

ADVANTAGE Investment Partners A/S
Bredgade 40
1260 Copenhagen
Business Registration No.
39573334
Annual report 2023

The Annual General Meeting adopted the annual report on 10 June 2024

Chairman of the General Meeting

Anders Stubkjær Dalhoff

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Company details

Company details

ADVANTAGE Investment Partners A/S

Bredgade 40

1260 Copenhagen

Business Registration No (CVR): 39573334

Founded: 16.05.2018

Registered in: Copenhagen

Financial year: 01.01.2023 – 31.12.2023

Executive Board

Anders Stubkjær Dalhoff

Board of Directors

Lars Leo Thylander

Jan Johan Kühl

Jørgen Rugholm Jensen

Frank Halborg Jensen

Jesper Rangvid

Per Klitgård Poulsen

Sarah Jane Mulryan

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ADVANTAGE Investment Partners A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2023 and of its financial performance for the financial year 01.01.2023 - 31.12.2023.

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

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 08.02.2024

Executive Board

Anders Stubkjær Dalhoff

Board of Directors

Lars Leo Thylander

Jan Johan Kühl

Jørgen Rugholm Jensen

Frank Halborg Jensen

Jesper Rangvid

Per Klitgård Poulsen

Sarah Jane Mulryan

Independent auditor's report

To the shareholder of ADVANTAGE Investment Partners A/S

Opinion

We have audited the financial statements of ADVANTAGE Investment Partners A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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.

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 Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc., and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. We did not identify any material misstatement of the management commentary.

Copenhagen, 08.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No (CVR) 33963556

Michael Thorø Larsen
State-Authorised Public Accountant
Identification No (MNE) 35823

Rasmus Grynderup Kiær Steffensen
State-Authorised Public Accountant
Identification No (MNE) 44143

Management commentary

Primary activities

ADVANTAGE Investment Partners A/S is a fund manager of funds investing in primarily US private equity buyout and global infrastructure funds (also “investor club structures”) and licensed by the Danish Financial Supervisory Authority to operate as a fund manager in accordance with the Danish Alternative Investment Fund Managers Act.

Furthermore, ADVANTAGE Investment Partners A/S is the parent Company of 4 companies with the activity of being general partner in the structures managed by ADVANTAGE Investment Partners A/S.

Currently, ADVANTAGE Investment Partners A/S has 25 investor club structures under management. A description of the Company and group companies’ management structure and organization is found on the Company’s website www.advantage-ip.com.

Development in activities

During 2023, ADVANTAGE Investment Partners A/S has successfully increased capital under management to USD 2.5 billion within the managed investor club structures (within the strategies US private equity buyout and global infrastructure). The growth is driven by successful partnership models with Nordic pension funds and Nordic banks first and foremost, as well as a significant number of private investors having joined the platform of the Company. As of 31 December 2023, around 650 investors collaborate in one or more investor club structures managed by the Company.

Development in finances

When PATRIZIA SE acquired Advantage Investment Partners in 2022, part of the consideration was linked to an earn-out conditional on Advantage Investment Partners meeting certain financial targets. As per IFRS 3, contingent considerations, that are automatically forfeited if employment terminates, is remuneration for post-acquisition services. As Advantage Investment Partners A/S receives the benefits from such post-acquisition services, the costs related to the expected earn-out payments are recognized in Advantage Investment Partners A/S as wages and salaries over the vesting period. As PATRIZIA SE is ultimately responsible for making the payments of the earn-out, the received amounts are considered Group contributions. Hence, the implications from the earn-out is a significant accounting-based raise in wages and salaries in the period 2023-2025 in Advantage Investment Partners A/S, but this accounting treatment of the earn-out will have a net impact on equity of zero throughout the period due to the Group contribution being booked directly at equity.

In 2023, ADVANTAGE Investment Partners A/S realized a loss of DKK 11,095 thousand, which is in line with Management’s expectations.

As of 31 December 2023, the equity amounted to DKK 18,955 thousand of total assets of DKK 23,947 thousand and the equity ratio was 79.2%. Proposed dividend for the year amounts to DKK 400.000.

Management commentary (continued)

Outlook

In the course of 2024, ADVANTAGE Investment Partners A/S will continue to deploy its successful strategies across US private equity buyout and global infrastructure and will introduce additional opportunities within private debt for partners and investors to collaborate around on the Company's platform. In particular, the Company will continue to seek and facilitate opportunities with documented ESG-merits.

For 2024 a loss is expected at the same level as 2023 mainly due to an expected continuing accrual for earn-out and increase in both management fee income and expenses, as the employee base continues to expand throughout the year to secure the successful execution on the Company's strategy. The accrual for the earn-out will have a net impact on equity of zero due to a Group contribution booked directly at equity.

However, this expectation is subject to the continuing successful establishment of new investment structures and is furthermore sensitive to the timing of same.

Particular risks

ADVANTAGE Investment Partners A/S' management fee income from investment funds under management is calculated as a percentage of committed capital in the individual investment funds during the investment period and as a percentage of unrealized investment costs during the realization period. The income is accordingly dependent on the number, commitment size and classification of the investment funds under management as well as the ability to collaborate with investors around new investment funds from time to time, as the current investment funds are being invested and realized.

Financial risks

ADVANTAGE Investment Partners A/S' management fee income from investment funds under management is depending on the commitment to investment funds, as well as decrease in the value of the portfolio due to realizations and changes in valuation of the unrealized portfolio.

Management discusses and monitors the financial position of ADVANTAGE Investment Partners A/S and relevant risks as a whole on an ongoing basis, most recently at the Board of Directors meeting held on 1 December 2023.

Liquidity risk is generally considered low due to the prepayment of management fee from investment funds under management and the long-term commitments of such funds.

Interest rate risk is considered minimal.

Currency risk is considered substantial as the main part of management fee agreements are denominated in USD and costs are primarily denominated in DKK.

Management commentary (continued)

Remuneration

ADVANTAGE Investment Partners A/S' remuneration policy aims at attracting, retaining, developing, and rewarding employees who contribute to the profitable growth of the Company. The policy ensures that remuneration is credible, effective, and fair, that the ratio of fixed and variable pay is adequate, proportional, and balanced, and the overall remuneration is aligned with sound and efficient risk management principles and does not encourage excessive risk-taking.

Remuneration of Management during 2023 as well as details on the remuneration policy are disclosed in note 4 to the financial statements.

Intellectual capital

ADVANTAGE Investment Partners A/S employed 17 people as of 31 December 2023.

The Company is dependent on its ability to attract and retain employees to service investment funds under management and to comply with existing agreements, as well as attract investors from whom it may raise capital for new investment funds from time to time.

Uncertainty related to recognition and measurement and unusual circumstances

No material uncertainty is related to recognition and measurement regarding the ADVANTAGE Investment Partners A/S' financial statements. Furthermore, no unusual circumstances have affected recognition and measurement.

Events after the balance sheet date

No events have occurred after the balance sheet date that may materially affect the assessment of the annual report.

Management commentary (continued)

Management and directorships – Board of Directors and Executive Board

Anders Stubkjær Dalhoff, Executive Board

Executive Board	Chairman, Board of Directors	Member, Board of Directors
LNFP Holding ApS		ADVANTAGE Private Equity Holding ApS
ADVANTAGE Investment Partners A/S		ADVANTAGE Private Equity 2020 I P/S
ADVANTAGE Private Equity Holding ApS		ADVANTAGE Private Equity 2020 II A/S
ADVANTAGE Club GP ApS		ADVANTAGE Private Equity 2020 III K/S
ADVANTAGE PE 2019 A GP ApS		ADVANTAGE Infrastruktur 2021 II P/S
ADVANTAGE PE 2019 Feeder ApS		ADVANTAGE Core Infrastruktur DCP VII 2022 I A/S
ADVANTAGE Private Equity 2020 I GP ApS		ADVANTAGE Core Infrastruktur DCP VII 2022 II A/S
ADVANTAGE Private Equity 2020 I P/S		ADVANTAGE Core Infrastruktur DCP VII 2022 III A/S
ADVANTAGE Private Equity 2020 II A/S		
ICP 2020 GP ApS		
ADVANTAGE Private Equity 2020 III K/S		
ADVANTAGE Infrastruktur 2021 II P/S		
DIC Feeder A/S		
ADVANTAGE Core Infrastruktur DCP VII 2022 I A/S		
ADVANTAGE Core Infrastruktur DCP VII 2022 II A/S		
ADVANTAGE Core Infrastruktur DCP VII 2022 III A/S		

Management commentary (continued)

Lars Leo Thylander, Chairman

Executive Board	Chairman, Board of Directors	Member, Board of Directors
Thylander Gruppen Holding A/S	TG HG21LG22 ApS	Thylander Gruppen Holding A/S
Thylander Gruppen A/S	SOPHIENBERG GRUPPEN A/S	Falsled Kro A/S
KOMPLEMENTARANPARTSELKABET STRANDVEJEN 195-199	ESBJERG STORCENTER A/S	Danske Boligejendomme P/S
JØRA INVEST ApS	KOLDING EJENDOMSINVEST A/S	Klejngaard Safety ApS
I/S BRENTWOOD MANAGEMENT	TANK INVEST ApS	Falsled Kro Holding A/S
Esplanadens Komplementarselskab ApS	K/S STRANDVEJEN 195-199	Klejngaard Angels ApS
Komplementarselskabet TGP VI Holding ApS	TG PARTNERS II P/S	Klejngaard Security ApS
Komplementarselskabet TGP VI ApS	STRANDGADE 108 ApS	
TGHFKH ApS	I/S BRENTWOOD MANAGEMENT	
Klejngaard Angels ApS	Havnegade Invest ApS	
Komplementarselskabet TGP VII ApS	108 HoldCo ApS	
Komplementarselskabet TPF 2 ApS	TG Hauser Plads 28-32 P/S	
Komplementarselskabet TPF 1 ApS	Esplanadens Ejendomsselskab P/S	
Build-for-life GP ApS	Burrito Venture Partners A/S	
Anpartsselskabet 9. december 2021	Power Hall A/S	
ApS af 1986	TG Partners VI P/S Holding	
Komplementarselskabet TPF 3 ApS	TG Partners VI P/S	
Komplementarselskabet TGP VIII ApS	TGPVI LH Holding P/S	
	TGPVI LH P/S	
	Aktieselskabet af 1. maj 2019	
	TG Helgolandsgade P/S	
	Sophienberg Gruppen Holding ApS	
	TG Partners VII Holding P/S	
	TPF 2 P/S	
	Thylander Asset Management ApS	
	TPF 1 P/S	
	Ejendomsselskabet Smedeland 30 P/S	
	22. november 2021 ApS	
	TPF 3 P/S	

Management commentary (continued)

Jan Johan Kühl

Executive Board

Polaris Management A/S

Business Synergy Group ApS

P-Sinful 2021 A/S

Chairman, Board of Directors

Triax Holding A/S

Polaris V Invest Fonden

P-A17 A/S

P-A2017 Holding 1 A/S

P-A2017 Holding 2 ApS

P-Cepheo A/S

P-Holding A af 17. januar 2023 A/S

P-Sealing System A/S

Holding A af 17. januar 2023 A/S

BidCo A af 17. Januar 2023 A/S

P-Holding af 10. marts 2023 A/S

Holding af 10. marts 2023 A/S

Bidco af 10. marts 2023 A/S

P-Holding af 15. marts 2023 A/S

Holding af 15. marts 2023 A/S

BidCo af 15. marts 2023 A/S

P-AP 2009 ApS

Member, Board of Directors

Inter Primo A/S

Vikingbus Danmark A/S

Vikingbus A/S

Vikingbus Holding A/S

Vikingbus Gruppen A/S

Part Unique ApS

Fleet.dk ApS

P-Holding RelyOn Nutec A/S

P-RelyOn Nutec 2018 A/S

P-Link 2019 A/S

P-Esoft 2022 A/S

P-Vikingbus 2021 A/S

P-Sinful 2021 A/S

P-G&O 2021 A/S

Vikingbus Finans A/S

ADVANTAGE Investment Partners A/S

P-MP HoldCo 2023 AB

P-MP TopCo 2023 AB

Jørgen Rugholm Jensen

Executive Board

FutureConsumer Invest 3 ApS

FutureConsumer Invest 2 ApS

FutureConsumer Invest ApS

FHR Invest ApS

RUFR Invest ApS

Cabris ApS

Chairman, Board of Directors

Bactolife ApS

RUFR Invest 1 K/S

OLIOLI Holding ApS

Member, Board of Directors

Thylander Gruppen A/S

FutureConsumer Invest ApS

ADVANTAGE Investment Partners A/S

Cabris ApS

Hubb ApS

22. november 2021 ApS

Management commentary (continued)

Frank Halborg Jensen

Executive Board

TRAPPISTINVEST ApS

Heidrick & Struggles A/S (Partner)

Percipicum ApS

Chairman, Board of Directors

TAPET-CAFE A/S

Member, Board of Directors

NOMA AF 2003 ApS

NOMA HOLDING ApS

New Noma Holding ApS

ADVANTAGE Investment Partners A/S

Jesper Rangvid

Executive Board

JRInvest ApS

Chairman, Board of Directors

Member, Board of Directors

FINANSIEL STABILITET

Copenhagen Business School Handelshøjskolen

ADVANTAGE Investment Partners A/S

Formuepleje Holding A/S

Formuepleje A/S

Per Klitgård Poulsen

Executive Board

Strandparksvej 28 ApS

Gruts Allé ApS

Søhusvej PE ApS

Søhusvej Ejendomme ApS

Coco ApS

Chairman, Board of Directors

North Risk Holding A/S

North Risk A/S

Member, Board of Directors

Thylander Gruppen A/S

C Worldwide Holding A/S

C Worldwide Group Holding A/S

Søhusvej A/S

TG Helgolandsgade P/S

TG Partners VII Holding P/S

ADVANTAGE Investment Partners A/S

Padel Yard Holding ApS

Sarah Jane Mulryan

Executive Board

Chairman, Board of Directors

ADVANTAGE Private Equity Holding ApS

Member, Board of Directors

ADVANTAGE Investment Partners A/S

SUSTAINABLE FUTURE VENTURES LIMITED

Income statement for 2023

	<u>Notes</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Management fee	3	28,622,540	23,623,024
Other income		67,569	0
Staff and administrative expenses	4, 5	(39,118,024)	(17,987,816)
Depreciations, amortization of intangible and tangible assets		<u>(925,583)</u>	<u>(849,699)</u>
Operating profit before financial income and expenses		(11,353,498)	4,785,509
Financial income	6	349,478	9
Financial expenses	7	(87,209)	(222,174)
Profit/loss of subsidiaries		133,728	127,410
Value & currency adjustment, net	8	<u>277,747</u>	<u>230,932</u>
Profit/loss before tax		(10,679,754)	4,921,686
Tax on profit/loss for the year	9	<u>(414,685)</u>	<u>(1,100,553)</u>
Profit/loss for the year		<u>(11,094,439)</u>	<u>3,821,133</u>
Total comprehensive income		<u>(11,094,439)</u>	<u>3,821,133</u>
Proposed profit/loss appropriation			
Proposed ordinary dividend for the year		400,000	0
Transferred to reserve for net revaluation according to the equity method		133,728	127,410
Retained earnings		<u>(11,628,167)</u>	<u>3,693,723</u>
		<u>(11,094,439)</u>	<u>3,821,133</u>

Balance sheet at 31.12.2023

	<u>Notes</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Owner occupied property	10	1,148,779	2,418,691
Other fixtures and fittings, tools and equipment	10	<u>524,475</u>	<u>445,663</u>
Propert, plant and equipment		<u>1,673,254</u>	<u>2,864,354</u>
Receivable from managed funds	11	168,492	109,797
Other receivables	11	471,170	326,681
Prepayments	11	400,377	142,527
Deferred tax	12	<u>556,425</u>	<u>7,295</u>
Receivables		<u>1,596,464</u>	<u>586,300</u>
Investment in subsidiaries	13	303,728	402,499
Other investments		<u>8,330,890</u>	<u>0</u>
Securities and equity investments		<u>8,634,618</u>	<u>402,499</u>
Cash		<u>12,042,485</u>	<u>15,487,752</u>
Assets		<u>23,946,821</u>	<u>19,340,920</u>

Balance sheet at 31.12.2023

	<u>Notes</u>	<u>2023 DKK</u>	<u>2022 DKK</u>
Share capital	14	662,870	662,870
Share premium		4,923,380	4,923,380
Reserve for net revaluation according to the equity method		133,728	131,391
Retained earnings		12,834,731	8,077,183
Proposed dividend		<u>400,000</u>	<u>0</u>
Equity		<u>18,954,709</u>	<u>13,794,824</u>
Income tax		963,816	1,070,961
Other debt	15	4,028,296	4,452,013
Payables to managed funds		<u>0</u>	<u>23,122</u>
Short-term liabilities		<u>4,992,112</u>	<u>5,546,096</u>
Total liabilities		<u>4,992,112</u>	<u>5,546,096</u>
Total equity and liabilities		<u><u>23,946,821</u></u>	<u><u>19,340,920</u></u>
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Statement of changes in equity

	Share Capital	Share premium	Retained earnings	Proposed Dividend	Reserve for net revaluation according to the equity method	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 01.01.2023	662,870	4,923,380	8,077,183	0	131,391	13,794,824
Capital increase	0	0	0	0	0	0
Dividens from investment in subsidiaries	0	0	131,391	0	(131,391)	0
Group contributions	0	0	16,254,324	0	0	16,254,324
Comprehensive income	0	0	(11,628,167)	400,000	133,728	(11,094,439)
Equity at 31.12.2023	662,870	4,923,380	12,834,731	400,000	133,728	18,954,709

	Share Capital	Share premium	Retained earnings	Proposed Dividend	Reserve for net revaluation according to the equity method	Total
	DKK	DKK	DKK	DKK	DKK	DKK
Equity at 01.01.2022	662,780	4,923,380	4,128,618	0	258,823	9,973,691
Capital increase	0	0	0	0	0	0
Dividens from investment in subsidiaries	0	0	254,842	0	(254,842)	0
Group contributions	0	0	0	0	0	0
Comprehensive income	0	0	3,693,723	0	127,410	3,821,133
Equity at 31.12.2022	662,870	4,923,380	8,077,183	0	131,391	13,794,824

Notes

1. Accounting policies

The annual report of ADVANTAGE Investment Partners A/S for 2023 has been prepared in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

The accounting policies applied are consistent with last year.

No consolidated financial statements have been prepared as investments in subsidiaries account for less than 1.5% of total assets and hence not considered significant. Furthermore, such preparation would not provide any new information about the Parent's or the Group's activities or financial position. Subsidiaries are presented in note 13 and primarily consists of General Partner companies. The subsidiaries only have cash and a small provision on the balance sheet date.

The assets, liabilities, revenue and expenses including any disclosed information are not impacted by significant accounting estimates nor assessments.

The income statement and balance sheet and the terms therein have been adapted to the Company's activity as an Alternative Investment Fund Manager.

Recognition and measurement

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

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

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

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

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

Notes

1. Accounting policies (continued)

Income statement

Management fees

Management fees comprise management fees for the funds under management. The criteria for calculation of management fee is set out in the Limited Partnership Agreement. The majority of the funds follows a fee model where management fee is calculated as a percentage of either the total fund commitment or assets under management.

Other income

Other income comprise one-off technical adjustment for entering into a new lease agreement.

Staff and administrative expenses

Staff costs comprise salaries and wages and social security costs, pension contributions etc for the Company's staff, and other external expenses including expenses relating to the Company's ordinary activities.

Furthermore staff and administrative expenses comprise an earn-out (post-acquisition services). When PATRIZIA SE acquired Advantage Investment Partners, part of the consideration was linked to an earn-out conditional on Advantage Investment Partners meeting certain financial targets. As per IFRS 3 contingent considerations that are automatically forfeited if employment terminates is remuneration for post-acquisition services. Please refer to note 4 for further.

Depreciation and amortization of intangible and tangible assets

Depreciation comprise depreciation of owner occupied property, which is depreciated on a straight-line basis over the term of the lease period corresponding to 3 years. Furthermore it relates to depreciation and amortization relating to property, plant and equipment used for administration of the Company.

Financial income and expenses

Financial income and expenses comprise interest income and expenses.

Profit/loss of subsidiaries

Profit/loss of subsidiaries comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Value & currency adjustment, net

Value & currency adjustment, net comprises net exchange rate adjustments on transactions in foreign currencies and fair value adjustments of other investments at fair value.

Notes

1. Accounting policies (continued)

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the period and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Owner occupied property

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straightline basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease payments included in the measurement of the lease liability comprise amongst others; fixed lease payments, variable lease payments and the amount expected to be payable by the lessee under residual value guarantees.

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is made on a straight-line basis according to the expected useful lifetime of 3-5 years.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value.

Receivables relate to the Company's business activities and are mainly outlaid project expenses related to managed funds, as well as rent deposits and foreign exchange contracts described above. Historically, no losses on receivables have been realised, hence no provisions for expected credit losses have been recognised in the financial statement. The risks of the Company are considered limited.

Prepayments

Prepayments comprise incurred costs relating to subsequent interim periods. Prepayments are measured at cost.

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method. This means that investments are measured at the proportionate share of the Company's carrying amount.

Notes

1. Accounting policies (continued)

Other investments

Other investments under non-current assets comprise unlisted investments in fund-of-funds (portfolio company).

Investments are measured at fair value through the income statement. When measuring the fair value of an underlying portfolio company the valuation is based on the fair value of the assets and liabilities included in the individual portfolio company, which appears in the individual portfolio company's financial statement.

Cash

Cash comprises cash in bank deposits.

Deferred tax

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets are recognized in the balance sheet at their estimated realizable value, either as a set-off against deferred tax liabilities or as net tax assets.

Equity

Dividend comprise dividend paid in accordance with Danish company law as well as profit allocation between shareholders. Proposed dividend is recognised as a liability at the date when adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item in equity.

Liabilities

Other liabilities are measured at net realisable value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

2. Events after the balance sheet date

No material events have occurred after the reporting date.

Notes

	<u>DKK</u>	<u>DKK</u>
3. Management fee		
ADVANTAGE PE 2018 A K/S	950,265	970,471
ADVANTAGE PE 2019 A K/S	560,927	570,520
ADVANTAGE PE Feeder 2019 ApS	106,711	109,797
ADVANTAGE PE 2020 I P/S	1,620,883	1,651,525
ADVANTAGE PE 2020 II A/S	437,841	442,742
ADVANTAGE PE 2020 III K/S	502,374	490,802
ADVANTAGE PE 2020 A K/S	725,739	698,738
ADVANTAGE PE 2020 B K/S	1,712,204	2,112,758
ADVANTAGE PE 2020 C K/S	615,990	626,589
ADVANTAGE JB ICP Feeder K/S	1,313,878	1,341,072
ADVANTAGE Infrastruktur 2021 I K/S	659,642	672,265
ADVANTAGE Infrastruktur 2021 II P/S	2,627,834	2,683,258
ADVANTAGE PE 2021 A K/S	913,508	1,741,025
ICP 2020 I K/S	3,503,491	3,932,363
ICP 2020 II K/S	1,677,886	1,990,498
ICP 2020 III K/S	760,126	538,099
ICP 2021 I K/S	0	921,705
ADVANTAGE Infrastruktur K/S	403,731	396,140
DIC Feeder A/S	377,963	369,836
NIC ANT V K/S	4,165,795	850,621
NIC ANT V-C K/S	405,891	0
NIC DCP III K/S	838,910	124,467
NIC DCP VII K/S	2,179,406	163,723
ADVANTAGE Core Infrastruktur DCP VII 2022 I A/S	377,143	54,509
ADVANTAGE Core Infrastruktur DCP VII 2022 II A/S	610,957	88,301
ADVANTAGE Core Infrastruktur DCP VII 2022 III A/S	423,444	61,200
Other fees	150,000	20,000
	<u>28,622,540</u>	<u>23,623,024</u>

Notes

2023
DKK

2022
DKK

4. Staff and administrative expenses

Wages and salaries	(12,666,377)	(9,769,135)
Pension costs	(823,160)	(640,730)
Other social security costs	(2,610,958)	(1,506,615)
Other administrative expenses	(7,921,745)	(6,071,336)
Earn-out (post-acquisition services)	<u>(15,095,784)</u>	<u>0</u>
	<u>(39,118,024)</u>	<u>(17,987,816)</u>
Average number of employees	<u>11</u>	<u>9</u>

When PATRIZIA SE acquired Advantage Investment Partners, part of the consideration was linked to an earn-out conditional on Advantage Investment Partners meeting certain financial targets. As per IFRS 3 contingent considerations that are automatically forfeited if employment terminates is remuneration for post-acquisition services. As Advantage Investment Partners receives the benefits from such post-acquisition services, the costs related to the expected earn-out payments are recognised in Advantage Investment Partners as wages and salaries over the vesting period. As PATRIZIA SE is ultimately responsible for making the payments it is seen as Group contributions and will have a net impact on equity of zero. The full earn-out amount is recoverable from Group Parent PATRIZIA SE as part of the Share Purchase agreement.

The expected earn-out payments recognised represents management's most likely scenario based on expected fulfilment of financial targets and number of employees expected to remain employed. Management is ongoing evaluation the most likely outcome and adjust entries accordingly.

The earn-out value is based on estimates and a number of assumptions made by the management. Consequently, there are uncertainly linked to value of the earn-out (post-acquisition services).

No costs related to the depositary are recognised in administrative expenses, as these are held by the managed funds.

Wages and salaries are not allocated to each of the managed funds as such information does not exist.

Notes**4. Staff and administrative expenses (continued)****Executive Board and Board of Directors**

	2023 DKK	2022 DKK
Executive Board	2,962,964	1,125,120
Board of Directors	893,817	993,817
Total remuneration	3,856,781	2,118,937

Taking the current data protection rules into account the required information regarding the total remuneration of the executive board, consisting only of Anders Stubkjær Dalhoff, is available on the following link:

www.advantage-ip.com

At the above mentioned link, information of the remuneration of the Board of Directors split into the separate members of the Board of Directors is also available.

Remuneration expensed in 2023 to other significant risk takers than members of the Executive Board amounted to DKK 4,064 thousand (2022: DKK 3,095 thousand) in total for 3 significant risk takers. A total variable fee of DKK 270 thousand has been earned in 2023 by significant risk takers. In 2022, it amounted to DKK 200 thousand. No variable fee has been paid in the period 2018-2021 to the other significant risk takers.

Remuneration policy

The purpose of Advantage Investment Partners A/S' remuneration policy is to ensure competitive remuneration, an appropriate balance between fixed remuneration and variable remuneration, commercial development in accordance with the Advantage Investment Partners A/S' business strategy, values, and long-term targets, and ensuring sound and effective risk management, which does not encourage excessive risk taking.

Remuneration does not take integration of sustainability risks into account, as defined in the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Members of the Board of Directors are compensated individually and on a fixed remuneration base. From year to year, the Manager has a discretionary option to appoint a bonus to the members of the Executive Board.

All other employees are compensated individually and primarily on a fixed salary basis but may in addition hereto receive a component of cash based variable salary based on the remuneration policy. Potential bonus to the Employees is appointed discretionary by the management from year to year.

Notes

2023 DKK	2022 DKK
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5. Fees paid to auditors appointed at the annual general meeting

Fee regarding statutory audit	(70,750)	(58,800)
Tax assistance	(18,750)	(3,350)
Other assistance	(428,634)	(207,370)
	<u>(518,134)</u>	<u>(269,520)</u>

Other assistance comprises legal, compliance, tax and other services.

6. Financial income

Other financial income	349,478	9
	<u>349,478</u>	<u>9</u>

7. Financial expenses

Interest on subordinated loan	0	(59,259)
Other financial expenses	(87,209)	(162,915)
	<u>(87,209)</u>	<u>(222,174)</u>

8. Value & currency adjustment, net

Currency adjustment	(201,187)	230,932
Value adjustment	478,934	0
	<u>277,747</u>	<u>230,932</u>

Notes

<u>2023</u>	<u>2022</u>
<u>DKK</u>	<u>DKK</u>

9. Tax on profit/loss for the year

Profit/loss for the year	(10,679,754)	4,921,686
Current tax	(963,816)	(1,078,960)
Changes in deferred tax	549,131	7,295
Regulations to previous years tax	0	(28,888)
	<u>(11,094,439)</u>	<u>3,821,133</u>
Effective tax rate	<u>(9.0%)</u>	<u>21.9%</u>

The effective tax rate is impacted by reversal of earn-out (post-acquisition services) in the taxable income statement.

10. Property, plant and equipment

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
Owner occupied property		
Cost at 1 January	3,080,135	0
Disposals	(3,080,135)	0
Additions	<u>1,292,375</u>	<u>3,080,135</u>
Cost end of year	<u>1,292,375</u>	<u>3,080,135</u>
Depreciation at 1 January	(661,444)	0
Reversal of depreciations	1,198,931	0
Depreciation for the year	<u>(681,083)</u>	<u>(661,444)</u>
Depreciation end of year	<u>(143,597)</u>	<u>(661,444)</u>
Carrying amount end of year	<u>1,148,779</u>	<u>2,418,691</u>

Owner occupied property consists of leased assets

	<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
Other fixtures and fittings, tools and equipment		
Cost at 1 January	633,918	0
Additions	<u>323,311</u>	<u>633,918</u>
Cost end of year	<u>957,229</u>	<u>633,918</u>
Depreciation at 1 January	(188,255)	0
Depreciation for the year	<u>(244,499)</u>	<u>(188,255)</u>
Depreciation end of year	<u>(432,751)</u>	<u>(188,255)</u>
Carrying amount end of year	<u>524,475</u>	<u>445,663</u>

Notes

<u>2023</u> <u>DKK</u>	<u>2022</u> <u>DKK</u>
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11. Receivables

Amounts fall due in:

0-3 months	1,040,039	579,005
3-12 months	0	0
1-5 years	0	0
	<u>1,040,039</u>	<u>579,005</u>

The Company has not invested in securities nor had any trading activities. The risks of the Company are considered limited. Historically, no losses on receivables have been realised, hence no provisions for expected credit loss (ECL) have been recognised in the financial statements. The risks of the Company are considered limited.

	<u>2023</u> DKK	<u>2022</u> DKK
12. Deferred tax		
Deferred tax on owner occupied property	2,826	0
Deferrex tax on other fixtures and fittings, tools and equipment	19,394	7,295
Earn-out	<u>534,205</u>	<u>0</u>
	<u>556,425</u>	<u>7,295</u>

13. Investments in subsidiaries

	<u>2023</u> DKK	<u>2022</u> DKK
Equity value at 01.01	402,499	428,824
Additions	0	101,107
Disposals	(101,107)	0
Value adjustments	133,728	131,391
Dividends	(131,392)	(254,842)
Regulation of previous years	<u>0</u>	<u>(3,981)</u>
Equity value at 31.12	<u>303,728</u>	<u>402,499</u>

Notes

13. Investments in subsidiaries (continued)

Name and registered office	Activity	Ownership	Equity	Profit/loss
ADVANTAGE Club GP ApS, Bredgade 40, 1260 Copenhagen, Denmark	General Partner in limited partnership	100%	115,662	65,662
ADVANTAGE PE 2019 A GP ApS, Bredgade 40, 1260 Copenhagen, Denmark	General Partner in limited partnership	100%	72,692	32,692
ADVANTAGE Private Equity 2020 I GP ApS, Bredgade 40, 1260 Copenhagen, Denmark	General Partner in limited partnership	100%	62,497	22,497
ICP 2020 GP ApS, Bredgade 40, 1260 Copenhagen, Denmark	General Partner in limited partnership	100%	52,877	12,877
Total			303,728	133,728

14. Share capital

Share capital consists of 66.286.971 shares at DKK 0,01 each. The shares are not divided into share classes.

	2023	2022
	DKK	DKK
15. Other debt		
Amounts fall due in:		
0-3 months	2,927,929	2,164,621
3-12 months	311,320	611,532
1-5 years	789,051	1,675,860
	4,028,300	4,452,013

Other debt relates to the Company's ordinary business activities and is primarily staff-related payables, including bonus and remuneration of the Management and leasing debt.

Notes

16. Contingent assets and contingent liabilities

As of 31.12.2023 the Company has a remaining commitment of USD 820.000 to Advantage PE 2021 A K/S. The Company has no other contingent assets or contingent liabilities, which can affect the Company's financial position.

The Company participated in a Danish joint taxation arrangement from 01.01.2022 – 30.11.2022 with ADVANTAGE Private Equity Holding ApS, Advantage Club GP ApS, ADVANTAGE PE 2019 A GP ApS, ADVANTAGE Private Equity 2020 I GP ApS, ICP 2020 GP ApS and LNFP A Holding ApS serving as the administration company. As of 01.12.2022 the Company entered into new Danish joint taxation with PATRIZIA DENMARK A/S serving as the administration company.

According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

17. Related party disclosures

ADVANTAGE Investemnt Partners A/S' related parties comprise the following:

Parties exercising control

ADVANTAGE Private Equity Holding ApS, Bredgade 40, 1260 Copenhagen holds the majority of shares in the Company.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding more than 5% of the share capital:

- ADVANTAGE Private Equity Holding ApS

Transactions with related parties

There has been the following transaction with related parties:

Notes

17. Related party disclosures (continued)

Name	Transaction	2023
ADVANTAGE PE 2018 A K/S	Management fee	Note 3
ADVANTAGE PE 2019 A K/S	Management fee	Note 3
ADVANTAGE PE 2019 Feeder ApS	Management fee	Note 3
ADVANTAGE PE 2020 A K/S	Management fee	Note 3
ADVANTAGE PE 2020 I P/S	Management fee	Note 3
ADVANTAGE PE 2020 II A/S	Management fee	Note 3
ADVANTAGE PE 2020 III K/S	Management fee	Note 3
ADVANTAGE PE 2020 B K/S	Management fee	Note 3
ADVANTAGE PE 2020 C K/S	Management fee	Note 3
ICP 2020 I K/S	Management fee	Note 3
ICP 2020 II K/S	Management fee	Note 3
ICP 2020 III K/S	Management fee	Note 3
ADVANTAGE PE 2021 A K/S	Management fee	Note 3
ADVANTAGE Infrastruktur 2021 I K/S	Management fee	Note 3
ADVANTAGE Infrastruktur 2021 II P/S	Management fee	Note 3
ADVANTAGE JB ICP Feeder K/S	Management fee	Note 3
ADVANTAGE Infrastruktur K/S	Management fee	Note 3
DIC Feeder A/S	Management fee	Note 3
NIC ANT V K/S	Management fee	Note 3
NIC ANT V-C K/S	Management fee	Note 3
NIC DCP III K/S	Management fee	Note 3
NIC DCP VII K/S	Management fee	Note 3
ADVANTAGE Core Infrastruktur DCP VII 2022 I A/S	Management fee	Note 3
ADVANTAGE Core Infrastruktur DCP VII 2022 II A/S	Management fee	Note 3
ADVANTAGE Core Infrastruktur DCP VII 2022 III A/S	Management fee	Note 3
Executive Board	Director's fee and salaries	Note 4
Board of Directors	Director's fee and salaries	Note 4
PATRIZIA SE	Group contribution	Note 4 and statement of changes in equity

All transactions and agreements with related parties are conducted on an arm's length basis.

Notes

18. Financial risks

The financial risks of the Company are described in the management commentary.

19. Key figures and financial ratios

	2023	2022	2021	2020	2019
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
Management fee	28,623	23,623	17,406	5,492	6,875
Staff and administrative expenses	(39,118)	(17,988)	(12,198)	(5,086)	(6,123)
Profit/loss from operations before financial income/expenses	(11,353)	4,786	5,209	407	753
Profit/loss for the year	(11,094)	3,821	4,005	387	576
Equity	18,955	13,795	9,974	2,062	1,174
Total assets	23,947	19,341	15,734	6,388	2,990
Solvency ratio (%)*	156%	366%	425%	178%	N/A
Return on equity before tax (%)	(66%)	41%	85%	23%	63%
Return on equity after tax (%)	(68%)	32%	67%	19%	49%
Average number of full-time employees	11	9	7	5	4
Number of managed funds under administration	25	27	18	9	3
Number of divisions in managed funds under administration	25	27	18	9	3
Capital/assets under administration	5,560,999	2,596,795	1,368,654	267,751	40,861

The ratios and key figures are defined in the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies.

*) Solvency ratio is calculated as average equity for the period, divided by the capital requirement in accordance with the AIFM legislation.