

ERHVERVSINVEST

Erhvervsinvest V K/S
Jægersborg Alle 4, 5th floor
2920 Charlottenlund
Central Business Registration No 43 36 16 27

Annual report for the financial year
30 June – 31 December 2022

The General Meeting adopted the annual report on 6th of February 2023

Chairman of the General Meeting

Henrik Danmark

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Company details

Limited Partnership

Erhvervsinvest V K/S
Jægersborg Alle 4, 5th floor
DK-2920 Charlottenlund

Central Business Registration No: 38 39 46 49

Registered in: Gentofte

Founded: 30.06.2022

Financial year: 30.06.2022 – 31.12.2022

General Partner

EIK V ApS

Fund Manager

Erhvervsinvest Management A/S

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by the General Partner on the annual report

The General Partner has today considered and approved the annual report of Erhvervsinvest V K/S for the financial year 30.06.2022 – 31.12.2022.

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 my opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 30.06.2022 – 31.12.2022.

In my opinion, the management commentary contains a fair review of the development of the Company's business and financial matters, the results for the year and of the Company's financial position as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Charlottenlund, 06.02.2023

General Partner

EIK V ApS

Thomas Marstrand

CEO

Independent auditor's report

To the General Partner and Limited Partners of Erhvervsinvest V K/S

Opinion

We have audited the financial statements of Erhvervsinvest V K/S for the financial year, 30.06.2022 – 31.12.2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, 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 Company's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 30.06.2022 – 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 of the Danish Financial Statements Act. 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 Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements of the Danish Financial Statements Act., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act., and for such internal control as the General Partner 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, the General Partner is responsible for assessing the Company'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 the General Partner either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 ISA and the additional requirements applicable in Denmark will always detect a material misstatement when it exist. 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 the General Partner.
- Conclude on the appropriateness of the General Partner'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 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.

Independent auditor's report

Statement on the Management commentary

The General Partner is responsible for the management commentary.

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

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish 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 the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 06.02.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Michael Thorø Larsen
State Authorised Public Accountant
MNE nr. mne35823

Anders Houmann
State Authorised Public Accountant
MNE nr. mne46265

Management commentary

Primary activities

Erhvervsinvest V K/S is a private equity Company that primarily invests in small and medium-sized primarily Danish based companies with the purpose of developing these commercially. Erhvervsinvest V K/S is managed by Erhvervsinvest Management A/S.

Investments

Erhvervsinvest V K/S has not made any investments yet.

Particular risks

It is Erhvervsinvest V K/S' objective to invest in well-established businesses with a growth or development potential, causing the primary risk factor to be changes in the value of the investments made.

As described in the Summary of significant accounting policies, the value of investments in portfolio businesses is measured at fair value.

Development in activities and finances

The statement of comprehensive income of the Limited Partnership for 2022 shows a comprehensive loss of MDKK 9.9 and the balance sheet of the Limited Partnership shows equity of MDKK 104.97 at 31 December 2022.

Uncertainty relating to recognition and measurement

When preparing the Company's annual report, the General Partner, in accordance with legislative provisions, makes accounting judgements and estimates which form the basis of the annual report. The accounting judgement and estimates made by the General Partner are described in the paragraph "Investments in portfolio companies" under accounting policies to which we refer. Such estimates are primarily relating to the measurement of investments in portfolio companies made on the basis of assumptions which the General Partner considers reasonable and realistic, but which are uncertain by nature.

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.

Outlook

The outlook for the Limited Partnership depends on the results of the investments. Expectations for the Limited Partnership are in general positive.

Reporting obligations according to the taxonomy regulation

The fond is defined as and article 6 fund according to SFDR.

The investments underlying this financial product do 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>
Other operating expenses	3	<u>(9,909)</u>
Profit/loss for the year		<u>(9,909)</u>
Other comprehensive income		<u>0</u>
Total comprehensive profit for the year		<u><u>(9,909)</u></u>

Statement of financial position

	<u>Note</u>	<u>2022</u> <u>DKK'000</u>
Assets		
Prepaid expenses and other receivables		<u>9,602</u>
Receivables		<u>9,602</u>
Cash		<u>114,886</u>
Current assets		<u>124,488</u>
Assets		<u><u>124,488</u></u>

Statement of financial position

	<u>Note</u>	<u>2022</u> <u>DKK'000</u>
Equity and liabilities		
Limited Partners' contributions	4	114,875
Retained Earnings		<u>(9,909)</u>
Equity		<u>104,966</u>
Trade payables		<u>19,522</u>
Current liabilities		<u>19,522</u>
Liabilities		<u>19,522</u>
Equity and liabilities		<u><u>124,488</u></u>

Statement of changes in equity

	Limited partners' contributions DKK'000	Limited partners' distributions DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 30 June 2022	0	0	0	0
Contributions from Limited Partners	114,875	0	0	114,875
Distributions to Limited Partners	0	0	0	0
Comprehensive profit for the year	0	0	(9,909)	(9,909)
Equity at 31 December 2022	<u>114,875</u>	<u>0</u>	<u>(9,909)</u>	<u>104,966</u>

The limited partners have committed themselves to contributing up to DKK 1,132m to the Fund. At 31 December 2022, the limited partners have contributed a net amount of DKK 115m. At 31 december 2022 undrawn commitment amounts to DKK 1,017m.

Statement of cash flows

	<u>Notes</u>	<u>2022</u> <u>DKK'000</u>
Operating profit/loss (EBIT)		(9,909)
Change in net working capital	7	<u>9,920</u>
Cash flows from operating activities		<u>11</u>
Contributions from Limited Partners		<u>114,875</u>
Cash flows from financing activities		<u>114,875</u>
Increase/decrease in cash and cash equivalents		114,886
Cash and cash equivalents at 30 June		<u>0</u>
Cash and cash equivalents at 31 December		<u><u>114,886</u></u>

Notes to the financial statements

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Notes

1. Accounting policies

The financial statements of Erhvervsinvest V K/S are prepared in accordance with International Financial Reporting Standards as approved by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises.

Erhvervsinvest V K/S is a Limited Partnership based in Denmark.

The financial statements are presented in DKK, which is the functional currency of the Company.

The financial statements are presented based on historical costs apart from investments in portfolio companies, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for the assets. Judgements made by the General Partner in the application of IFRSs that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

Report on the omission of preparation of consolidated financial statements

Erhvervsinvest V K/S has omitted to prepare consolidated financial statements under the provisions of IFRS 10 and IAS 27 as the Limited Partnership qualifies as an investment entity. The definition is as follows:

”An investment entity is defined as an entity which commits to its investors that its business purpose is to invest Companies solely for returns from capital appreciation, investment income, or both”.

In view of the circumstances described below, the General Partner believes that the Limited Partnership satisfies the definition of an investment entity:

- 1) The Limited Partnership has more than one investor, and its investors are not related parties.

As a result, the General Partner has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

Notes

1. Accounting policies (continued)

Standards and interpretations not yet effective

All the new and amended Standards and Interpretations which are relevant to the Company and which came into force with effect for financial years beginning 30 June 2022 have been applied when preparing the financial statements.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have significant impact on the financial statements as well as they haven't been implemented before time.

Significant accounting policies and estimates

When preparing the financial statements, the General Partner makes several accounting estimates forming the basis for the presentation, recognition and measurement of the Company's assets and liabilities. The most significant accounting estimates and assessments are presented in note 3.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably. Assets are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow to the Company.

Acquisition 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 Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably. Liabilities are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow out of the Company.

On initial recognition, assets and liabilities are measured at cost; however, on initial recognition, investment assets are measured at fair value, ordinarily corresponding to cost less direct expenses incurred. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Consideration is made for events occurring during the period from the balance sheet date until the presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date.

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)

Statement of comprehensive income

Share of fees

Share of fees includes correction of fees paid to the investment manager according to the Administration Agreement.

Other operating expenses

Administrative expenses and other operating expenses include general costs, investment costs relating to incomplete investments and management fee to the management company.

Income taxes

Under current Danish law governing the Company, it is not independently taxable because the Company's profit/loss for the year is included in the Limited Partner's taxable income.

Balance sheet

Receivables

Receivables, typically representing pre-paid expenses, are measured at amortised cost.

Cash

Cash comprise cash in bank deposits.

Other financial liabilities

Other financial liabilities comprise accounts payable, accrued expenses and other liabilities.

Statement of cash flows

The statement of cash flows 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 are presented as the operating profit/loss adjusted for non-cash operating items.

Cash flows from investing activities comprise payments in connection with investments, including follow-up investments, proceeds from divestment of portfolio companies and changes to provisions for capital contributions to group enterprises.

Cash flows from financing activities comprise cash flows from payments to and from the limited partners.

Notes

2. Financial risks

Market risks

The Company's investment advisor, Erhvervsinvest Management A/S, assists the general partner and the company with investment recommendations. The advisor's recommendations are reviewed and approved by the general partner prior to the implementation of investment decisions. In order to manage the market risk, the investment advisor, in agreement with the general partner, regularly reviews the results of the portfolio companies and is also regularly in contact with the management of the portfolio companies on strategic, legal and operational matters. All relevant results from these reviews are communicated to the general partner.

The portfolio of investments is diversified between different industries and segments. Investments are made exclusively in Danish companies, a number of which companies in the investment portfolio operate across national borders. Due to the focus on Danish companies, a negative event in the Danish capital market is likely to affect the fair value of the investment and opportunities to divest.

Currency risks

Given that the company operates primarily within its functional currency, the company is not exposed to any currency risks.

Interest risks

The Company itself does not have access to a credit facility.

Credit risks

The Company does not have any material receivables and, consequently, credit risks are at a minimum.

Capital risks

The cash position in the Company is bigger than the payables, and the Company can draw commitment from the Limited Partners when relevant. The liquidity risk is considered insignificant. No indication of the limited partners ability to contribute the remaining Company commitment occurs.

Financial Risk Management

The General Partner is ultimately responsible for the overall risk management within the Company, but has delegated the responsibility to the Company Manager.

The Company pursues an investment strategy approved by the Limited partners and invests in small and medium-sized primarily Danish based companies with the purpose of developing these commercially.

Notes

2. Financial Risk (continued)

The Company's risk management processes includes identification, measurement, monitoring, reporting and mitigation of the identified risks to minimize the potential negative effects at Company level.

There are none key financial risk factors and exposures in financial statements besides investments in portfolio companies.

3. Other operating expenses

The Fund has no employees.

Administrative expenses include management fee and investment advisory fee for the period to Erhvervsinvest Management A/S, in accordance with an administration and an investment advisor agreement.

4. Investor relations

The Company has registered the following limited partners that hold at least 5% of the voting right relating to the share capital:

AP Pension Livsforsikring
 Velliv, Pension & Livsforsikring A/S
 SNB Private Equity V K/S
 Nykredit Realkredit A/S
 AKF Invest CPH A/S

5. Contributions from Limited Partners

The Limited Partnership is owned by the Limited Partners in proportion to their contributed capital, which is arranged in different capital classes. One of the classes is tied to a preference return agreement when the return of the company exceeds a predefined minimum return on investment (hurdle rate 8%).

6. Working capital changes

	2022 <u>DKK'000</u>
Change in receivables	9,602
Change in other liabilities	<u>(19,522)</u>
	<u>(9,920)</u>

Notes

7. Related party transactions

Related parties with control

The Limited Partnership is managed by the company Erhvervsinvest Management A/S ("the investment advisor"). Under the management agreement dated 4 July 2022, the Company appointed the company Erhvervsinvest Management A/S to act as investment advisor and provide management services to the Limited Partnership.

Erhvervsinvest Management A/S receives a investment advisor fee which is paid semi-annually based on investment commitments made by the Limited Partners. In 2022, the fee amounted to DKK 6,7 million.

The Limited Partnership has concluded an agreement with the company Erhvervsinvest Management A/S to the effect that Erhvervsinvest Management A/S undertakes the management of the Company. In 2022, the fee amounted to DKK 3,1 million.

The agreements are valid until the date of completion of the Partnership's last disposal.

Fee to the General Partner

According to the limited partnership agreement, the Company pays a fee to the fully liable partner EIK V ApS. In 2022, the fee to the General Partner amounted to DKK 30k.

8. Assets charged and contingent liabilities

There are no guarantees or contingent liabilities of the Company.

9. 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.

10. Authorisation of the annual report for issue

At the meeting held on 06.02.2023 the General Partner authorized this annual report for issue on 06.02.2023.

The annual report will be submitted to the Limited Partnership's Limited Partners for adoption at the Annual General Meeting on 06.02.2023.