

VIA equity Fond II K/S
Strandvejen 58
2900 Hellerup
Business Registration No
33 35 87 84
Annual Report 2022

The Annual General Meeting adopted the annual report on 16.02.2023

Chairman of the General Meeting

Name: Benjamin Kramarz

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Fund details

Fund

VIA equity Fond II K/S

Strandvejen 58

DK-2900 Hellerup

Business Registration No: 33 35 87 84

Founded: 23.11.2010

Registered in: Gentofte

Financial year: 01.01.2022 – 31.12.2022

Telephone: +45 39 77 50 60

Internet: www.viaequity.com

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Manager and the General Partner have today considered and approved the annual report of VIA equity Fond II K/S for the financial year 01.01.2022 – 31.12.2022.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2022 and of the results of its operations and the cash flows for the financial year 01.01.2022 – 31.12.2022.

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.

Hellerup, 02.02.2023

On behalf of VIA equity A/S / VVP Komplementar II K/S

Benjamin Kramarz

Jesper Hørsholt

John Helmsøe-Zinck

Independent auditor's report

To the shareholders of VIA equity Fond II K/S

Opinion

We have audited the financial statements of VIA equity Fond II K/S for the financial year 01.01.2022 - 31.12.2022, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Funds's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board 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 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report

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 Fund'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 Fund'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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

Independent auditor's report

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 02.02.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Bill Haudal Pedersen
State-Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen
State-Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------|---------|---------|---------|---------|
| | t.kr. | t.kr. | t.kr. | t.kr. | t.kr. |
| Financial highlights | | | | | |
| Statement of comprehensive income | | | | | |
| Results from investments | 91 | 120,885 | 393,079 | 39,211 | 76,674 |
| Operating profit/(loss) | (915) | 118,607 | 388,324 | 33,486 | 72,323 |
| Financial income and expenses | (1) | (7) | (65) | 0 | (4) |
| Profit/loss for the year | (916) | 118,600 | 388,259 | 33,486 | 72,319 |
| Balance sheet | | | | | |
| Total assets | 188,724 | 188,607 | 141,961 | 393,390 | 374,856 |
| Equity | 188,702 | 188,530 | 141,935 | 393,347 | 374,802 |
| Ratios | | | | | |
| Total Value to Paid in | 3.27 | 3.28x | 3.14x | 2.69x | 2.66x |
| Distributed to Paid in | 3.05 | 3.05x | 2.97x | 2.21x | 2.20x |
| IRR (since establishment) | 52.7% | 52.9% | 52.8% | 51.8% | 53.0% |
| Number of portfolio companies | 1 | 1 | 2 | 4 | 5 |

For definitions and terms we refer to the section on accounting policies applied.

Primary activities

The Fund is a buy-out fund investing primarily in Nordic based technology and growth companies. The Fund has made investments in 11 portfolio companies.

The Fund has a committed capital of DKK 900 mio. from a broad base of recognized international investors.

The Fund is managed by VIA equity a/s in accordance with the agreed investment guidelines and management agreement, following which the manager may decide on investments and divestments subject to approval from an independent investment committee.

Development in activities and financial matters

The investment period is closed and the Fund only makes follow-up investments. The Fund has one remaining portfolio company and the focus has been on growing the business further.

Management commentary

Result of the year

The portfolio company has in general developed well over the year and proven relatively resistant to the generally negative macro-economic environment throughout this year resulting in a stable and unchanged valuation. The Fund administration costs amounted to DKK 1 mio. in line with expectations. The result for the year was a minor loss of DKK 0.9 mio.

Uncertainty relating to recognition and measurement

The Fund makes investments in non-listed companies, where the ability to divest and the companies' earnings are influenced by various factors, and the fair market valuation includes judgements and estimates. The fair market valuation of the investments in portfolio companies is therefore subject to uncertainties and the investments will not at all times be liquid as different market conditions may influence liquidity.

For further description of valuation principles please refer to the accounting principles.

Events after the balance sheet date

From the balance sheet date until the date of the presentation of this annual report, no events have occurred that would materially affect the assessment of the annual report.

Outlook for 2023

The Fund is considering divestments of portfolio companies on a continuous basis and may choose to divest if an attractive return can be achieved. Though the Fund is aiming at delivering a positive result no guidance in terms of the result is provided as this is highly dependent on the underlying performance in the portfolio company and general market conditions.

Social responsibility

The Fund considers social responsibility an integral part of making investments. The Fund aims at not making investments in companies that deliberately and repeatedly violates rules that have been laid down by national authorities in the markets in which the company operates or any rules, norms and/or standards that ensue from conventions or international agreements ratified by the EU and/or Denmark; nor engaging in activities that may be legal but that have aggressive tax planning as the main purpose or in activities that promotes violent conflicts.

The Fund focuses on active ownership to promote the long-term value creation of the investments. As part of exercising the rights as a shareholder the Fund is - through the management company - represented at portfolio company's general meetings and as boardmember on the Board of Directors.

Periodic disclosure for Article 6 financial products

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

Statement of comprehensive income

| | <u>Notes</u> | <u>2022</u> <u>DKK'000</u> | <u>2021</u> <u>DKK'000</u> |
|--|--------------|-------------------------------|-------------------------------|
| Net increase/(decrease) in realised and unrealised gains/(losses) from portfolio companies | 3, 6 | 91 | 120,885 |
| Total operating income/(loss) | | 91 | 120,885 |
| Operating expenses | | | |
| Administrative expenses | 4 | (1,006) | (2,278) |
| Total operating expenses | | (1,006) | (2,278) |
| Operating profit/(loss) (EBIT) | | (915) | 118,607 |
| Financial expenses | 5 | (1) | (7) |
| Profit/(loss) for the year | | (916) | 118,600 |
| Other comprehensive income | | (916) | 118,600 |
| Proposed distribution of profit/loss | | | |
| Transferred to equity | | (916) | 118,600 |

Balance sheet at 31.12.2022

| | <u>Notes</u> | <u>2022 DKK'000</u> | <u>2021 DKK'000</u> |
|------------------------------------|--------------|----------------------------------|----------------------------------|
| Investments in portfolio companies | 6 | <u>188,620</u> | <u>188,529</u> |
| Investments | | <u>188,620</u> | <u>188,529</u> |
| Non-current assets | | <u>188,620</u> | <u>188,529</u> |
| Cash | 7 | <u>104</u> | <u>78</u> |
| Current assets | | <u>104</u> | <u>78</u> |
| Assets | | <u><u>188,724</u></u> | <u><u>188,607</u></u> |

Balance sheet at 31.12.2022

| | <u>Notes</u> | <u>2022 DKK'000</u> | <u>2021 DKK'000</u> |
|---|--------------|------------------------------|------------------------------|
| Limited partnership capital | 8 | 838,756 | 837,688 |
| Retained earnings | | 1,907,385 | 1,908,301 |
| Distributions to limited partners and general partner | | <u>(2,557,459)</u> | <u>(2,557,459)</u> |
| Equity | | <u>188,702</u> | <u>188,530</u> |
| Other payables | 9 | <u>22</u> | <u>77</u> |
| Current liabilities | | <u>22</u> | <u>77</u> |
| Liabilities | | <u>22</u> | <u>77</u> |
| Equity and liabilities | | <u><u>188,724</u></u> | <u><u>188,607</u></u> |

| | |
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Statement of changes in equity

| DKK'000 | Limited Partnership capital | Retained earnings | Distributions to limited and gener- al partners | Total |
|-----------------------------|--|------------------------------|--|----------------|
| Equity at 01.01.2022 | 837,688 | 1,908,301 | (2,557,459) | 188,530 |
| Contributions from Partners | 1,088 | 0 | 0 | 1,088 |
| Distributions to Partners | 0 | 0 | 0 | 0 |
| Profit/(loss) for the year | 0 | (916) | 0 | (916) |
| Equity at 31.12.2022 | 838,776 | 1,907,385 | (2,557,459) | 188,702 |

| DKK'000 | Limited Partnership capital | Retained earnings | Distributions to limited and gener- al partners | Total |
|-----------------------------|--|------------------------------|--|----------------|
| Equity at 01.01.2021 | 835,499 | 1,789,701 | (2,483,264) | 141,935 |
| Contributions from Partners | 2,189 | 0 | 0 | 2,189 |
| Distributions to Partners | 0 | 0 | (74,195) | (74,195) |
| Profit/(loss) for the year | 0 | 118,600 | 0 | 118,600 |
| Equity at 31.12.2021 | 837,688 | 1,908,301 | (2,557,459) | 188,530 |

The Partners have committed themselves to contributing up to DKK 900,000 thousand into the Fund, as and when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Partners have paid-in net DKK 838,776 thousand at 31.12.2022, and the remaining contribution balance is DKK 61,224 thousand. Distributions to Partners comprises return of capital and realized gains.

Refer to note 8 for further regarding the rights, preferences and restrictions attached to the shares.

Cash flow statement for 2022

| | <u>Notes</u> | <u>2022</u> <u>DKK'000</u> | <u>2021</u> <u>DKK'000</u> |
|--|--------------|-------------------------------|-------------------------------|
| Operating profit/(loss) | | (915) | 118,607 |
| Unrealised fair value adjustments | 3 | (91) | (120,885) |
| Unrealised net foreign exchange gains/(losses) | | 0 | 0 |
| Working capital changes | 10 | (55) | 4,042 |
| Cash flows from ordinary activities | | <u>(1,061)</u> | <u>1,764</u> |
| Financial expenses | 5 | (1) | (7) |
| Cash flows from operating activities | | <u>(1)</u> | <u>(7)</u> |
| Divestment of portfolio companies | | 0 | 70,205 |
| Cash flows from investing activities | | <u>0</u> | <u>70,205</u> |
| Contributions from Partners | | 1,088 | 2,189 |
| Distributions to Partners | | 0 | (74,195) |
| Cash flows from financing activities | | <u>1,088</u> | <u>(72,006)</u> |
| Increase/decrease in cash | | 26 | (44) |
| Cash beginning of year | | 78 | 123 |
| Cash end of year | | <u><u>104</u></u> | <u><u>78</u></u> |

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Notes

1. Accounting policies

Reporting class

The annual report for 2022 for VIA equity Fond II K/S is presented in accordance with the International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements of the Danish Financial Statements Act governing reporting class C enterprises (medium). VIA equity Fond II K/S is a limited partnership domiciled in Denmark.

The financial statements are presented in Danish kroner (DKK), which is the functional currency of the Fund.

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

The Fund's investments are investments in portfolio companies and are therefore not covered by IFRS 9. The Fund has no other significant assets and liabilities, which are covered by IFRS 9.

Fund's income consists of value increases on investments, and the Fund has no contracts covered by IFRS 15. The Fund has not entered into any lease contracts covered by IFRS 16.

Where relevant, assessments made by Management when applying IFRS and which have had a significant impact on the financial statements are presented in the relevant notes to the financial statements.

Statement of omission to prepare consolidated financial statements

The Fund has omitted to prepare consolidated financial statements under the provisions of IFRS 10 as the Fund qualifies as an investment entity. The definition of an investment entity is an entity that:

1. Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
2. Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
3. Measures and evaluates the performance of substantially all of its investments on a fair value basis.

On the grounds set out below, Management has determined that the Fund meets the definition of an investment company because:

1. The purpose of the Fund was to invest in 9-11 companies within 5 years in order to obtain a return to investors.
2. The Fund has more than one investor and its investors are not related parties. See note 13 for further description.
3. The Fund's investments in portfolio companies are primarily made in the form of equity instruments or similar investments, and the purpose of the Fund is to obtain a return on the invested capital in the form of income, value increases or both.

Notes

1. Accounting policies (continued)

Standards and Interpretations not yet in force

All the new and amended Standards and Interpretations which are relevant to the Fund and which came into force with effect for financial years beginning 1 January 2022 have been applied when preparing the Financial Statements.

These standards have not had a significant impact on the Fund's Annual Accounts.

There are no other Standards, Interpretations or amendments to existing Standards that are not yet effective that would be expected to have a significant impact on the Fund.

Significant accounting policies and estimates

As part of the preparation of the financial statements, the Management makes a number of accounting judgements which form the basis of presentation, recognition and measurement of the Fund's assets and liabilities. The most significant accounting judgements are evident from note 2 to the financial statements.

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 Fund, and the value of the asset can be measured reliably. Assets are derecognised in the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Purchase and sale of financial assets and liabilities are recognised in the balance sheet at the commitment date.

Liabilities are recognised in the balance sheet when the Fund has a legal or actual obligation as a result of an event before or on the balance sheet date, and it is probable that future economic benefits will flow out of the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

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 statement of comprehensive income when earned, whereas costs are recognised by the amounts attributable to this financial year.

Notes

1. Accounting policies (continued)

Foreign currency translation

Transactions denominated in other currencies than the Fund's functional currency are translated at initial recognition using the exchange rate at the balance sheet date.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date.

Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Statement of comprehensive income

Realised gains/(losses) and unrealised fair value adjustments of portfolio companies

Unrealised fair value adjustments of the Fund's portfolio companies are recognised on a regular basis in the statement of comprehensive income. In addition, realised gains/(losses) are recognised in connection with the sale of portfolio companies.

Administrative expenses

All expenses are recognised in the statement of comprehensive income on the accrual basis.

Administrative expenses comprise expenses incurred during the reporting period not directly related to the Fund's investment activities. The Fund pays the Fund Manager an annual fee for carrying out investment related activities and administration. The fee is calculated in accordance with the criteria set out in the Limited Partnership Agreement.

Financial expenses

Financial expenses include bank fees and interest expenses.

Tax

The Fund is not liable to taxation independently, as the profit/loss for the year of the Fund is included at the partners' level.

Notes

1. Accounting policies (continued)

Balance sheet

Investments in and loans to portfolio companies

Financial assets and liabilities are recognised at fair value through profit or loss when the Fund enters into an investment. Recognition takes place on the commitment date when the Fund purchases or sells an investment under a contract.

Investments recognised under non-current assets include investments in portfolio companies held with the purpose of trading, which are measured at fair value at initial recognition equal to cost price and are subsequently measured at fair value with regular recognition of fair value adjustments in the profit/loss statement.

The fair value is determined on the basis of market information, IPEV valuation guidelines and accepted valuation methods, including multiple analysis/benchmarking or other relevant methods, where it is considered to provide the best estimate of the fair value of the investment.

Financial assets and liabilities are derecognised when the contractual rights to the cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

For further information about the measurement of fair values, please refer to note 13.

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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

Notes

1. Accounting policies (continued)

Cash flow statement

The cash flow statement is presented according to the indirect method and shows cash flows for operations, investments and financing, and cash and cash equivalents at the beginning and end of the year.

Cash flows relating to operating activities are calculated as the operating profit, adjusted for non-cash operating items and changes in working capital attributable to operating activities.

Cash flows for investing activities include payments related to the acquisition and sale of portfolio companies.

Cash flows relating to financing activities comprise changes in the Fund's capital.

Financial highlights

The ratios stated in the outline of key figures and ratios are calculated as follows:

Total Value to Paid In (TVPI)

The value of distributions to investors + the year end equity/contributed capital from investors.

Distributed to Paid In (DPI)

The value of distributions to investors/capital contributed by investors.

IRR

Internal rate of return is calculated on the basis of the actual cash flows as well as the value of the equity.

2. Significant accounting estimates, assumptions and uncertainties

The Fund makes investments in non-listed companies, where the ability to divest and the companies' earnings are influenced by various factors, and the fair market valuation includes judgements and estimates. The fair market valuation of the investments in portfolio companies is therefore subject to uncertainties and the investments will not at all times be liquid as different market conditions may influence liquidity.

This uncertainty may be greater in periods of high volatility in the financial markets, and the business cycle also affects earnings in the underlying companies. Methods and assumptions for the calculation of the fair value of investments in the non-listed portfolio companies are described in note 13.

Notes

3. Fair value adjustments

| | 2022 DKK'000 | 2021 DKK'000 |
|-------------------------------|-------------------------------|-------------------------------|
| Realised gains / (losses) | 0 | 69,179 |
| Unrealised gains / (losses) | 91 | 51,706 |
| Fair value adjustments | 91 | 120,885 |

4. Administrative expenses

The Fund has no employees.

Administrative expenses comprise management fee for the accounting period to the management company, VIA equity A/S, in accordance with the limited partnership agreement and other administration costs such as financial, legal and tax advisory, audit, bookkeeping and General Partner fee. For additional information on the management fee we refer to note 15.

5. Financial expenses

| | 2022 DKK'000 | 2021 DKK'000 |
|--|-------------------------------|-------------------------------|
| Other interest rates and fees | (1) | (7) |
| Interest expenses for financial liabilities | (1) | (7) |

6. Investments in portfolio companies

| | 2022 DKK'000 | 2021 DKK'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Fair value beginning of year | 188,529 | 137,847 |
| Divestments | 0 | (1,024) |
| Fair value adjustment | 91 | 51,706 |
| Fair value at 31.12 | 188,620 | 188,529 |
| Carrying amount at 31.12 | 188,620 | 188,529 |

According to the requirements of IFRS 12, information concerning the Fund's non-consolidated portfolio companies must be provided and the information below is assessed as relevant for such.

Notes

6. Investments in portfolio companies (continued)

| <u>Investment</u> | <u>Corporate form</u> | <u>Registered in</u> | <u>Equity interest %</u> | <u>Profit/(loss) DKK'000</u> | <u>Equity DKK'000</u> |
|---------------------------|-----------------------|----------------------|--------------------------|------------------------------|-----------------------|
| MS TopCo (Mansoft A/S) | ApS | Denmark | 71.6 | 7,215 | 30,921 |

The entities stated in brackets indicate the names of the underlying operating companies.

Since the Company's main activity is investing in companies, listing all investment entities related to the Company would result in a comprehensive list. In order to maintain the clarity and readability of the annual report, the list of entities to which the Company has an equity interest has been limited to the entities to which the Company has a direct ownership. Furthermore, it is considered that listing all entities would not add material additional information to the annual report.

Consistently with the accounting policies, the Fund regularly adjusts the value of the investments to the best estimate of fair value. This means that the proportionate share of operating profit or loss for the portfolio companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment.

The methods used by the Fund for the valuation of the investments are set out in note 13.

7. Cash

| | <u>2022 DKK'000</u> | <u>2021 DKK'000</u> |
|------|-------------------------|-------------------------|
| Cash | 104 | 78 |
| | 104 | 78 |

8. Limited partnership capital

| | <u>2022 DKK'000</u> | <u>2021 DKK'000</u> |
|-----------------------------|-------------------------|-------------------------|
| Limited partnership capital | 838,776 | 837,688 |
| | 838,776 | 837,688 |

The limited partnership capital is divided into shares of DKK 1.

Notes

8. Limited partnership capital (continued)

The Limited Partnership is owned by the Partners in proportion to their contributed capital and they receive a return on their investment that is dependent on the yield of the underlying investments throughout the lifetime of the fund. Some specific commitment classes have an associated right to receive carried interest and do not pay management fee.

9. Other payables

| | 2022 DKK'000 | 2021 DKK'000 |
|----------------|-------------------------------|-------------------------------|
| Other payables | 22 | 77 |
| | <u>22</u> | <u>77</u> |

The carrying amount of payables relates to other accounts payable such as fees for legal assistance, auditors and administrative services. The amount recognised corresponds to the fair value of the liabilities.

Other payables fall due for payment within 12 months.

10. Changes in net working capital

| | 2022 DKK'000 | 2021 DKK'000 |
|-----------------------|-------------------------------|-------------------------------|
| Change in receivables | 0 | 3,991 |
| Change in payables | (55) | 51 |
| | <u>(55)</u> | <u>4,042</u> |

Notes

11. Financial instruments

| | <u>2022</u> <u>DKK'000</u> | <u>2021</u> <u>DKK'000</u> |
|---|-------------------------------|-------------------------------|
| Categories of financial instruments: | | |
| Investments in portfolio companies (equity investment) | 188,620 | 188,529 |
| Financial assets measured at fair value through profit or loss | 188,620 | 188,529 |
| Other payables | 22 | 77 |
| Financial liabilities measured at amortised cost | 22 | 77 |

All financial liabilities are due for payment within 12 months.

12. Financial risk management

The Fund's risk management processes include identification, measurement, monitoring, reporting and mitigation of the identified risks to minimise the potential negative effects at fund level.

The Fund continuously manages and reduces risks by:

- in-depth business, technical, financial and legal due diligence before an investment is made;
- the conclusion of shareholder agreements in order to ensure the best possible protection and freedom of action of the Fund;
- continuous close monitoring of portfolio companies and active ownership.

Key financial risk factors and exposure regarding the financial statements for 2022 can be categorised as follows:

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Fund. The credit risks of the Fund are considered limited.

The Fund's credit risk primarily arises from

- cash and cash equivalents at banks
- contingent liabilities or guarantees

Management manages its credit risk exposure by transacting the Fund's contractual commitment activities with well-established banks, regulated exchanges and business partners which the Management consider to be reputable.

Notes

12. Financial risk management (continued)

Liquidity risk

The liquidity risk relates to the risk that the Fund may not fulfil its contractual obligations due to an insufficient amount of liquidity. The Fund is able to draw on uncalled commitments from its investors to meet its obligations, if needed. In addition, no indication of the Limited Partners' inability to contribute the remaining fund commitment exists.

There are no investment commitments to the portfolio companies, while the remaining commitments of the Limited Partners amount to DKK 61,224 thousand. The liquidity risk is therefore considered to be very limited.

13. Financial instruments measured at fair value

Investments in portfolio companies

The fair values of the individual portfolio companies are calculated on the basis of methods that best reflect individual investment risks, life cycle, and industry conditions. Generally applicable, the fair value is calculated in accordance with IPEV valuation guidelines and accepted valuation methods, including multiple analysis/benchmarking or other relevant methods.

The fair value of the investments are measured on a quarterly basis, or more frequently if significant changes occur.

The Fund Manager has implemented procedures and methodology to ensure that the valuation is carried out consistently over time and across investments.

Notes

13. Financial instruments measured at fair value (continued)

Methods and assumptions for measuring the fair value in the portfolio company

Peer group multiple

The peer-group multiple method uses comparable companies where market value and earnings are known. On this basis, a market level for primarily e.g. EV/EBITDA is calculated for the comparable companies.

The calculated EV/ EBITDA is then capitalised on the basis of a normalised EBITDA for the individual portfolio companies which, by adjustment for net interest bearing debt, yield the value of the investments.

In using the method, the Fund assesses which multiples can be used and assesses the determination of normal earnings in the portfolio companies, including assessing the sensitivity of the values when changing the model's variables.

Transaction multiple

At the transaction date, a transaction multiple is calculated based on the transaction value and the earnings at the transaction date (EBITDA). The multiple is only changed when there are significant changes in the surroundings of the companies, for example, industry conditions and micro- and macro-economic conditions, which are expected to be of a long-term nature. The portfolio company's expected earnings are adjusted periodically on the basis of underlying budgets, and an expected increase in future earnings may increase the valuation of the portfolio companies.

In certain cases, when applying a transaction multiple analysis, comparable business transactions are also assessed to identify which multiples would be relevant at a hypothetical sale of the Fund's portfolio companies at the end of the accounting period.

Description of the valuation process

The valuation process is carried out in connection with the preparation of internal reporting to investors and in connection with the preparation of the Fund's annual report. The valuation assesses the portfolio investments at the end of the accounting period and must reflect the fair value of each portfolio company, based on reasonable valuation methods and assumptions.

Individual investments are assessed separately at the end of the accounting period and are in most cases assessed on the basis of the market situation as follows: (i) determination of the Enterprise Value (EV) estimated on the basis of a hypothetical sale of the investment at the time of the balancesheet date, based on one or more of the valuation methods mentioned above, and (ii) calculation of the value of the equity investment by adjusting EV for net debt and NWC adjustments as well as any equity related waterfall structures.

Notes

13. Financial instruments measured at fair value (continued)

Fair value hierarchy for financial instruments measured at fair value in the balance sheet

Below, financial instruments measured at fair value are classified using the fair value hierarchy:

- Quoted prices in active markets for identical instruments (Level 1)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (Level 2)
- Valuation techniques under which any material inputs are not based on observable market data (Level 3)

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| 2022 | | | | |
| Unlisted shares, investment in portfolio companies | 0 | 0 | 188,620 | 188,620 |
| Financial assets measured at fair value through profit or loss | 0 | 0 | 188,620 | 188,620 |

| | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| | DKK'000 | DKK'000 | DKK'000 | DKK'000 |
| 2021 | | | | |
| Unlisted shares, investment in portfolio companies | 0 | 0 | 188,529 | 188,529 |
| Financial assets measured at fair value through profit or loss | 0 | 0 | 188,529 | 188,529 |

There have been no transfers between level 1 and level 2 in the accounting year.

Significant non-observable inputs for level 3

Unlisted shares measured at fair value in the balance sheet are based on valuation methods incorporating significant non-observable inputs.

A significant non-observable precondition in the valuation is the multiples used, just as expectations of the future earnings of the portfolio companies, which may be included in the valuation. The multiples applied are in line with the market for comparable entities. In addition, the valuation methods also takes account of net interest-bearing payables in the portfolio companies.

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| Interval for multiples applied | 8-10 | 8-10 |

Notes

13. Financial instruments measured at fair value (continued)

Sensitivity analysis

The fair value of the Fund's portfolio companies is affected by the development of applied multiples as well as the realised and expected future earnings and the level of debt in the portfolio companies. A decrease or increase in the above significant non-observable inputs will have a direct impact on the valuation of portfolio companies.

In addition, the fair value of the Fund's portfolio companies is affected by the development in a number of macroeconomic conditions in which reliable sensitivity analyses cannot be prepared.

A change in the non-observable inputs used will have the following effects on the fair value of portfolio companies.

| | 2022 DKK'000,000 | 2021 DKK'000,000 |
|---|-----------------------------------|-----------------------------------|
| A reduction of 10% in applied valuation multiples will reduce the fair value by | 16 | 18 |
| | 2022 DKK'000 | 2021 DKK'000 |
| Fair value beginning of year | 188,529 | 137,847 |
| Acquisitions | 0 | 0 |
| Divestments | 0 | (1,024) |
| Fair value adjustment | 91 | 51,706 |
| Fair value end of year | 188,620 | 188,529 |

14. Contingent liabilities

There are no guarantees or contingent liabilities of the Fund.

No provisions for expected credit loss have been recognised.

Notes

15. Related parties and controlling influence

Related parties with a controlling interest

The Fund has no investors or related parties with a controlling interest.

We refer to note 6 for an outline of the portfolio companies controlled by the Fund.

Transactions

VIA equity Fond II K/S has purchased services from VIA equity a/s for management services on market terms of a total of DKK 533 thousand. VIA equity Fond II K/S has also paid VVP Komplementar II K/S to act as a General Partner on market terms by a total of DKK 55 thousand.

Management fee is calculated based on the total cost of investments in the Fund multiplied by a fee percentage, while general partners fee is fixed annual fee.

In addition to this, no transactions with related parties have been conducted during the year.

16. Investor relations

The Fund's investors

The Limited Partnership has registered the following Limited Partners as holding more than 5% of the voting rights or nominal value of the contributed capital:

| Limited Partner | Residence | Ownership percentage |
|-------------------------|--|-----------------------------|
| FASO V A SCA SICAV RAIF | 33 rue Sainte Zithe, 2763 Luxembourg | 49.80% |
| Cubera IX LP | Western Suite Ground Floor, Mill Court La Charroterie, St. Peter Port, Guernsey GY1 1EJ, Storbritannien | 49.20% |

17. Events after the balance sheet date

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

18. Adoption of the annual report for publication

At the management meeting on 02.02.2023, Management approved this annual report for publication on 16.02.2023. The annual report will be presented to the limited partners of the Fund for approval at the Annual General Meeting on 16.02.2023.