



## Ax V Management Invest II K/S

C/O Kromann Reumert Sundkrogsgade 5  
2100 København Ø  
CVR No. 38556126

## Annual report 2024

The Annual Report was presented and adopted  
at the Annual General meeting of the Company  
06.02.2025

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**Jesper Frydensberg Rasmussen**  
Chairman

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# Entity details

## Entity

Ax V Management Invest II K/S  
C/O Kromann Reumert Sundkrogsgade 5  
2100 København Ø

Business Registration No.: 38556126  
Date of foundation: 06.04.2017  
Registered office: København  
Financial year: 01.01.2024 - 31.12.2024

## Fund Manager:

The General Partner is Axcel V GP ApS and the Fund Manager is Axcel Management A/S, FT no. 23101.

## Board of Directors in Axcel V GP ApS

Christian Gyms Schmidt-Jacobsen, Chairman  
Mads Dreyer Laursen, Member  
Jacob Høeg Madsen, Member

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

## Depositary:

Intertrust Depositary Services (Denmark) A/S  
Sundkrogsgade 21  
2100 København Ø

# Statement by Management

Today, Management has considered and adopted the Annual Report of Ax V Management Invest II K/S for the financial year 1 January 2024 - 31 December 2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

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

In our opinion, the Management's Review includes a true and fair account of matters addressed in the review.

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

Copenhagen, 05.02.2025

## Board of Directors in Axcel V GP ApS

**Christian Gyomos Schmidt-Jacobsen**  
Chairman

**Mads Dreyer Laursen**  
Member

**Jacob Høeg Madsen**  
Member

# Independent auditor's report

## To the shareholders of Ax V Management Invest II K/S

### Opinion

We have audited the financial statements of Ax V Management Invest II K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, 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 Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 in accordance with 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 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.

### 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.

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 by relevant law and regulations.

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, 05.02.2025

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bill Haudal Pedersen**

State Authorised Public Accountant  
Identification No (MNE) mne30131

**Michael Thorø Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne35823

# Management commentary

## Financial highlights

	2024	2023	2022	2021	2020
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Key figures</b>					
Net financials	614	1,406	5,332	8,696	1,916
Profit/loss for the year	600	1,398	5,310	8,677	1,895
Total assets	3,636	13,056	12,766	28,621	19,902
Equity	3,628	13,056	12,755	28,580	19,764
<b>Ratios</b>					
Return on equity (%)	7.19	10.83	25.69	35.90	11.18

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

### Return on equity (%):

Profit/loss for the year \* 100

Average equity

### Primary activities

Ax V Management Invest II K/S is a private fund which invests in mid-size Nordic based companies with the purpose of developing these commercially. Ax V Management Invest II K/S is managed by Axcel Management A/S, a manager under supervision by the Danish FSA.

### Description of material changes in activities and finances

According to the Danish disclosure requirements of the AIFMD Act<sup>1</sup> the Annual report shall contain information on material changes as listed in sections 62, 64 and 65.

The strategy of the Fund has since the formation been unchanged. The Fund does not make use of gearing.

The Fund has appointed Intertrust Depository Services (Denmark) A/S as depository to the Fund.

The share of assets placed in illiquid assets amount to approximately 99.8%. No special requirements are attached to these assets.

The Fund is close-ended and therefore bears no liquidity risk toward the limited partners. The Fund Manager has established risk management systems for measuring the Fund's liquidity. The liquidity is managed in such way that the value of the Fund's assets and the undrawn commitment from the Fund's investors at all times shall be adequate to honor the Fund's actual and potential liabilities.

### Information according to the Alternative Investment Fund Managers' Directive

According to Article 22 of the Alternative Investment Fund Managers' Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements.

During the financial period covered by the financial statements, there have been no significant changes in the matters below:

- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- The percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
- New arrangements for managing the Fund's liquidity;
- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee accordance with the agreement allowing for the leverage.

### Development in activities and finances

Ax V Management Invest II K/S was established on 6 April 2017 and had final close on 28 March 2018. Ax V Management Invest II K/S co-invests with other partnerships and the funds have a combined commitment of EUR 617m from its limited partners.

During the investment period, which ended in August 2021, the Fund acquired nine companies. After the investment period, the Fund has focused on developing the acquired companies until they are divested.

In 2024, Ax V Management Invest II K/S sold its investments in Nissens and Loopia. During 2024, Axcel has focused on continuous value creation of the two remaining companies, Gubi and Phase One.

### **Uncertainty relating to recognition and measurement**

The unrealized result on investments in portfolio companies, which are recognized in the income statement and the value of the investments that are recognized and measured in the balance sheet, are based on accounting judgement and estimates, which are uncertain by nature.

When measuring the fair value of the unlisted investments, the General Partner assesses the stage of the portfolio companies compared to the initial plans at the time of making the initial investments, future financing requirements, commercialization possibilities, timing of exit and possible exit values, including changes in earnings and multiples.

### **Outlook**

Forthcoming results of Ax V Management Invest II K/S depend on the portfolio companies' performance and the stock market development in general for which it is not possible to provide forward-looking statements for the investment result.

Other external expenses are expected to be in the range 10-20 tEUR in 2025.

### **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.

# Income statement for 2024

	Notes	2024 EUR'000	2023 EUR '000
Other external expenses	1	(14)	(8)
<b>Gross profit/loss</b>		<b>(14)</b>	<b>(8)</b>
Income from financial assets		609	1,407
Other financial income		5	0
Other financial expenses		0	(1)
<b>Profit/loss for the year</b>		<b>600</b>	<b>1,398</b>
<b>Proposed distribution of profit and loss:</b>			
Extraordinary dividend distributed in the financial year		0	1,190
Retained earnings		600	208
<b>Proposed distribution of profit and loss</b>		<b>600</b>	<b>1,398</b>

# Balance sheet at 31.12.2024

## Assets

	Notes	2024 EUR'000	2023 EUR'000
Other investments		3,279	12,889
<b>Financial assets</b>		<b>3,279</b>	<b>12,889</b>
<b>Fixed assets</b>		<b>3,279</b>	<b>12,889</b>
Other receivables		244	75
<b>Receivables</b>		<b>244</b>	<b>75</b>
<b>Cash</b>		<b>113</b>	<b>92</b>
<b>Current assets</b>		<b>357</b>	<b>167</b>
<b>Assets</b>		<b>3,636</b>	<b>13,056</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2024</b> <b>EUR'000</b>	<b>2023</b> <b>EUR'000</b>
Contributed capital		17,035	16,894
Retained earnings		(13,407)	(3,838)
<b>Equity</b>		<b>3,628</b>	<b>13,056</b>
Other payables		8	0
<b>Current liabilities other than provisions</b>		<b>8</b>	<b>0</b>
<b>Liabilities other than provisions</b>		<b>8</b>	<b>0</b>
<b>Equity and liabilities</b>		<b>3,636</b>	<b>13,056</b>
Employees	2		
Fair value information	3		
Contingent liabilities	4		

# Statement of changes in equity for 2024

	<b>Contributed capital EUR'000</b>	<b>Retained earnings EUR'000</b>	<b>Total EUR'000</b>
Equity beginning of year	16,894	(3,838)	13,056
Increase of capital	141	0	141
Extraordinary dividend paid	0	(10,169)	(10,169)
Profit/loss for the year	0	600	600
<b>Equity end of year</b>	<b>17,035</b>	<b>(13,407)</b>	<b>3,628</b>

At 31.12.2024 carried interest has reduced the fair value of investment, and total net assets, with a total of 0.8 mEUR. In 2024 carried interest has increased income from portfolio companies with 3.0 mEUR.

# Notes

## 1 Other external expenses

According to Article 107 of the AIFM Directive, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

In accordance with section 61 (nos. 5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for 2024 for Axcel Management A/S, Business Reg. No. 28 30 18 55.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

## 2 Employees

The Entity has no employees.

## 3 Fair value information

	<b>Portfolio companies EUR'000</b>
Fair value end of year	3,279

All investments are unlisted level 3 assets.

The Fund Manager regularly and at least on a quarterly basis reviews the fair value of its portfolio companies in connection with its non-public reporting to its Limited Partners and in connection with the preparation of the financial statements.

The Fund's portfolio companies are not classified as investment companies. They are engaged in doing business in trading and development, etc. The Fund has no limitations concerning the potential reception of dividends or having loans etc. repaid from the portfolio companies, apart from the fact that distribution from the portfolio companies can only take place if it is considered proper and prudent according to the principles in the Company Laws.

### Fair value hierarchy for determining fair value for investments in portfolio companies

IFRS has established a fair value hierarchy for certain assets measured at fair value:

- 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).

The measurement of investments in portfolio companies classified according to level 3 is based on measurement methods, in which material non-observable inputs are included such as assessment of which method best reflects fair value, assessment of the performance of each group enterprise, determination of multiples and future earnings, and assessment of whether a pervasive negative development should result in the recognition of impairment write-downs.

The fair value of the Fund's portfolio companies is impacted by the development in applied multiples as well as expected future earnings and development in each group enterprise. A decrease or increase in the above-mentioned material non-observable inputs may have a direct effect on the measurement of the portfolio companies, just as the fair value of the Fund's portfolio companies is impacted by the development in macroeconomic conditions.

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 Companies is not recognised in profit or loss of the Fund, but rather a fair value adjustment of the investment.

#### **Methods applied in and assumptions underlying the determination of fair values of investments**

The fair value of each investment has been estimated by applying methods that best reflect the risks and the stage of each investment, e.g., assumption related to inflation, peer groups, expected earnings, share prices and discount rates.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, such as multiple analysis/benchmarking, most recent transaction multiple and other relevant methods. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction.

Ax V Management Invest II K/S owns each portfolio company via separate holding structures for each investment. Ax V Management Invest II K/S owns a share class, which has certain preference rights, but the fair value of the shares owned may also be reduced by carried interest if the conditions for carried interest are fulfilled. Carried interest is based on a classical European whole-fund carried interest model with a hurdle rate of 8%.

#### *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 sur-

roundings 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.

Range for implied multiples: 12 to 13 (2023: 9 to 13).

#### *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 balance sheet 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.

#### **Material unobservable inputs**

Fair value of the assets is determined based on both forward-looking information, current market and geopolitical conditions, actuals e.g., contributions and distributions etc. as well as status on the specific assets. Valuations are conducted by an independent inhouse valuation expert team and approved quarterly in the Valuation Committee and subsequently by the Board of Directors as part of the quarterly report. A number of material unobservable input is applied in the valuation and is ongoingly assessed on a Fund specific level. An elaboration of the assessed material unobservable inputs is outlined below.

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable inputs.

Material unobservable assumptions used in the valuation of unlisted investments in portfolio companies consist of multiples and future earnings expectations for the portfolio companies. The multiples are derived from looking at the valuation of comparable business for each investment. As the multiples are multiplied on the expected earning level of a given investment, the multiple used has a significant effect on the valuation. Management believes that the multiples applied are on a par with the market for comparable Danish businesses. In addition, allowance is made for net interest-bearing debt of the portfolio companies when making the valuation.

#### **4 Contingent liabilities**

As of 31 December 2024, the investment group Axcel V has issued guarantees of EUR 6.8 million to support senior loan facilities in portfolio companies.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

## 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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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.

## Income statement

### Other external expenses

Other external expenses include expenses for management fee, administration and abort cost.

### Income from other investments

Income from other investments comprises gain/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments.

### Other financial income

Other financial income comprises interest income.

### Other financial expenses

Other financial expenses comprise bank fees and transactions in foreign currencies.

## Balance sheet

### Other investments

Other investments comprise equity investments measured at fair value through profit or loss.

The fair value of the unlisted investments is determined in accordance with IPEV's Valuation Guidelines, according to which the fair value – depending on the type and maturity of the investment – is determined to be equal to

cost (typically applied for new investments) or multiple-based calculations based on industry bench-marks.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Cash**

Cash comprises cash in bank deposits.

**Dividend**

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

**Other financial liabilities**

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

# Supplementary reports

Please refer to supplementary report provided for the Sustainable Finance Disclosure Regulation on page 20.

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Ax V Management Invest II K/S

Legal entity identifier: CVR: 38556126

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
Yes	No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Ax V Management Invest II K/S (“Axcel V” or “the Fund”) managed by Axcel Management A/S (“Axcel” or “the Manager”) promotes the following environmental and social characteristics for all its portfolio companies:



1. **Improve Environmental, Social & Governance (“ESG”) Management:**
  - a. Axcel requires all portfolio companies to embed various ESG-related policies and commitments, including: a) Sustainability policy, b) Code of conduct, c) Supplier code of conduct, d) Data privacy policy, e) Whistleblower scheme f) Commitment to the UN Global Compact, g) ESG priorities linked to the UN Sustainable Development Goals
  - b. Axcel encourages portfolio companies to implement sustainability-linked loans
  - c. **All portfolio companies must measure and report on Axcel’s identified principal adverse impact indicators (“PAI indicators”) and should seek to reduce adverse impacts where possible**
2. **Mitigate Climate Change:**
  - a. All portfolio companies must measure and report on their Scope 1-3 emissions, and reduce emissions where possible

- b. Portfolio companies are encouraged to set Science-Based Targets, with a target of 60% of **Axcel's portfolio**<sup>1</sup> having set an approved target by 2025, and 100% by 2030
- 3. **Increase Diversity, Equity & Inclusion:**
  - a. Portfolio companies across all funds should ensure at least 40% of new hires to leadership<sup>2</sup> of the underrepresented gender during the holding period
- 4. **Support People & Culture:**
  - a. Portfolio companies should ensure processes to track and report employee satisfaction, sickness absence and work-related injuries

● **How did the sustainability indicators perform?**

The table below shows Fund V's performance on various sustainability indicators and Axcel's ESG-related targets across its portfolio.

This report is for the reference period 01/01/2024 to 31/12/2024. Due to the timing of reporting on sustainability metrics, the performance on sustainability indicators is shown as per 30/09/2024.

During the reference period, two companies were divested. Performance on sustainability indicators is shown for the Fund both including and excluding the divested companies in columns C and D respectively. Data for the divested companies is from their last reported quarter before divestment. Performance on portfolio-wide ESG targets **across all Axcel's Funds** (Axcel V, Axcel VI, and Axcel VII) are shown in column E, and excludes divested companies.

The attainment of the environmental and social characteristics promoted by the Fund is measured using the following sustainability indicators (results as of 30/09/2024):

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

A	B	C	D	E
E/S characteristic	Indicators & Targets	Fund V performance incl. divestments (5 companies)	Fund V performance (3 companies)	Portfolio performance & results of targets (20 companies across all Funds)
<b>ESG Management</b>	Share of companies that have implemented required ESG-related policies and commitments	100%	100%	85%
	Share of companies that have a sustainability-linked loan	20%	33%	25%
<b>Climate Change</b>	Share of companies measuring and reporting on Scope 1-3 emissions	100%	100%	75% <sup>3</sup>
	Share of portfolio with approved science-based targets (Target: 60% by 2025, 100% by 2030)	76%	100%	46%
<b>Diversity, Equity &amp; Inclusion</b>	Share of companies that have met the target of 40% of additions to leadership being of the underrepresented gender	60%	67%	30%

<sup>1</sup>Portfolio coverage is measured as the share of invested capital in companies owned for more than two years.  
<sup>2</sup>Leadership teams are defined as the CEO, direct reports to the CEO (L1), and direct reports to L1 (L2). Only employees who have others reporting to them are included. Additions are defined as persons promoted or hired into the leadership team.  
<sup>3</sup>Five companies have been owned for less than 18 months and are setting their GHG emissions baselines to be able to report

	Share of additions to leadership have been women across Axcel companies (Target: 40% during holding period)			39%
<b>People &amp; Culture</b>	Share of reporting companies conducting employee satisfaction survey	80%	100%	80%

**...and compared to previous periods?**

E/S characteristic	Indicator	Fund V performance as of 30/09/2024 (3 companies)	2023 <sup>4</sup>	2022 <sup>5</sup>
<b>ESG Management</b>	Share of Axcel V companies that have implemented required ESG-related policies and commitments	100%	100%	100%
	Share of Axcel V companies that have a sustainability-linked loan	33%	n.a.	n.a.
<b>Climate Change</b>	Share of Axcel V companies measuring and reporting on Scope 1-3 emissions	100%	100%	n.a.
	Share of Axcel V invested capital with approved science-based targets	100%	69%	23%
<b>Diversity, Equity &amp; Inclusion</b>	Share of Axcel V companies with at least 40% of new hires to leadership of the underrepresented gender	67%	33%	50%
<b>People &amp; Culture</b>	Share of Axcel V companies conducting employee satisfaction survey	100%	n.a.	n.a.

**What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

N/A

**How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A

How were the indicators for adverse impacts on sustainability factors taken into account?

N/A

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

N/A

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

<sup>4</sup> Results from previous periodic reports and therefore representative of the number of companies and length of ownership as per 30 September 2023

<sup>5</sup> Results from previous periodic reports and therefore representative of the number of companies and length of ownership as per 30 September 2022

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

**The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.**

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



**How did this financial product consider principal adverse impacts on sustainability factors?**

The Fund considers PAI indicators by collecting data on the indicators as defined and measured in **Annex 1 of the Regulatory Technical Standards (“RTS”) for the Sustainable Finance Disclosure Regulation (“SFDR”)**. When screening for future investment options, Axcel incorporates relevant ESG factors in the general evaluation criteria including PAI indicators. Following an acquisition, **portfolio companies are introduced to Axcel’s five-step sustainability programme** and are required to assess their impact on ESG topics and develop action plans. Action plans focus on those impacts that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character. Portfolio companies report on the **PAI indicators in Axcel’s data management system quarterly.**

The Fund considers the 14 mandatory PAI indicators and has additionally selected the indicator **‘Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement’** from Table 2, and **‘Share of investments in entities without policies on the protection of whistleblowers’** of Table 3 of Annex I of the RTS.

Axcel reserves the publication of the PAI indicators under Article 11(2) of Regulation (EU) 2019/2088 and consideration hereof for its PAI entity statement published on Axcel’s website in the Sustainability section by June 30<sup>th</sup> 2025.



**What were the top investments of this financial product?**

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 01/01/2024 – 31/12/2024

Largest investments	Sector	% Assets	Country
GUBI	Consumer	10-30%	Denmark
Phase One	Technology	10-30%	Denmark
Capture One	Technology	10-30%	Denmark
Loopia <i>(exited 23/09/2024)</i>	Technology	10-30%	Denmark
Nissens <i>(exited 01/11/2024)</i>	Business services & technology	10-30%	Denmark
<i>Total</i>		<i>100%</i>	



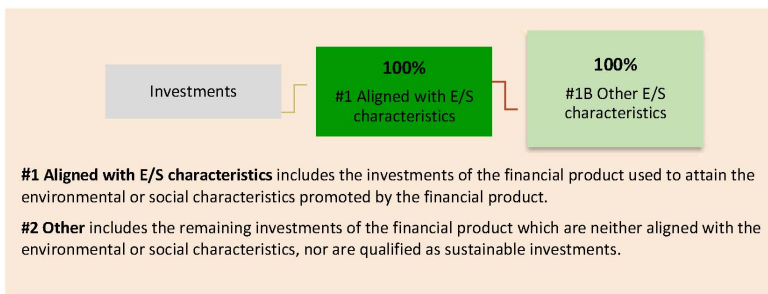
**Asset allocation** describes the share of investments in specific assets.

**What was the proportion of sustainability-related investments?**

0% - the Fund does not have sustainable investments as its objective.

**What was the asset allocation?**

100% of investments were aligned with the environmental and social characteristics promoted by the Fund, but 0% qualify as sustainable investments.



To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**In which economic sectors were the investments made?**

Investment	NACE code
GUBI	G47.5.9 - Retail sale of furniture, lighting equipment and other household articles in specialised stores
Phase One	C26.7.0 - Manufacture of optical instruments and photographic equipment
Capture One	J58.2.9 - Other software publishing
Loopia	J63.1.1 - Data processing, hosting and related activities
Nissens	C28.2.5 - Manufacture of non-domestic cooling and ventilation equipment



**To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?**

N/A

**Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy<sup>6</sup>?**

Yes:

In fossil gas In  nuclear energy

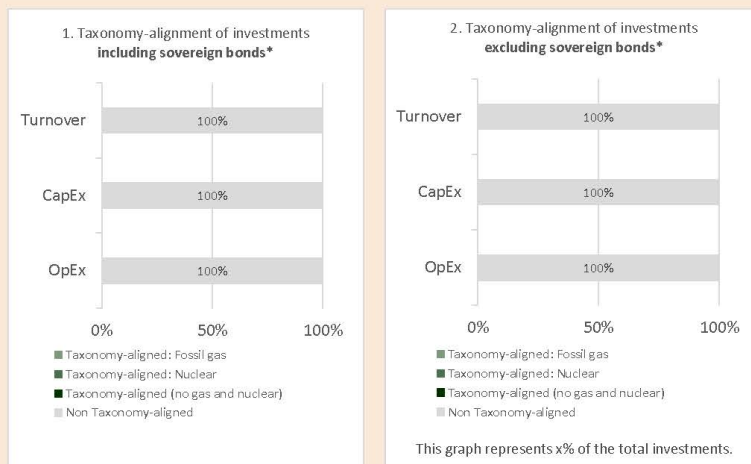
No

<sup>6</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



\* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What was the share of investments made in transitional and enabling activities?**  
During the reference period, the proportion of investments in enabling activities was 0% and investments in transitional activities was 0%.
- **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

	2024	2023	2022
Share of Taxonomy-aligned investments	0%	0%	0%

are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

- **What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**  
N/A
- **What was the share of socially sustainable investments?**  
N/A
- **What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**  
N/A



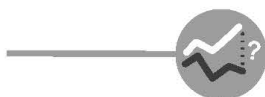
**What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reference period, various procedures and processes have been upheld, strengthened or added by the Manager to work towards meeting the environmental and social characteristics of the Fund.

As no new investments were made by the Fund in the reference period, the actions taken have **focused on strengthening the portfolio companies’ ability to report sustainability**-related data in a systematic, timely manner and continuously work to improve the **portfolio companies’ maturity** in terms of ESG matters.

Some of the actions taken by the Manager include:

- Exercising shareholder engagement by **prioritizing the Fund’s environmental and social** characteristics as priorities on Board meetings
- Ongoing dialogue and sparring regarding sustainability matters between the portfolio companies and **the Manager, especially Axcel’s Head of Sustainability**
- Quarterly and annual ESG reporting, including quarterly PAI reporting (except GHG emissions which are reported annually), and quarterly reporting on additional ESG indicators aligned with the targets set by the Fund
- Ensuring all portfolio companies subject to reporting under the Corporate Sustainability **Reporting Directive (“CSRD”)** within the upcoming two years have commenced or have planned to start workstreams to prepare for the reporting requirements
- In addition, Axcel has also internally worked to strengthen its ability to increase its shareholder engagement with the portfolio companies to meet **the Fund’s E/S** characteristics **e.g., by increasing the investment team’s involvement in ESG matters and** strengthening internal ESG competencies with additional hires



**How did this financial product perform compared to the reference benchmark?**

Not applicable as a reference benchmark has not been defined for this product.

- *How did the reference benchmark differ from a broad market index?*  
N/A
- *How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?*  
N/A
- *How did this financial product perform compared with the reference benchmark?*  
N/A
- *How did this financial product perform compared with the broad market index?*  
N/A