

COPENHAGEN VC FUND II K/S

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MANAGEMENT'S STATEMENT

The Management has today discussed and approved the Annual Report of COPENHAGEN VC FUND II K/S for the financial year 01 January 2024 - 31 December 2024.

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 2024 and of the results of the Company's operations and cash flow for the financial year 01 January 2024 - 31 December 2024.

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 2025

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

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 2024, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2024 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 2024, which comprise statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in net assets attributable to limited partners 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

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 2025
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Rasmus Søgaard Nielsen
State Authorised Public Accountant
Mne50610

Company information

Company name	COPENHAGEN VC FUND II K/S
CVR NO.	42 62 22 81
Address	Havnegade 39 DK-1058 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 Havnegade 39 1058 Copenhagen

MANAGEMENT'S REVIEW

Business activities

The purpose of Copenhagen VC Fund II K/S is to invest in innovative startups and early-stage companies. This collaboration aims to provide financial support, strategic guidance, and operational assistance to these companies, thereby fostering their growth and enhancing value creation.

Profit/loss for the year

The Fund's income statement for the year ended 31 December 2024 shows a profit of TUSD 21,271 and the balance sheet on 31 December 2024 shows net assets of TUSD 179,962. 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 2024 and the results of its operations for the financial year ended 31 December 2024 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 2024. For further explanation, please refer to the disclosures.

Development during the year

The Company's financial position and the result of the year will be shown in the income statement of the financial year 1 January 2024 - 31 December 2024 and the statement of financial position as per 31 December 2024.

The positive value adjustment of TUSD 27,912 is driven by the share value of multiple portfolio companies.

Entering its fourth year, Fund 2 is performing exceptionally well with capital almost fully deployed as of Q4 2024. We have identified clear winners within our portfolio that we will continuously nurture.

The Management confirms that the Company is a going concern and that the 2024 financial statements have been prepared on a going concern basis.

Targets and expectations for the year ahead

Management expects expenses to be at a level similar to 2024. The expectations to next year do not include expectations to value adjustments of investments.

MANAGEMENT'S REVIEW

Disclosure under Article 6 of the EU Taxonomy Regulation

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Financial Highlights

The financial highlights for the Fund per 31 December 2024 were as follows:

	2024 TUSD	2023 TUSD	2022 TUSD
Financial highlights			
Key figures			
Gross profit/loss	-6,202	-3,871	-5,585
Profit/loss before net financials	21,709	12,158	-2,696
Net financials	12	-49	-135
Profit/loss for the year	21,721	12,109	-2,831
Balance sheet Total	210,686	130,784	82,378
Net assets attributable to Limited Partners	179,962	127,521	76,200
Financial ratios			
Return on assets	10,3%	9,26%	-3,30%
Net assets ratio	85,4%	97,5%	92,5%
Return on net assets	12%	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	182,168,587	100%
Cumulative Paid In Capital	148,961,129	82%
Cumulative Distributions to the Investors	-	0%
Of which - Recallable Distribution	-	0%
Total Unfunded Commitment available for Draw Down	33,207,458	18%
Total invested in portfolio companies	144,081,223	79%
Total additional commitment to portfolio companies	-	0%
Total invested and committed portfolio companies	144,081,223	79%
Total fair value of the current portfolio	198,376,290	
Total cash, borrowings, other assets and liabilities	(18,415,093)	
Total net asset value (NAV)	179,961,197	

Multiples to investors:

Total Value to Paid in Capital (TVPI)	1,21 x
Distributions to Paid In Capital (DPI)	0,00 x
Residual Value to Paid In Capital (RVPI)	1,21 x
Paid in Capital to Committed Capital (PICC)	0,82 x
Multiple on Invested Capital (MOIC)	1,31 x
Net IRR	9,81%

STATEMENT OF COMPREHENSIVE INCOME

	Note	2024	2023
	_____	_____	_____
		TUSD	TUSD
Value adjustment of investments		27,912	16,029
Other external costs		-6,202	-3,871
		_____	_____
Operating profit/(loss) (EBIT)		21,709	12,158
Financial expenses		0	49
Financial income		12	0
		_____	_____
Profit/(loss) before tax		21,721	12,109
Tax on net profit/(loss) for the year		0	0
		_____	_____
Net profit/(loss) for the year		21,721	12,109
Other comprehensive income		0	0
		_____	_____
Comprehensive income		21,721	12,109
		_____	_____

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2024</u> TUSD	<u>2023</u> TUSD
ASSETS			
Investments in subsidiaries	4,5	10,744	34,288
Investments in associates	4,5	27,054	16,999
Other fixed asset investments		152,160	69,230
Convertible loans	6	8,418	9,659
		<hr/>	<hr/>
Total non-current assets		198,376	130,176
		<hr/>	<hr/>
Trade receivables		14	0
Receivables from group entities		106	108
Prepayments	7	12,176	0
		<hr/>	<hr/>
Total receivables		12,297	108
		<hr/>	<hr/>
Cash and cash equivalents		13	607
		<hr/>	<hr/>
Total cash and cash equivalents		13	607
		<hr/>	<hr/>
Total assets		210,686	130,891
		<hr/>	<hr/>
LIABILITIES			
Trade payables		30,679	3,370
Payables to group entities		45	0
		<hr/>	<hr/>
Total short-term liabilities		30,724	3,370
		<hr/>	<hr/>
Net assets attributable to Limited Partners		179,962	127,521
		<hr/>	<hr/>
Total liabilities and net assets		210,686	130,891
		<hr/>	<hr/>

BALANCE SHEET 31 DECEMBER

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS FOR THE YEARS 2023 AND 2024

	Contributed capital <u>TUSD</u>	Revaluation reserve <u>TUSD</u>	Retained earnings <u>TUSD</u>	Equity <u>TUSD</u>
Balance 1 January 2024	118,243	30,069	-20,791	127,521
Capital increase	30,719	0	0	30,719
Result of the year	<u>0</u>	<u>36,590</u>	<u>-14,869</u>	<u>21,721</u>
Net assets attributable to Limited Partners total 31 December 2024	<u>148,961</u>	<u>66,659</u>	<u>-35,660</u>	<u>179,962</u>
	Contributed capital <u>TUSD</u>	Revaluation reserve <u>TUSD</u>	Retained earnings <u>TUSD</u>	Equity <u>TUSD</u>
Balance 1 January 2023	79,031	10,337	-13,168	76,200
Capital increase	39,212	0	0	39,212
Result of the year	<u>0</u>	<u>19,732</u>	<u>-7,623</u>	<u>12,109</u>
Net assets attributable to Limited Partners total 31 December 2023	<u>118,243</u>	<u>30,069</u>	<u>-20,791</u>	<u>127,521</u>

CASH FLOW STATEMENT

	<u>2024</u> TUSD	<u>2023</u> TUSD
Operating profit/(loss) (EBIT)	21,721	12,109
Purchase of financial investments (portfolio Companies)	-40,332	-31,941
Proceeds from financial investments	-19,668	0
Value adjustment of investments (unrealized)	-27,912	-16,029
Realized gain/loss from financial investments	7,510	0
Change in working capital	27,356	-2,696
Financial income received	12	0
Financial expense paid	0	-49
Cash flow from operating activities	<u>-31,313</u>	<u>-38,606</u>
Paid in contributed capital	<u>30,719</u>	<u>39,212</u>
Cash flow from financing activities	30,719	39,212
Net increase in cash and cash equivalents	<u>-594</u>	<u>606</u>
Cash and cash equivalents at the beginning of the year	<u>607</u>	<u>1</u>
Cash and cash equivalents at the end of the year	<u>13</u>	<u>607</u>

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

General information

The Annual Report of the Company has been prepared in accordance with IFRS Accounting Standard approved by the EU and further disclosure requirements according to the Danish Financial Statements Act for Class C Medium Enterprises.

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 obtained funding from multiple unrelated investors and holds investments in multiple entities 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

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 future 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

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

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 complex instruments, 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

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 comparable trading multiples or the last successful financing round if possible.

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

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

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:

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
2024				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	0	198,376	198,376
Financial instruments, measured at fair value	0	0	198,376	198,376
2023				
Quoted investments (portfolio Companies)	0	0	0	0
Unquoted investments (portfolio Companies)	0	119,906	10,270	130,176
Financial instruments, measured at fair value	0	119,906	10,270	130,176

NOTES TO THE FINANCIAL STATEMENTS

Significant unobservable inputs at level 2 - 3

The investments which were classified as level 2 last year, was measured at cost price, which was estimated to fair value at year end based on observable transactions close to the balance sheet date. These investments are moved from level 2 to Level 3 this year.

Investments classified within level 3, has been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for these investments, the general partner has used valuation techniques to determine fair value. In order to assess the valuation made for investments within level 3, the Investment Advisor reviews the performance of the portfolio companies. Furthermore, the Investment Advisor is regularly in contact with the management of the portfolio companies in order to make assessments of business and operational matter which are considered in the valuation process. Where appropriate the Investment Advisor also track peer group company multiples, recent transaction results and credit ratings for similar companies.

	<u>EV/EBITDA</u>	<u>EV/EBITDA</u>
	Range used	Weighted average
Level of applied EBITDA multiples, 2024	2.1 – 28.3	6.5
Level of applied EBITDA multiples, 2023	2.4 – 28.2	5.9

For 2024 the changes in valuations are mainly driven by the performance in investments.

Sensitivity analysis

The fair value of the Company's portfolio companies is closely tied to the applied valuation multiples. Any significant change in key unobservable inputs will influence these multiples, directly impacting the valuation of the portfolio companies. As a result, this would also affect the Fund's overall fair market value.

A change of applied multiples of 10 % will have the following effect on the fair value.

Change in applied multiples of 10%, 2024 – MUSD 13
Change in applied multiples of 10%, 2023 – MUSD 8,1

	Financial instruments
Cost at 1 January 2024	111,259
Additions	40,582
Disposals	-7,760
Cost at 31 December 2024	144,081
Revaluations at 1 January 2024	18,917
Revaluations for the year	35,378
Cost at 31 December 2024	54,295
Carrying amount at 31 December 2024	198,376

NOTES TO THE FINANCIAL STATEMENTS

5. Financial assets at fair value through profit or loss

Company Classification	Geography	2024		2023	
		Cost of investment TUSD	Fair value TUSD	Cost of investment TUSD	Fair value TUSD
SME	Europe	48,402	50,274	45,706	51,055
SME	Latin America	46,674	69,462	46,801	52,939
SME	North America	49,005	78,640	18,750	26,183
Small and medium-sized enterprises		<u>144,081</u>	<u>198,376</u>	<u>111,259</u>	<u>130,176</u>

Category of investment

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

Investments in subsidiaries

Investment (2024)	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	2,449	54,82%	749	-1,867
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	TUSD	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

NOTES TO THE FINANCIAL STATEMENTS**Investments in associates**

Investment (2024)	<u>Place of registered office</u>	<u>Currency</u>	<u>Share capital</u> Local currency	<u>Votes and ownership</u>	<u>Equity at last reporting date</u>	<u>Net profit/loss for the last reported year</u>
IDCV SPV CKU II K/S	Copenhagen, Denmark	TUSD	7,339	48,06%	36,665	15,704
Hastee	London, UK	TGBP	7,395	45,53%	5,219	-2,086

Investment (2023)	<u>Place of registered office</u>	<u>Currency</u>	<u>Share capital</u> Local currency	<u>Votes and ownership</u>	<u>Equity at last reporting date</u>	<u>Net profit/loss for the last reported year</u>
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

6. Convertible loans

The Fund has convertible loans in the portfolio companies Hastee and Rewardsweb. The interests range from 0,5-12% and with maturity period between 2024 and 2027.

The convertible loans are measured at fair market value.

7. Prepayments

Prepayments consist of prepaid management fee to the management company.

8. Limited partners committed capital

Limited Partners' and General Partner's total committed capital is MUSD 182 of which MUSD 149 is called.

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

NOTES TO THE FINANCIAL STATEMENTS

9. Carried interest

The carried interest is calculated based on the fair value of the investments of the Company as measured at the reporting date. Carried interest is distributed when the particular payment distribution arrangements as set out in the LPA are met.

In 2024 TUSD 0 (2023: TUSD 0) has been distributed as carried interest.

At 31 December 2024 TUSD 3,513 is calculated as carried interest not yet distributed. to the General Partner or Management Participants.¹

10. Personnel expenses

The Company has no expenses to personnel,

Average number of employees 2024, 0.

Average number of employees 2023, 0.

According to the Act on Managers of Alternative Investment Funds, etc. (the FAIF Act), cf. § 61, subsection 3, points 5 and 6, the following information must be provided:

The total salary in accordance with the Danish special payroll tax for 2024 for employees, including management, at the manager IDC Management Denmark ApS amounts to 6.931 TDKK, of which 5.008 TDKK is fixed salary and 1.923 TDKK is variable salary. The average number of employees in 2024 amounts to 4 (converted to full-time employees).

The total salary sum for the management at the manager amounts to 3.629 TDKK, of which 1.706 TDKK is fixed salary and 1.923 TDKK is variable salary. The total salary sum for employees at the manager, who according to the FAIF Act have a significant influence on the risk profile of the managed investment funds, amounts to 3.629 TDKK, of which 1.706 TDKK is fixed salary and 1.923 TDKK is variable salary.

No preference returns (carried interest) are paid to any employees or management at the manager from any of the managed investment funds.

There is no information available that allows the allocation of the total salary sums to the individual managed investment funds.

¹ Carried Interest include additional return to General Partner(s) and Management Participants.

NOTES TO THE FINANCIAL STATEMENTS

11. Related party transactions

The following transactions has occurred with other related parties:

	<u>2024</u>	<u>2023</u>
	TUSD	TUSD
Management fee	<u>7,443</u>	<u>2,599</u>
Total expenses	<u>7,443</u>	<u>2,599</u>

12. Subsequent events

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