

## **Erhvervsinvest V K/S**

Jægersborg Alle 4, 5. floor.  
2920 Charlottenlund  
CVR No. 43361627

### **Annual report 2023**

The Annual General Meeting adopted the annual report on 30.05.2024

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**Henrik Danmark**

Chairman of the General Meeting

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# Fund details

## Fund

Erhvervsinvest V K/S

Jægersborg Alle 4, 5. floor.

2920 Charlottenlund

Business Registration No.: 43361627

Date of foundation: 30.06.2022

Registered office: Gentofte

Financial period: 01.01.2023 - 31.12.2023

## 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 financial period 01.01.2023- 31.12.2023 .

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

In my opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2023 of the results of its operations and the cash flows for the financial period 01.01.2023 31.12.2023

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

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

Charlottenlund, 28.02.2024

**On behalf of EIK V ApS**

**Thomas Marstrand**

CEO

# Management commentary

## Primary activity

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

End of 2023, Erhvervsinvest V K/S holds an investment in the following portfolio company:

- Estron Investment A/S

## Particular risks

It is Erhvervsinvest V K/S' object 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 2023 shows a comprehensive profit of MDKK (19.5) and the balance sheet of the Limited Partnership shows equity of MDKK 114.8 at 31 December 2023.

## 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.

## 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.

### **Reporting obligations according to the taxonomy regulation**

The fund is defined as an 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.

### **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**

Forthcoming results of Erhvervsinvest V 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.

### **Investment Analysis and Decision-Making Processes**

Erhvervsinvest V K/S will work continuously on integrating ESG in the portfolio companies on the same level as other business-related matters, opportunities and risks.

### **Active Ownership**

Erhvervsinvest V K/S will focus on one specific ESG principle each year to be included across all portfolio companies. This includes an ongoing dialogue with the portfolio companies, where questions related to ESG matters will be addressed.

Dialogue and focus on improvements are the preferred tools in questions related to ESG matters.

### **Information from the Companies Invested in**

Erhvervsinvest V K/S will ensure that the companies invested in report on selected ESG matters on an annual basis, and that the companies will notify immediately in case key issues related to ESG matters should arise.

### **Reporting**

Erhvervsinvest V K/S will report to its investors on efforts and progress related to ESG on a quarterly basis.

Erhvervsinvest V K/S has an ESG policy, which is revisited on a continuously basis and revised to re-reflect Erhvervsinvest's values.

# 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 period 01.01.2023 - 31.12.2023 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial period 01.01.2023 - 31.12.2023 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

### Basis for opinion

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

### 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 the IFRS Accounting 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 Fund's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless the General Partner either intends to liquidate the Fund or to cease operations or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

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**

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 with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.02.2024

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Michael Thorø Larsen**

State Authorised Public Accountant  
Identification No (MNE) mne35823

# Statement of comprehensive income

	Notes	2023 DKK'000	2022 DKK'000
Administrative expenses	3	(19,495)	(9,909)
<b>Operating expenses</b>		<b>(19,495)</b>	<b>(9,909)</b>
<b>Operating profit/(loss) (EBIT)</b>		<b>(19,495)</b>	<b>(9,909)</b>
Financial income		27	0
<b>Profit/(loss) for the period</b>		<b>(19,468)</b>	<b>(9,909)</b>
<b>Comprehensive income</b>		<b>(19,468)</b>	<b>(9,909)</b>

# Statement of financial position at 31.12.2023

## Assets

	Notes	2023 DKK'000	2022 DKK'000
Investments in portfolio companies	4	114,875	0
<b>Investments</b>		<b>114,875</b>	<b>0</b>
<b>Non-current assets</b>		<b>114,875</b>	<b>0</b>
Other receivables		9,063	9,602
Cash and cash equivalents		26	114,886
<b>Current assets</b>		<b>9,089</b>	<b>124,488</b>
<b>Total assets</b>		<b>123,964</b>	<b>124,488</b>

**Net assets and liabilities**

	<b>Notes</b>	<b>2023</b> <b>DKK'000</b>	<b>2022</b> <b>DKK'000</b>
Limited partnership capital	5	144,148	114,875
Retained earnings		(29,377)	(9,909)
<b>Net assets attributable to Limited Partners</b>		<b>114,771</b>	<b>104,966</b>
Other payables		9,193	19,522
<b>Current liabilities</b>		<b>9,193</b>	<b>19,522</b>
<b>Total liabilities</b>		<b>9,193</b>	<b>19,522</b>
<b>Total liabilities and net assets attributable to Limited Partners</b>		<b>123,964</b>	<b>124,488</b>

# Statement of changes in net assets attributable to the Limited Partners' Capital

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Net assets 01.01.2023	114,875	(9,909)	<b>104,966</b>
Contributions from Limited Partners and General partner	29,273	0	<b>29,273</b>
Profit/(loss) for the period	0	(19,468)	<b>(19,468)</b>
<b>Net assets 31.12.2023</b>	<b>144,148</b>	<b>(29,377)</b>	<b>114,771</b>

	Limited partnership capital DKK'000	Retained earnings DKK'000	Total DKK'000
Contributions from Limited Partners and General Partner	114,875	0	<b>114,875</b>
Profit/(loss) for the period	0	(9,909)	<b>(9,909)</b>
<b>Net assets 31.12.2022</b>	<b>114,875</b>	<b>(9,909)</b>	<b>104,966</b>

The limited partners have committed themselves to contributing up to DKK 1,132m (excluding recycling of distribution) to the Fund. At 31.12.2023 the limited partners have contributed a net amount of DKK 144m (2022: DKK 115m) and undrawn commitment amounts to DKK 988m (2022: DKK 1,017m).

# Statement of cash flows for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/(loss) (EBIT)		(19,495)	(9,909)
Working capital change		(9,790)	9,920
		<b>(29,285)</b>	<b>11</b>
Received financial income		27	0
<b>Cash flows from operating activities</b>		<b>(29,258)</b>	<b>11</b>
Investments in portfolio companies	4	(114,875)	0
<b>Cash flows from investing activities</b>		<b>(114,875)</b>	<b>0</b>
<b>Cash flows from operating and investing activities</b>		<b>(144,133)</b>	<b>11</b>
Contributions from Limited Partners		29,273	114,875
<b>Cash flows from financing activities</b>		<b>29,273</b>	<b>114,875</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>(114,860)</b>	<b>114,886</b>
Cash beginning of year		114,886	0
<b>Cash end of year</b>		<b>26</b>	<b>114,886</b>

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# Notes to the financial statements

## 1 Accounting policies

### Reporting class

The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Erhvervsinvest V K/S is a limited Partnership based Denmark.

The financial period runs from 1 January to 31 December each year. The accounting policies applied to these financial statements are consistent with those applied last year.

The financial statements are presented in ~~DKK~~, ~~DKK~~ is the functional currency of the Fund.

The Fund is determined to be an investment entity in accordance with IFRS 10, Consolidated Financial Statements, and has therefore accounted for subsidiaries as well as investments in associates and joint ventures as investments designated at fair value through profit or loss where the relevant criteria under IFRS 10 are met.

The financial statements are presented on the basis of going concern.

The financial statements are presented on the basis of historical cost, except for the investments, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts in the financial statements are presented in whole ~~DKK~~ thousand. Every figure is rounded off separately and, for that reason, minor differences between the stated totals and the sum of underlying figures may occur.

Judgements made by the General Partner in the application of IFRS Accounting Standards that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

### Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout the IFRS Accounting Standards. Disclosures required by the IFRS Accounting Standards are provided unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

The most significant accounting policies are set out below.

### Report on the exemption 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 of an investment entity is an entity that:

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

In view of the circumstances described below, the General Partner believes that the Fund satisfies the typical criteria of an investment entity that:

- The Fund has more than one investment.
- The Fund has more than one investor and its investors are not related parties. Please refer to the description in Note 1 to the financial statements.
- The Fund's investments take the form of equity instrument or similar investments (portfolio companies).

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.

### **Standards and Interpretations not yet in force**

All of the new and amended Standards and Interpretations which are relevant to the Fund, and which came into force with effect for financial years beginning 01.01.2023 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 judgment and estimates**

As part of the preparation of the financial statements, the Fund Manager made judgements and estimates which affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. The most significant accounting judgements and estimates are evident from note 2 to the financial statements.

### **Recognition and measurement**

Financial assets are recognized on the date on which the Fund commits to purchase the investment and are derecognized on the date on which the Fund commit to sell the investment and the Fund has transferred substantially all the risks and rewards of its ownership. Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value.

Asset 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.

Liabilities are recognised in the balance sheet when the Fund has a legal or constructive obligation as a result of an event prior to or on the balance sheet date, and it is probable that future economic benefits will flow out of

the Fund, and the value of the liability can be measured reliably. Liabilities are derecognised in the balance sheet when it is no longer probable that economic benefits will have to be given up to settle the liability.

On initial recognition, assets and liabilities are measured at cost, however, investment assets are measured at fair value on initial recognition, typically equalling cost exclusive of directly incurred expenses (direct transaction costs). Subsequent to initial recognition, all financial assets, and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net increase/(decrease) in unrealised gains/(losses) from financial assets and liabilities at fair value at fair value in the period in which they arise.

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

### **Foreign currency translation**

The functional currency reflects the currency in which the Limited Partners have committed themselves to the Fund as well as the currency in which the Fund pays the Fund Manager for carrying out investment related services. Investments and loans are carried out in different currencies and hence considered less relevant in terms of influencing the choice of functional currency. The financial statements of the Fund are presented in the currency unit ~~DKK~~ which is the Fund's functional and presentation currency.

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date or the rate at the balance sheet date are recognised in the statement of comprehensive income as financial income or financial expenses.

### **Statement of comprehensive income**

#### **Other operating expenses**

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

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

Other operating expenses which can be directly allocated to specific investments are recognised in the underlying project companies when the investment structure is formally in place. For investment structures which are not yet formally in place, the administrative expenses are initially recognised at Fund level and subsequently the administrative expenses are re invoiced to the project companies when the investment structure is in place.

Other operating expenses that do not relate to the Fund's investment activities or is investment specific are recognised as expense by the Fund. Such costs comprise among others financial, legal and tax advisory, audit, bookkeeping, travel costs and General Partner fee.

#### **Financial income and expenses**

Financial income and expenses comprise interest income and expenses.

Interest income and interest expenses are recognised on an accrual basis.

### **Taxation**

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

### **Balance sheet**

#### **Investments in portfolio companies**

Investments in portfolio companies comprise equity investments in portfolio companies measured at fair value through profit and 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 benchmarks.

For further information about the measurement of fair values, please refer to note 5.

#### **Other receivables**

Other receivables relate to the Fund's ordinary business activities.

Other receivables are measured at amortised cost, usually equaling nominal value.

#### **Cash and cash equivalents**

Cash comprises cash in bank deposits.

#### **Other financial liabilities**

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

### **Cash flow statement**

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

Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of investment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and payment of distributions to the Limited Partners as well as the raising of loans and instalments on interest-bearing debt, if any.

Cash comprises cash in bank deposits.

### **Financial highlights**

Financial highlights are defined and calculated as below.

<b>Ratios</b>	<b>Calculation formula</b>	<b>Ratios reflect</b>
Liquidity ratio (%)	$\frac{\text{Current assets} \times 100}{\text{Current liability}}$	The Fund's financial strength
Solvency ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The Fund's financial strength

## 2 Significant accounting estimates, assumptions, and uncertainties

Erhvervsinvest V K/S invests in portfolio companies, which primarily includes equity investments. The investments are accounted for at a fair value through profit or loss. 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, commercialisation possibilities, timing of exit and possible exit values, including changes in earnings and multiples.

The fair value of each unlisted group enterprise is determined in accordance with commonly used valuation principles based on the IPEV Valuation Guidelines, taking into account the assessment of the stage of the enterprise as well as its market potential and expected cash flows in order to reflect the fair value of the group enterprise in the best way possible.

Methods and assumptions for determining the fair value of investments in unlisted portfolio companies are described in note 5.

## 3 Administrative expenses

The Fund has no employees.

Administrative expenses include management fee for the period to Erhvervsinvest Management A/S in accordance with the Limited Partnership Agreement and management agreement. For further information about management fee, please refer to note 9. Also administrative expenses include fee to administration, audit, advisors, organisation expenses and other professional fees.

	<b>2023</b>	<b>2022</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Management fee	19,364	9,797
General partner fee	30	30
Other administrative expenses	101	82
<b>Administrative expenses</b>	<b>19,495</b>	<b>9,909</b>

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, 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 (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 2023 for Erhvervsinvest Management A/S, Business Reg. No. 27 44 49 89.

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.

No Carried Interest has been paid out by the Fund during the financial period. Refer to note 6 for further.

#### 4 Investments

	<b>Investments in portfolio companies 2023 DKK'000</b>
Additions	114,875
<b>Cost at end of period</b>	<b>114,875</b>
<b>Carrying amount at end of period</b>	<b>114,875</b>

#### **Methods and assumptions for determining fair values in unlisted portfolio companies**

The investment 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 Company's portfolio companies are not classified as investment companies. They are engaged in doing business in trading and development, etc. The Company 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.

The fair value for each unlisted group enterprise is determined based on methods which best reflect the individual investment's potential and risk. In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as multiple analysis/benchmarking, most recent transaction multiple, DCF-model and other relevant methods. Upon initial investment, cost of the investment is generally determined to represent the fair value. In connection with the use of this method, the Company assesses which multiples are applicable as well as assesses the de-termination of the applicable earnings to be used in the calculation of the deemed fair value.

#### **Valuation based on market multiples**

Market based multiples are determined by comparable listed companies based on the following factors: industry, size, revenue streams and strategy. As these market based multiples are based on listed companies, the company applies a discount to the market multiples to reflect the differences between the listed companies and the portfolio companies. Where there are no comparable listed companies the Company applies a DCF-model.

Each investment is owned through a holding structure. The equity interest represents the Company's ownership

before dilution of incentive programmes provided to management in the respective portfolio companies and before any effect of different share classes which may be present in the holding structures, such as preference shares.

<b>Investments</b>	<b>Corporate form</b>	<b>Registered in</b>	<b>Equity interest %</b>
Estron Investment*	A/S	Charlottenlund	81.47

\*The investment was acquired during the year, and as no annual report has been provided, no figures are available for display.

Each investment has been valued using the valuation techniques listed in note 8.

## 5 Limited partnership capital

	<b>2023</b>	<b>2022</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Limited Partners' contribution at beginning of year	114,875	0
Contributions from Limited partners and General partner	29,273	114,875
<b>Limited Partners' contribution at end of year</b>	<b>144,148</b>	<b>114,875</b>

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%).

Carried interest

In the financial year the total value of paid out carried interest is 0 DKK'000.

## 6 Financial instruments

Categories of financial instruments:

	<b>2023</b>	<b>2022</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Equity investments	114,875	0
<b>Financial assets measured at fair value through profit or loss</b>	<b>114,875</b>	<b>0</b>
Other receivables	9,063	9,602
<b>Receivables measured at amortised cost</b>	<b>9,063</b>	<b>9,602</b>
Other payables	9,193	19,522
<b>Financial liabilities measured at amortised cost</b>	<b>9,193</b>	<b>19,522</b>

Historically, no losses on receivables have been realised, hence no provisions for expected credit loss (ECL) have been recognised in the statement of comprehensive income. The risks of the Company are considered limited.

All financial liabilities are due for payment within 12 months.

## 7 Financial risk management

The Company adheres to an investment strategy approved by the investors. As a result of its investments in portfolio companies, the Company is directly exposed to changes in liquidity, credit, interest and currency risks.

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

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.

Key financial risk factors and exposure regarding the financial statements ~~2022~~ 2023 can be categorised as follows:

### Financial risk factors

#### Credit risks

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

#### Interest rate risk

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

#### Currency risk

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

## 8 Financial instruments measured at fair value

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

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

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

### 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., assumptions related to inflation and discount rate.

In general, the fair value is determined in accordance with IPEV Valuation Guidelines and generally accepted valuation techniques, including DCF models, benchmarking or other relevant methods. However, for projects

which are before financial close, cost, including capitalised development costs, is considered the best estimate for fair value. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows, discount rates and yield curves assumptions.

#### 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.

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

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

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

All investments are classified as Level 3 investments and there have not been any transfers between the levels during the financial year.

#### Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable input. Material unobservable inputs mean in this context that the valuation is dependent on a return requirement that contains a number of components that cannot be observed on trading markets, for example project-specific risks and illiquidity prices.

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000	Total DKK'000
2023				
Portfolio companies	0	0	114,875	114,875
<b>Financial assets measured at fair value through profit or loss</b>	<b>0</b>	<b>0</b>	<b>114,875</b>	<b>114,875</b>

	Level 1 DKK'000	Level 2 DKK'000	Level 3 DKK'000
2022			
<b>Financial assets measured at fair value through profit or loss</b>		<b>0</b>	<b>0</b>

## 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 as part of the quarterly report. A number of material unobservable input is applied in the valuation and is ongoingly assessed on a on a Fund specific level. An elaboration of the assessed material unobservable inputs is outlined below.

### Exit multiple

The exit multiple method uses comparable companies. On this basis, a market level for primarily e.g., EV/EBITDA is calculated for the comparable companies. The multiple is changed when there are significant changes in the surroundings of the companies, for example, industry conditions and micro- and macroeconomic 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.

### Sensitivity analysis

The fair value of the Limited Partnership's portfolio companies is affected by developments in the applied discount rate/applied multiples and future earnings expectations for these investments. A decline or increase in the material unobservable inputs stated above and changes in macroeconomic conditions might have a direct effect on the valuation of the investments. Changes in the average weighted multiple is considered the most material unobservable input of the Company.

A change in the multiples applied (EBITDA and Sales) would have the following effect on the fair value of portfolio companies:

<b>Portfolio sensitivity</b>	<b>Variable change in input</b>	<b>Approximately impact on Fund</b>
Exit multiple	+/- 5%	10,723 (2022: n/a)

The inputs above are considered the most material unobservable input due to the nature of the investments.

## 9 Related parties

### Related parties with a controlling interest

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

Erhvervsinvest Management A/S receives a investment management fee which is paid semi-annually based on investment commitments made by the Limited Partners. In 2023, the fee amounted to DKK 13,7 million (2022: 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. The fee is a fixed amount. In 2023, the fee amounted to DKK 5,7 million (2022: 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 2023, the fee to the General Partner amounted to DKK 30k (2022: DKK 30k).

### 10 Assets charged

There are no guarantees or contingent liabilities of the Company.

### 11 Contingent liabilities

The fund has an obligation to pay an administration fee of 0.425% of the total Investment Commitments and a Investment advisor fee of 1.275% of the total Investment Commitments in the fund during the investment period which is initially set to expire on the 4 July 2027.

There are no other guarantees or contingent liabilities of the Fund.

No provisions for expected credit loss have been recognised. Please refer to note 6 for further.

### 12 Investors

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

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

### 13 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.

### 14 Authorisation of the annual report for issue

The General Partner authorized this annual report for issue on 28.02.2024.

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