

PKA Venture I K/S

# Annual Report for 2025

Financial year 1/1 – 31/12

The Annual Report is  
presented and adopted at the  
annual general meeting on  
22 April 2026

**Linda á Dunga Brøndum**  
Chairman

**PKA Venture I K/S**  
CVR NO 40 88 30 96  
Købmagergade 22, 1.  
DK-1150 Copenhagen K

## Management's statement on the Annual Report

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of PKA Venture I K/S for the financial year 1 January – 31 December 2025.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act and other relevant legislation.

In our opinion, the financial statements give a true and fair view of the Limited Partnership's assets, liabilities and financial position at 31 December 2025 and of the results of the Limited Partnership's operations and cash flows for the financial year 1 January – 31 December 2025.

In our opinion, Management's Review includes a true and fair account of the affairs described.

We recommend that the Annual Report be adopted at the annual general meeting.

Copenhagen, 22 April 2026

### **Executive Board**

Maria Hjorth  
CEO

### **Board of Directors**

Jeanette Engdal  
(chairman)

Linda á Dunga Brøndum

Mads Harvits

Rune Aaskov Ulbak

## Independent Auditor's Report

To the Limited Partners of PKA Venture I K/S

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2025, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2025 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of PKA Venture I K/S for the financial year 1 January - 31 December 2025, which comprise income statement, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

### **Statement on Management's Review**

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act and other relevant legislation.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the information requirements in other relevant legislation. We did not identify any material misstatement in Management's Review.

### **Management's Responsibilities for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless

Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

Hellerup, 22 April 2026  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR NO 33 77 12 31

Per Rolf Larssen  
State Authorised Public Accountant  
mne24822

## Limited Partnership information

### **The Limited Partnership**

PKA Venture I K/S  
Købmagergade 22, 1.  
DK-1150 Copenhagen K

CVR NO 40 88 30 96  
Registered Office: Copenhagen  
FT-number 24620

### **General Partner**

PKA Venture I GP ApS  
CVR NO 40 88 30 29

### **Board of Directors**

Jeanette Engdal (chairman)  
Linda á Dunga Brøndum  
Mads Harvits  
Rune Aaskov Ulbak

### **Executive Board**

Maria Hjorth

### **Auditor**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

### **Depository**

Embankment Depository Services A/S  
Christian IX's Gade 10, 1.  
DK-1111 Copenhagen K  
FT-number 25715

### **Manager**

IIP Denmark P/S  
Købmagergade 22, 1.  
DK-1150 Copenhagen K  
FT-number 23187

## Financial highlights

<b>Key figures</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>'000 DKK</b>	<b>'000 DKK</b>	<b>'000 DKK</b>	<b>'000 DKK</b>	<b>'000 DKK</b>
<b>Income statement</b>					
Income from investments in portfolio funds	17,549	115,094	(96,225)	18,322	168,540
Profit/loss before financial items	14,992	112,559	(98,185)	14,739	164,620
Profit/loss for the year	14,355	113,055	(98,359)	15,144	165,692
<b>Balance sheet</b>					
Investments in portfolio funds	1,659,015	1,469,475	1,054,411	924,710	628,235
Total assets	1,666,921	1,479,916	1,058,444	926,069	628,706
Total equity	1,665,408	1,468,237	1,050,315	908,446	627,913
<b>Capital Resources</b>					
Cash and cash equivalents	1,422	2,941	4,033	1,359	471
Undrawn commitment	467,374	714,774	1,022,274	1,268,321	1,544,320
Total capital resources	468,796	717,715	1,026,307	1,269,680	1,544,791
<b>Cash flows</b>					
Cash flows from operating activities	(38,922)	(13,660)	(11,628)	13,652	(2,712)
Cash flows from investing activities	(145,413)	(292,299)	(225,926)	(278,153)	(325,101)
Cash flows from financing activities	182,816	304,867	240,228	265,389	327,410
Change in cash and cash equivalents for the year	(1,519)	(1,092)	2,674	888	(403)
<b>Financial ratios</b>					
Solvency ratio (%)	99.9	99.2	99.2	98.1	99.9
Return on equity (%)	0.9	9.0	(10.0)	2.0	26.4

Reference is made to definitions in accounting policies.

## Management's Review

### **Main activities**

PKA Venture I K/S was established in October 2019 with a capital commitment of DKK 2 billion from PKA.

The limited partnership aims to invest in venture funds and co-investments with managers of venture funds in Europe and North America.

PKA Venture I K/S has entered into a management agreement with IIP Denmark P/S in terms of handling the administration and provide investment advisory to PKA Venture I III K/S.

### **Development in activities and financial position**

The financial year 1 January – 31 December 2025 resulted in a profit of DKK 14 million (against a profit of DKK 113 million in 2024) and the balance sheet reflected equity of DKK 1,665 million as of 31 December 2025.

The result is positively affected by net income from investments in portfolio funds of DKK 18 million. This income mainly consists of net fair value adjustments of DKK 192 million, primarily driven by strong performance in most of the underlying portfolio investments.

The net income is negatively affected by net exchange rate adjustments of investments of DKK -148 million, primarily due to the significant decrease in the USD exchange rate during the year.

Furthermore, the valuation of investments in portfolio funds is still to some extent negatively impacted by significant market uncertainties from macro conditions and policy, including trade policy.

PKA Venture I K/S has made a total of 25 capital commitments to underlying portfolio funds. There have been eight full exits and three partial exits in portfolio funds during the financial year.

The limited partnership has since inception invested DKK 1,500 million in underlying portfolio investments, of which DKK 222 million was invested in 2025. During the year, the limited partnership has received distributions from portfolio investments totaling DKK 77 million.

The investment period expired on 11 May 2022, after which no capital commitments will be made to new portfolio funds.

In the light of the strong performance in the underlying portfolio funds, the result for 2025 is considered satisfactory.

### **FAIF disclosures**

Information according to the Danish Alternative Investment Fund Managers Act (FAIF) section 61 (3) nos. 5 and 6 is disclosed in the annual report (including note 3) of IIP Denmark P/S.

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

Investments in portfolio funds are measured at fair value as described in the accounting policies. The measurement includes accounting estimates and assumptions and is, therefore, subject to uncertainty.

## Management's Review

### Special Risk

#### Foreign exchange currency risk

PKA Venture I K/S' currency risks are related to investments in foreign portfolio funds. The limited partnership does not hedge this risk, but considers it as an integrated and less significant part of the overall risk in a portfolio investment.

#### Interest rate risk

PKA Venture I K/S is less sensitive to changes in interest rate levels as the limited partnership does not employ leverage for operating and investment activities. However, the limited partnership may indirectly be affected by changes in interest rate levels as the underlying portfolio funds/companies to some extent are using external funding, which may impact future investment results.

#### Capital structure

PKA Venture I K/S has a total capital commitment of DKK 2,005 million. Investors have contributed DKK 1,557 million as of 31 December 2025, equivalent to 77,7% of the total capital commitment.

Unfunded commitments amount to DKK 467 million as of 31 December 2025.

#### Events after the balance sheet date

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

#### Outlook

The result for 2026 depends on the performance in the underlying portfolio funds. Management expects continued good performance in the portfolio investments. However, it is still expected that the performance to some extent will be negatively impacted by market uncertainty arising from macro conditions and policy, including trade policy.

Management expects a result for 2025 in the range of DKK 100 - 200 million.

#### Sustainability update (SFDR)

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

## Income Statement

	<u>Note</u>	<u>2025</u> <u>'000 DKK</u>	<u>2024</u> <u>'000 DKK</u>
Income from investments in portfolio funds		17,549	115,094
Administrative expenses		<u>(2,557)</u>	<u>(2,535)</u>
<b>Operating profit</b>		<b>14,992</b>	<b>112,559</b>
Financial income		70	565
Financial expenses		<u>(707)</u>	<u>(69)</u>
<b>Profit for the year</b>		<b><u>14,355</u></b>	<b><u>113,055</u></b>

Balance sheet at 31 December

	<u>Note</u>	<u>2025</u> <u>'000 DKK</u>	<u>2024</u> <u>'000 DKK</u>
<b>Assets</b>			
Investments in portfolio funds		1,659,015	1,469,475
<b>Total fixed assets</b>	<b>1</b>	<b><u>1,659,015</u></b>	<b><u>1,469,475</u></b>
<b>Total non-current assets</b>		<b><u>1,659,015</u></b>	<b><u>1,469,475</u></b>
Other receivables		5	0
Prepayments	2	<u>6,479</u>	<u>7,500</u>
<b>Receivables</b>		<b><u>6,484</u></b>	<b><u>7,500</u></b>
<b>Cash and cash equivalents</b>		<b><u>1,422</u></b>	<b><u>2,941</u></b>
<b>Total current assets</b>		<b><u>7,906</u></b>	<b><u>10,441</u></b>
<b>Total assets</b>		<b><u>1,666,921</u></b>	<b><u>1,479,916</u></b>

## Balance sheet at 31 December

	<u>Note</u>	<u>2025</u> <u>'000 DKK</u>	<u>2024</u> <u>'000 DKK</u>
<b>Equity and liabilities</b>			
Paid-in capital		1,557,418	1,298,088
Distributions to Limited Partners		(108,080)	(31,566)
Retained earnings		216,070	201,715
<b>Total equity</b>		<u><b>1,665,408</b></u>	<u><b>1,468,237</b></u>
Other payables		<u>1,513</u>	<u>11,679</u>
<b>Total short-term liabilities</b>		<u><b>1,513</b></u>	<u><b>11,679</b></u>
<b>Total liabilities</b>		<u><b>1,513</b></u>	<u><b>11,679</b></u>
<b>Total equity and liabilities</b>		<u><b>1,666,921</b></u>	<u><b>1,479,916</b></u>

	<u>Note</u>
Cash flow – Adjustments	3
Cash flow – Change in working capital	4
Number of employees	5
Distribution of profit	6
Related parties	7
Contingent liabilities and other financial obligations	8
Events after the balance sheet date	9
Accounting policies	10

## Statement of changes in equity

	Paid-in capital '000 DKK	Distributions to Limited Partners '000 DKK	Retained earnings '000 DKK	Total '000 DKK
Equity at 1 January 2025	1,298,088	(31,566)	201,715	1,468,237
Paid-in capital	259,330	0	0	259,330
Distributions to Limited Partners	0	(76,514)	0	(76,514)
Profit for the year	0	0	14,355	14,355
<b>Equity at 31 December 2025</b>	<b>1,557,418</b>	<b>(108,080)</b>	<b>216,070</b>	<b>1,665,408</b>
Commitment	2,004,500			
Undrawn commitment	467,374			

	Paid-in capital '000 DKK	Distributions to Limited Partners '000 DKK	Retained earnings '000 DKK	Total '000 DKK
Equity at 1 January 2024	982,884	(21,229)	88,660	1,050,315
Paid-in capital	315,204	0	0	315,204
Distributions to Limited Partners	0	(10,337)	0	(10,337)
Profit for the year	0	0	113,055	113,055
<b>Equity at 31 December 2024</b>	<b>1,298,088</b>	<b>(31,566)</b>	<b>201,715</b>	<b>1,468,237</b>
Commitment	2,004,500			
Undrawn commitment	714,774			

## Cash flow statement

	Note	2025 '000 DKK	2024 '000 DKK
Profit for the year		14,355	113,055
Adjustments	3	(43,490)	(123,261)
Change in working capital	4	(9,150)	(3,950)
<b>Cash flows from operating activities before financial items</b>		<b>(38,285)</b>	<b>(14,156)</b>
Financial income		70	565
Financial expenses		(707)	(69)
<b>Cash flows from operating activities</b>		<b>(38,922)</b>	<b>(13,660)</b>
Investments in portfolio funds		(221,993)	(302,644)
Distributions from portfolio funds		76,580	10,345
<b>Cash flows from investing activities</b>		<b>(145,413)</b>	<b>(292,299)</b>
Paid-in capital from Limited Partners		259,330	315,204
Distributions to Limited Partners		(76,514)	(10,337)
<b>Cash flows from financing activities</b>		<b>182,816</b>	<b>304,867</b>
<b>Change in cash and cash equivalents for the year</b>		<b>(1,519)</b>	<b>(1,092)</b>
Cash and cash equivalents at 1 January		2,941	4,033
<b>Cash and cash equivalents at 31 December</b>		<b>1,422</b>	<b>2,941</b>

## Notes

	2025 <u>'000 DKK</u>	2024 <u>'000 DKK</u>
<b>1. Fixed assets</b>		
Investments in portfolio funds		
Cost at 1 January	1,270,388	970,375
Additions in the year	221,993	302,644
Disposals in the year	(38,264)	(2,631)
Cost at 31 December	<u>1,454,117</u>	<u>1,270,388</u>
Value adjustments at 1 January	199,087	84,036
Revaluations in the year	44,127	122,765
Revaluations on disposals in the year	(38,316)	(7,714)
Value adjustments at 31 December	<u>204,898</u>	<u>199,087</u>
<b>Carrying amount at 31 December</b>	<b><u>1,659,015</u></b>	<b><u>1,469,475</u></b>
<b>Specification of revaluations in the year</b>		
Realised and unrealised value adjustments	192,477	54,516
Realised and unrealised exchange rate adjustments	(148,350)	68,249
Total	<u>44,127</u>	<u>122,765</u>

For a description regarding valuation measurement, reference is made to "Investments in portfolio funds" in the accounting policies.

### Investments in venture funds

PKA Venture I K/S holds investments in unlisted portfolio companies structured through foreign venture funds. The limited partnership does not have controlling or significant influence in the portfolio funds in which the limited partnership has invested.

All portfolio investments in underlying portfolio funds are measured at fair value using traditional, recognised valuation methods. The fair value measurement of the underlying portfolio investments is performed by the fund managers and is based on significant unobservable inputs (level 3 in the fair value hierarchy). The value of a portfolio fund consists of the fair value of the individual portfolio company in the fund and the value of the fund's other net assets.

The value of a portfolio company is determined based on industry conditions, market position, and earnings capacity, as well as: 1) peer group multiple, including the market value of comparable listed companies, 2) transaction multiple in recent M&A transactions involving comparable companies, 3) indicative bids from potential buyers of the portfolio company, 4) market value if the portfolio company is publicly traded, or 5) future expected sale proceeds if an agreement to sell the portfolio company has been concluded.

**Fixed assets (continued)**

The limited partnership has a high level of knowledge about the valuation methods and processes used by the portfolio funds for determining the fair value of portfolio investments, but has less information about the specific assumptions used for the individual investments.

In assessing the fair value reported by fund managers, management continuously monitors the performance of the portfolio investments, and also includes general market conditions in the assessment. To the extent possible, the limited partnership participates in the portfolio funds' Advisory Committee meetings, where the valuation is extensively reviewed and discussed. In addition, the limited partnership maintains ongoing dialogue with the management of the individual fund managers to assess operational and business-related aspects of the underlying portfolio companies that may have an impact on the valuation. Based on this, adjustments are made to the reported values of the portfolio funds.

The valuation includes accounting estimates and assumptions and is therefore subject to some uncertainty.

The investments made by portfolio funds are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

**Level 1** – Inputs based upon quoted prices for identical assets and liabilities in active markets.

**Level 2** – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

**Level 3** – Unobservable input.

**Fair value measurement as of 31 December 2025 ('000 DKK)**

	Level 1	Level 2	Level 3	Total
Investments in venture funds	0	0	1,659,015	1,659,015
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,659,015</b>	<b>1,659,015</b>

**Fair value measurement as of 31 December 2024 ('000 DKK)**

	Level 1	Level 2	Level 3	Total
Investments in venture funds	0	0	1,469,475	1,469,475
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,469,475</b>	<b>1,469,475</b>

**2. Prepayments**

Prepayments consist of prepaid expenses concerning management fees.

	2025 '000 DKK	2024 '000 DKK
<b>3. Cash flow - Adjustments</b>		
Income from investments in portfolio funds etc.	(44,127)	(122,765)
Financial income	(70)	(565)
Financial expenses	707	69
	<u>(43,490)</u>	<u>(123,261)</u>
<b>4. Cash flow – Change in working capital</b>		
Other receivables	(5)	0
Prepayments	1,021	(7,500)
Other payables	(10,166)	3,550
	<u>(9,150)</u>	<u>(3,950)</u>
<b>5. Number of employees</b>		
Average number of employees	<u>1</u>	<u>1</u>
<b>6. Distribution of profit</b>		
<b>Proposed distribution of profit</b>		
Retained earnings	14,355	113,055
<b>Profit for the year</b>	<u>14,355</u>	<u>113,055</u>

**7. Related parties**

Related parties consist of the General Partner PKA Venture I GP ApS, Pensionskassen for Sygeplejersker og Lægeseekretærer, Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale and Pensionskassen for Sundhedsfaglige.

All transactions with related parties were conducted on an arm's length basis.

**8. Contingent liabilities and other financial obligations**

The limited partnership has no collaterals or contingent liabilities as of 31 December 2025.

**9. Events after the balance sheet date**

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

**10. Accounting policies**

The annual report of PKA Venture I K/S for 2025 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C. The limited partnership has, compared with the previous financial year, changed its reporting class from reporting class B to reporting class C-medium.

#### **10. Accounting policies (Continued)**

The presentation of the income statement deviates from the reporting form shown in schedule 2 of the Danish Financial Statements Act as the presentation has been adapted to the nature of the limited partnership's activity.

The accounting policies applied are unchanged compared to last year.

The financial statements for 2025 are presented in Danish Kroner (DKK).

#### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the limited partnership, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the limited partnership, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

#### **Foreign currency translation**

Transactions denominated in foreign currencies are translated into DKK using the exchange rates at the date of transaction. Investments, receivables and payables denominated in foreign currencies are translated into DKK using the exchange rate at the balance sheet date. Realised and unrealised exchange rate adjustments are recognised in the income statement.

#### **Related parties**

In accordance with section 98c (6) of the Danish Financial Statements Act, the limited partnership discloses related party transactions only where such transactions are not carried out on arm's length terms or are otherwise considered material to the financial statements.

#### **Income statement**

##### **Income from investments in portfolio funds**

Income from investments in portfolio funds includes dividends, interests, realised and unrealised value adjustments, as well as realised and unrealised exchange rate adjustments related to transactions in foreign currency etc.

##### **Administrative expenses**

Administrative expenses include management fees and other costs incurred by the limited partnership.

## 10. Accounting policies (Continued)

### Financial income and expenses

Financial income and expenses comprise interest on bank deposits, realised and unrealised exchange rate adjustments etc.

### Tax

The limited partnership is not independently liable to tax, and therefore, no tax is recognised in the financial statements.

Balance sheet

### Investments in portfolio funds

Investments in portfolio funds pertain to the limited partnership's investments in portfolio companies structured through foreign venture funds.

Unlisted investment assets are measured at fair value in accordance with the IPEV Valuation Guidelines. The valuation is based on the latest reporting received from underlying portfolio funds. This reporting includes a fair value assessment of each portfolio company based on traditional, recognised valuation methods. The value of a portfolio fund consists of the fair value of the individual portfolio company in the fund and the value of the fund's other net assets.

In assessing the fair value reported by fund managers, management continuously monitors the performance of the portfolio investments, and also includes general market conditions in the assessment. In addition, the limited partnership maintains ongoing dialogue with the management of the individual fund managers to assess operational and business-related aspects of the underlying portfolio companies that may have an impact on the valuation. Based on this, adjustments are made to the reported values of the portfolio funds.

The valuation includes accounting estimates and assumptions and is therefore subject to some uncertainty.

### Receivables

Receivables are measured at the lower of amortised cost or net realisable value which usually corresponds to nominal value less write-downs for anticipated losses.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash and cash equivalents

Cash and cash equivalents include deposits at banks and are measured at fair value.

### Equity

Equity includes paid-in capital, distributions to Limited Partners and retained earnings.

### Financial liabilities

Financial liabilities are measured at amortised cost, usually corresponding to nominal value.

**10. Accounting policies (Continued)**

**Cash flow statement**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing, and financing activities, as well as cash and cash equivalents at the beginning and the end of the financial year.

**Cash flows from operating activities**

Cash flows from operating activities are presented as profit/loss for the year adjusted for changes in working capital and non-cash operating items such as income from portfolio funds. The working capital includes current assets less short-term liabilities, excluding items included in cash and cash equivalents.

**Cash flows from investing activities**

Cash flows from investing activities include cash flows from investments in and distributions from portfolio funds.

**Cash flows from financing activities**

Cash flows from financing activities comprise contributions from and distributions to Limited Partners.

**Cash and cash equivalents**

Cash and cash equivalents include cash funds in open accounts.

**Financial highlights**

The key financial ratios listed in the financial highlights are defined as follows:

$$\text{Solvency ratio (\%)} = \frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

$$\text{Equity ratio (\%)} = \frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$