>	<u>5,328</u>

### 8. Subsequent events

No significant events have occurred after the balance sheet date, which could have influence on the evaluation of the Annual Report.