POLARIS

THE POWER OF PARTNERSHIP

Polaris Flexible Capital I K/S

c/o Polaris Management A/S

Malmøgade 3, 1., 2100 København Ø

CVR no. 42 26 76 27

Annual report 2024

Approved at the limited partnership's annual general meeting on 6 March 2025

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Søren Fogh

Contents

Statement by the General partner

The General Partner has today discussed and approved the annual report of Polaris Flexible Capital I K/S for the financial year 1 January – 31 December 2024.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the limited partnership's financial statements give a true and fair view of the Group and the limited partnership's financial position at 31 December 2024 and of the results of the their operations and consolidated cash flows for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group and limited partnership's operations and financial matters and the results of the Groups and limited partnership's operations and financial position.

Furthermore, the supplementary report, on the limited partnerships compliance with sustainability characteristics, provides a true and fair view in accordance with Sustainable Finance Disclosure Regulation about periodic disclosure.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 11 February 2025
General Partner:
Polaris Flexible Invest I ApS

Peter Høltermand Chairman	Henrik Bonnerup	Jesper Langmack

Independent auditor’s report

To the limited partners and the general partner of Polaris Flexible Capital I K/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Polaris Flexible Capital I K/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent 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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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's review and supplementary report in accordance with Sustainable Finance Disclosure Regulation

Management is responsible for the Management's review and the supplementary report on information in accordance with Sustainable Finance Disclosure Regulation, hereinafter referred to as the "supplementary report".

Our opinion on the financial statements does not cover the Management's review or the supplementary report, 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's review and the supplementary report and, in doing so, consider whether the Management's review and supplementary report 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 the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review and the supplementary report are in accordance with the financial statements and that the Management's review has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review or the supplementary report.

Copenhagen, 11 February 2025
EY Godkendt Revisionspartnerselskab
CVR-nr. 30 70 02 28

Jens Thordahl Nøhr State Authorised Public Accountant mne32212	Steffen Astrup State Authorised Public Accountant mne49115

Management's review

Details of the limited partnership

Name	Polaris Flexible Capital I K/S
Adress, zip code, city	c/o Polaris Management A/S Malmøgade 3, 1. 2100 København Ø
Registration no.:	CVR no. 42 26 76 27
Established:	24 March 2021
Registered office:	Copenhagen
Financial year:	1 January – 31 December
Initial closing date:	31 January 2022
Final closing date:	30 June 2023
Total commitment:	DKK 917,310,000
Term:	10 years
Investment period	4 year (+1 year), final closing date
General Partner (Management)	Polaris Flexible Invest I ApS
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 P.O. Box 250 2000 Frederiksberg Denmark
Depositary	Apex (Denmark) ApS Hørmarken 2 3520 Farum Denmark

Management's review

Financial highlights

DKK'000	2024	2023	2022
Consolidated key figures			
Value adjustment of equity investments in portfolio companies and loan interest and amortization	52,903	13,847	3,180
Profit/loss before financial items	39,077	-5,169	-5,634
Profit/loss for the year	**37,566**	**-7,625**	**-7,630**
Investments including loan receivables	400,882	149,218	53,180
Total assets	482,301	149,613	53,246
Equity (net asset value)	**478,637**	**149,218**	**-2,246**
Cash flows from operating activities	-14,186	-21,486	-10,457
Cash flows from investing activities	-198,975	-82,191	-50,000
Cash flows from financing activities	291,853	159,089	5,440
Total cash flows	**78,692**	**55,412**	**-55,017**
Financial ratios			
Equity ratio	99.3%	99.7%	Neg.
IRR (net) since inception	5.3%	n/a	n/a
Return on equity (average)	12.0%	-10.4%	Neg.

IRR (net), the internal rate of return, is calculated as the rate of discount, which equates the present value of the cash inflows to the limited partnership (used for investments and costs) with the sum of the present value of the cash outflows distributed to the limited partners as well as current valuation of unrealised investments in portfolio companies (the equity (net asset value) of the limited partnership).

Management's review

Operating review

Principal activities

Polaris Flexible Capital I K/S is a private equity entity which was established in 2021 (with initial closing on 31 January 2022).

Polaris Flexible Capital I K/S has a flexible and complementary investment focus investing in junior loans, mezzanine, preferred equity, and minority equity. The companies will be based in the Nordic countries, primarily Denmark, Sweden, and Norway.

On 31 December 2024, Polaris Flexible Capital I K/S had capital commitments totaling DKK 917 million after the completion of the final close in June 2023.

Debt investments in the Polaris Flexible Capital I structure are entered into by the subsidiary, PFC I – Debt ApS, while other Polaris Flexible Capital I investments will be entered into by the parent company, Polaris Flexible Capital I K/S.

A management agreement has been entered into with Polaris Management A/S under which Polaris Management A/S is to be responsible for the administration of and for providing investment advisory services to Polaris Flexible Capital I K/S. The limited partnership has therefore no employees.

Development in financial matters

In 2024, the limited partnership entered into preference share agreements with InArea Group AB and Sticks ‘n’ Sushi (owned through Tokyo Topco Limited), while debt investments were entered into with Jernbro Industrial Services AB and Sticks ‘n’ Sushi through PFC I - Debt ApS. Furthermore, in December 2024, the limited partnership received an early repayment of the loan to G&O Maritime Group including additional fee related to the early repayments, which affects the profit for the year positively.

Total investments during 2024 amounted to DKK 273 million (2023: DKK 82 million).

During the year, the limited partnership has called capital from the limited partners in the amount of DKK 292 million (2023: DKK 159 million).

To better reflect the return on and value of equity investments in subsidiaries, the limited partnership has changed its accounting policy for measurement of equity investments in subsidiaries to the equity method instead of measurement at cost. Reference is made to the section ”Change in accounting policies” in note 1 in the financial statements for further details including the impact on current year reported profit, total assets and equity. This change does not impact the consolidated financial statements.

Profit/loss for the year

In 2024, the group recorded a profit of DKK 37,566 thousand (2023: loss DKK -7,625 thousand), which is attributable to the increasing value adjustment on the investment made, both in preference shares and debt investments.

Balance sheet and capital structure

Bank overdraft facility was utilized at 31 December 2024 in the amount of DKK 2 million (2023: DKK 0 million).

At 31 December 2024, the limited partners had paid-in a total amount of DKK 456 million (2023: DKK 165 million) of the total capital commitment of DKK 917 million, corresponding to 50%.

At year-end 2024, total equity amounted to DKK 478,637 thousand (31 December 2023: DKK 149,218 thousand).

Risks relating to the measurement of investments

As stated in the accounting policies, equity investments in portfolio companies are measured at fair value, however, during the first year of ownership, measurement is typically cost less any impairment losses.

As the portfolio companies are unlisted companies, the determination of fair value is subject to some uncertainty.

Management's review

Operating review

Management believes that the fair value measurement at year-end 2024 is well-founded and based on reasonable and realistic assumptions. Reference is made to note 2 for further information on measurement of investments.

Information about the portfolio companies of the limited partnership is available on the website www.polarisequity.dk.

Sustainability reporting

Polaris Flexible Capital I K/S is currently considered to fall under EU Sustainable Finance Disclosure Regulation (SFDR) - Article 8. Consequently, the fund has prepared it's periodical reporting enclosed these financial statements as an appendix.

Events after the balance sheet date

No events have occurred after the balance sheet date that may have a significant influence on the assessment of the annual report.

Financial risks

The General Partner has laid down certain guidelines in respect of the types of risk that the limited partnership may be exposed to within the limited partnership agreement. These guidelines include identification, management, controlling and reporting of risks. The guidelines are supported by a number of routines and business procedures. Policies have been formulated for leverage, market risks, liquidity, credit risk, counterparty risk and certain operational risks. Together with the policies, the guidelines and procedures constitute the overall risk policy.

The limited partnership's liquidity must always be sufficient. Liquidity risk arises primarily related to the investment commitments entered into and the ordinary operations of the limited partnership, which both are funded by cash calls to the limited partners. Liquidity risk is generally considered minimal due to the combined financial strength of the limited partner base.

Commitments from limited partners are denominated in DKK and equity investments into portfolio companies are primarily settled in DKK or EUR as per the investment policy. Management fees are denominated and settled in DKK. Currency risks between DKK and EUR (and other non-DKK currencies) are generally hedged when material cash flows in non-DKK currencies are contractually fixed (amount and timing), primarily related to new investments and divestments. The limited partnership does not hedge currency exposure related to non-DKK investments during the holding period. At 31 December 2024, approx. 62 % (2023: 62 %) of the investments were related to non-DKK investments.

Credit risk on cash deposits with banks, which from time to time may be significant due to the investment activities of the limited partnership, are in general mitigated by only allowing deposits with SIFI Institutions.

Disclosures required by the Alternative Investment Fund Managers Act

Polaris Flexible Capital I K/S is subject to the Alternative Investment Fund Managers Act. The limited partnership has appointed Apex (Denmark) ApS, Denmark, as depositary of the limited partnership.

Apart from the information included in this annual report, the General Partner has not identified any material changes in the information listed in Section 62, 64 or 65 of the Alternative Investment Fund Managers Act during 2023, which are to be disclosed to the limited partners.

The total amount of remuneration for 2023, split into fixed and variable remuneration, paid by the management company, Polaris Management A/S to its staff, senior management and significant risk takers as well as the number of recipients, etc., is disclosed in note 4 to the financial statements included in the 2024 annual report of Polaris Management A/S, to which reference is made (available on the website www.polarisequity.dk).

It is not possible to meaningfully allocate the total remuneration of significant risk takers between the individual investment funds under management of Polaris Management A/S including Polaris Flexible Capital I K/S.

Financial statements for the period 1 January – 31 December

Income statement

		Group		Parent company	
Note	**DKK'000**	**2024**	**2023**	**2024**	**2023**
2	Investment income	22,956	4,858	22,956	4,858
3	Investment income, loan receivables	29,947	8,989	12,120	8,989
	Management fee	-11,756	-17,106	-11,756	-17,106
	General partner fee	-600	-600	-600	-600
	Broken-deal costs	0	-10	0	-10
	Set up costs	0	-291	0	-291
	Other external costs	-1,470	-1,009	-1,330	-966
	Profit before financial items	39,077	-5,169	-21,390	-5,126
4	Value adjustment of investment in subsidiaries	0	0	1,800	-43
5	Financial income	83	0	15,743	0
	Financial expenses	-1,594	-2,456	-1,367	-2,456
	Profit/loss for the year	37,566	-7,625	37,566	-7,625

Proposed distribution of profit

Net revaluation reserve according to the equity method	0	0	1,737	0
Retained earnings	37,566	-7,625	35,829	-7,625
	37,566	-7,625	37,566	-7,625

Financial statements for the period 1 January – 31 December

Balance

		Group		Parent company	
Note	**DKK'000**	**2024**	**2023**	**2024**	**2023**
	ASSETS				
	Non-current assets				
	Investments				
4	Equity investments in subsidiaries	0	0	19,978	177
2	Investments	204,772	87,049	204,772	87,049
3	Investments, loan receivables	196,110	62,169	0	62,169
	Receivables from group entities	0	0	175,244	0
	Total non-current assets	400,882	149,218	399,994	149,395
	Current assets				
	Other receivables	43	0	43	0
		43	0	43	0
	Cash at bank and in hand	81,376	395	81,335	194
	Total current assets	81,419	395	81,378	194
	TOTAL ASSETS	482,301	149,613	481,372	149,589
	EQUITY AND LIABILITIES				
6	**Equity**				
	Contributed capital	456,382	164,529	456,382	164,529
	Net revaluation reserve according to the equity method	0	0	1,737	0
	Retained earnings	22,255	-15,311	20,518	-15,311
	Total equity	478,637	149,218	478,637	149,218
	Liabilities				
	Current liabilities				
	Bank overdraft facility	2,289	0	2,289	0
	Payables to group enterprises	0	0	21	0
	Payable to management company	0	327	0	327
	Other payables	1,375	68	425	44
	Total liabilities	3,664	395	2,735	371
	TOTAL EQUITY AND LIABILITIES	482,301	149,613	481,372	149,589

1 **Accounting policies**
7 **Contingencies etc.**
8 **Related parties**

Financial statements for the period 1 January – 31 December

Statement of changes in equity

	Group		
DKK'000	**Committed and called capital**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	5,440	-7,686	-2,246
Paid through cash calls during the year	159,089	0	159,089
Profit/loss for the period	0	-7,625	-7,625
Balance at 31 December 2023	164,529	-15,311	149,218
Paid through cash calls during the year	291,853	0	291,853
Profit/loss for the year	0	37,566	37,566
Balance at 31 December 2024	456,382	22,255	478,637

	Parent company			
DKK'000	**Committed and called capital**	**Net revaluation reserve according to the equity method**	**Retained earnings**	**Total equity**
Balance at 1 January 2023	5,440	0	-7,686	-2,246
Paid through cash calls during the year	159,089	0	0	159,089
Profit/loss for the period	0	0	-7,625	-7,625
Balance at 31 December 2023	164,529	0	-15,311	149,218
Paid through cash calls during the year	291,853	0	0	291,853
Profit/loss for the year	0	1,737	35,829	37,566
Balance at 31 December 2024	456,382	1,737	20,518	478,637

Financial statements for the period 1 January – 31 December

Cash flow statement

DKK'000	Group 2024	Group 2023
Profit before financial income and expense	39,077	-5,169
Value adjustment of equity investments in portfolio companies and write-down of non-current receivables from portfolio companies, incl. non-cash interest, net	-52,903	-13,847
Changes in working capital	937	-14
Cash flows from primary activities before financial income and expense	-12,889	-19,030
Interest income received	83	0
Interest expenses paid	-1,380	-2,456
Cash flows from operating activities	-14,186	-21,486
Investments including loan receivables, additions	-273,264	-82,191
Disposals including loan receivables	74,289	0
Cash flows from investing activities	-198,975	-82,191
Paid-up contributed capital	291,853	159,089
Cash flows from financing activities	291,853	159,089
Cash flows for the year	78,692	55,412
Cash and cash equivalents at the beginning of the year	395	-55,017
Reported cash and cash equivalents at year end	79,087	395

Cash and cash equivalents at year end:

Cash at bank and in hand	81,376	395
Bank overdraft facility	-2,289	0
	79,087	395

Cash and cash equivalent at year end	79,087	395

Financial statements for the period 1 January – 31 December

Notes

1 Accounting policies

The annual report of Polaris Flexible Capital I K/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In order to give a true and fair view of the investment activities of the limited partnership, the presentation of the income statement has been changed compared to the format required by the Danish Financial Statements Act. Accordingly, value adjustment of investments is presented as part of the primary activities.

Apart from the below change, the accounting policies applied in the preparation of the parent company financial statements are consistent with those of last year. This change does not impact the consolidated financial statements.

Change in accounting policies

Compared to the previous financial year, the accounting policy for the parent company financial statements has changed in the following area:

Equity investments in group enterprises (subsidiaries) is now measured in accordance with the equity method rather than at cost.

The change in accounting policy is implemented as the equity method better reflects the return and the value of the activity in group enterprises (subsidiaries), as the proportionate share of the profit in the underlying companies is recognised in the income statement and the equity value of group enterprises.

The change in accounting policy has no impact on the comparative figures or equity as of 1 January 2023 or 1 January 2024. The current year impact of the change is an increase in profit before and after tax for 2024 of DKK 1,757 thousand and an increase in total assets and equity of DKK 1,757 thousand as of 31 December 2024.

Consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, the limited partnership is not required to prepare consolidated financial statements, however the limited partnership has on a voluntary basis prepared consolidated financial statement for 2024.

Control

The consolidated financial statements comprise the Parent Company, Polaris Flexible Capital I K/S, and group entities controlled by Polaris Flexible Capital I K/S (control), PFC I - Debt ApS.

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated.

The group entities' financial statement items are included 100% in the consolidated financial statements.

Financial statements for the period 1 January – 31 December

Notes

1 Accounting policies (continued)

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

Income statement

Investment income

Realised and unrealised value adjustments of equity investments in portfolio companies are recognised separately in the income statement.

Investment income, receivables

Investment income, receivables comprise the income related to the investment receivables including interest and amortization relating to the financial year.

Management fee

Management fee comprises management fee for the period to Polaris Management.

Other administrative expenses

Other administrative expenses include establishment costs, General Partner fee, costs for broken deals etc. paid by the limited partnership.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised gains and losses on payables and transactions denominated in foreign currencies.

Tax

The limited partnership is considered a transparent entity for tax purposes and not an independent tax entity, and therefore no tax is recognized in the financial statements.

Balance sheet

Equity investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method.

The Parent Company has chosen to consider the equity method a measurement method.

Net revaluation of equity interests is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Financial statements for the period 1 January – 31 December

Notes

1 Accounting policies (continued)

Investments

Investments comprise preferred equity and equity investments in portfolio companies (i.e. non-controlling investments, with less than significant influence) and are upon initial recognition measured at fair value. Subsequently, these investments are recognised at fair value. Value adjustments are recorded in the income statement.

Fair value of preferred equity is determined based on an assessment of future cash flows discounted with the required risk-adjusted rate of return based on the counterparty risk profile, investment terms and seniority, specific credit market factors etc.

Fair value of equity investments in portfolio companies is determined on the basis of any recent transactions with the equity instruments of the company in question or the fair value based on the value in use, determined based on an assessment of future cash flows discounted with the required rate of return (WACC), which is determined based on data from peer companies as well as on a multiple-based valuation method in which the multiple is determined based on data from peer companies. Other inputs to the valuation are determined by the management. The calculated value in use is adjusted for net interest-bearing debt and further adjusted to take into account the values present in the companies in question including intermediary holding companies.

In determining the fair value of the equity investments in portfolio companies, contractual terms and conditions in respect of dividend distribution, etc., are considered.

Dividends from equity investments in portfolio companies are recognised in the income statement at the time of declaration (usually at the time of adoption at the annual general meeting).

Investments, receivables

Non-current receivables, which comprise investment receivables from portfolio companies and deposits, are measured at amortised cost.

Polaris Flexible Capital I K/S has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost. Write-down is recognised for bad debt losses based on an individual assessment of receivables.

Liabilities

The limited partnership has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the limited partnership's cash flows from operating, investing, and financing activities for the year, the year's changes in cash and cash equivalents as well as the limited partnership's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for non-cash operating items and changes in working capital ex. payments in connection with acquisition and disposal of portfolio companies.

Financial statements for the period 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flows from investing activities

Cash flows from investing activities comprise cash payments in connection with acquisition and disposal of portfolio companies, etc., including loan receivables in this respect.

Cash flows from financing activities

Cash flows from financing activities comprise payment of contributed capital as well as loan drawdowns, repayment of interest-bearing debt, and payments to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdraft facility, net.

2 Investments

Preferred equity

	Group		Parent company	
DKK'000	2024	2023	2024	2023
Cost at 1 January	82,191	0	82,191	0
Additions	94,767	82,191	94,767	82,191
Cost at 31 December	176,958	82,191	176,958	82,191
Value adjustment at 1January	4,858	0	4,858	0
Value adjustment during the year	22,956	4,858	22,956	4,858
Value adjustment at 31 December	27,814	4,858	27,814	4,858
Carrying amount at 31 December	204,772	87,049	204,772	87,049

Risks relating to the measurement of investments at fair value

As the preferred equity investment are unlisted, the determination of fair value is subject to some uncertainty (level 3 in the fair value hierarchy).

The material non-observable inputs and assumptions used in the calculation of fair value of the loan and preferred equity investment are summarised below on a weighted basis:

	2024	2023
EV/EBITDA-multiples, weighted for the underlying portfolio	10.3	19.9
Expected shortfall of cashflow	0%	0%

Financial statements for the period 1 January – 31 December

Notes

3 Investments, loan receivables

Loan receivables

DKK'000	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Cost at 1 January	50,000	50,000	50,000	50,000
Additions	178,497	0	0	0
Disposals	-50,000	0	-50,000	0
Cost at 31 December	178,497	50,000	0	50,000
Interest and value adjustment at 1January	12,169	3,180	12,169	3,180
Currency exchange adjustment during the year	-214	0	0	0
Interest during the year	29,947	8,989	12,120	8,989
Disposal for the year (realised (gain)/loss on disposal)	-24,289	0	-24,289	0
Interest and value adjustment at 31 December	17,613	12,169	0	12,169
Carrying amount at 31 December	196,110	62,169	0	62,169

4 Equity investments in subsidiaries

DKK'000	Parent company 2024	Parent company 2023
Cost at 1 January	240	40
Additions	18,001	200
Cost at 31 December	18,241	240
Value adjustment at 1January	-63	-20
Adjustment for the year	1,800	-43
Value adjustment at 31 December	1,737	-63
Carrying amount at 31 December	19,978	177

Name	**Domicile**	**Interest**
PFC I - Debt ApS	Copenhagen	100 %

5 Financial income

DKK'000	Group 2024	Group 2023	Parent company 2024	Parent company 2023
Interest income, group entities	0	0	15,688	0
Other interest income	83	0	55	0
	83	0	15,743	0

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6 Equity and capital commitment

	Group					
	Contributed capital					
DKK'000	**Commitment**	**Uncalled**	**Committed and called capital**	**Retained earnings**	**Distributions**	**Total equity**
Balance at 1 January 2023	543,325	-537,885	5,440	-7,686	0	-2,246
Committed during the year	373,985	-373,985	0	0	0	0
Paid through cash call on 13 February 2023	0	8,189	8,189	0	0	8,189
Paid through cash call on 9 May 2023	0	51,002	51,002	0	0	51,002
Paid through cash call on 4 October 2023	0	99,898	99,898	0	0	99,898
Profit/loss for the period	0	0	0	-7,625	0	-7,625
Balance at 31 December 2023	917,310	-752,781	164,529	-15,311	0	149,218
Paid through cash call on 27 February 2024	0	132,755	132,755	0	0	132,755
Paid through cash call on 25 March 2024	0	5,846	5,846	0	0	5,846
Paid through cash call on 21 May 2024	0	68,000	68,000	0	0	68,000
Paid through cash call on 20 June 2024	0	5,910	5,910	0	0	5,910
Paid through cash call on 19 September 2024	0	73,512	73,512	0	0	73,512
Paid through cash call on 9 December 2024	0	5,830	5,830	0	0	5,830
Profit/loss for the year	0	0	0	37,566	0	37,566
Balance at 31 December 2024	917,310	-460,928	456,382	22,255	0	478,637

As per 31 December 2024, the total committed capital for the limited partnership is DKK 917,310 thousand split into shares of DKK 0.01 nominal value each. The limited partners are liable for their share of the uncalled capital commitment. Restrictions on the sale or transfer of shares in the limited partnership apply as set out in the articles of association. The limited partnership will call capital from the limited partners as and when needed for investments and operating expenses of the limited partnership (temporarily financed by the bank overdraft facility).

	DKK'000
Balance at 31 January 2022 (first close)	447,575
New commitments in 2022	95,750
New commitments in 2023	373,985
Balance at 31 December 2024	917,310

Financial statements for the period 1 January – 31 December

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5 Contingencies etc.

The limited partnership has entered into a management agreement with Polaris Management A/S under which Polaris Management A/S is to be responsible for the administration of and for providing investment advisory services to Polaris Flexible Capital I K/S. If this agreement is terminated, the limited partnership may under certain circumstances be under an obligation to pay eighteen months' management fees.

According to the articles of association, the limited partnership is to pay annual fees to the general partner of up to DKK 1,000 thousand.

6 Related parties

No individual companies or persons exercise control of Polaris Flexible Capital I K/S.

Related parties comprise the limited partners and the general partner of the limited partnership, see page 5, the general partner's management, and the investment committee of the limited partnership.

In addition, the management company, Polaris Management A/S, which provides administrative services and investment advisory services to Polaris Flexible Capital I K/S, and its management are considered related parties.

Transactions with related parties

During the year, the limited partnership has paid management fees to the management company as well as fees to the general partner as disclosed in the income statement.

The limited partnership has made investments including in subsidiaries, see note 2, 3 and 4.

Capital transactions with limited partners are listed in note 6.

ANNEX IV

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

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

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

Product name: Polaris Flexible Capital I K/S ("PFC I", "the Fund")
Legal entity identifier: 549300AGQ31XV48FLE75
Period: 1 Jan 2024 – 31 Dec 2024 (the "Period")

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

Yes	No ✖
☐ It made **sustainable investments with an environmental objective:** ___%	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	✖ It promoted E/S characteristics, but **did not make any sustainable investments**

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

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

Polaris Management A/S ("Polaris") is the fund manager of Polaris Polaris Flexible Capital I K/S ("PFC I" or "The Fund") and have commited to promoting a number of environmental & social characteristics as part of the investment strategy of PFC I. These characteristics were met accordingly:

- Exclusion criteria: Three investments were made in the Period, Sticks'n'Sushi, InArea Group and Jernbro. These investments fulfilled the Funds exclusion criteria that the Fund has comitted to. We therefore meet this commitment.
- Sustainability process: Polaris has commited to ensuring that our portfolio companies are willing to commit to (i) discuss sustainability at least annually in its board of directors and (ii) report annually to The Fund on the status and work related to sustainability. This is partt of our exclusion criteria and we also follow-up on the adherence to this commitment. All portfolio companies report that they have discussed ESG/sustainability related topics at the board of directors level during the Period and have eall ngaged with us on the status of their sustainability work. We consequently believe we have met this commitment.
- Management of adverse sustainability impacts: Polaris has commited to ensuring prevention, mitigation and management of adverse sustainability impacts as defined by the UN Guiding Principles and OECD Guidelines for Multinational Enterprises by implementation of a management system for responsible business conduct as defined by these frameworks during our ownership. This has been implemented in three out of four portfolio companies (75%). As our target is 100%, this commitment has not yet been met..
- Promotion of climate change mitigation: Polaris has commited to work with our portfolio companies to measure and reduce their greenhouse gas emissions. Although 100% measure Scope 1 and 2 emissions, no company measure Scope 3 emissions and only 50% have plans to reduce their emissions. There is also not sufficient CO2e emission data to determine if the companies have reduced or increased their emissions. We have consequently not met this objective.
- Promotion of gender equality: Polaris has commited to work with their portfolio companies to improve their gender equality. The gender distribution in the board and management teams of our portfolio companies was 12.5% and 3.6% respectively and we did therefor not reach the ambition of at least 40% of each gender. This commitment has therefor not been met. Two out of four companies in the portfolio, report that they have a plan to improve gender equality.
- Promotion of improved working environment: Polaris has commited to work with their portfolio companies to improve the working environment. Three out of four companies have formalized plans to improve the working environment but have not been able to supply data on employee initiated turnover. As there is no data available for this indicator, we are not able to review the status of the working environment in our portfolio companies. This commitment has therefor not yet been met.

How did the sustainability indicators perform?

The analysis of the sustainability indicators is performed for the portfolio companies that were part of the Fund per the end of the Period (31.12.2024) and based on an internal sustainability survey send to all portfolio companies at the of the Period. If indicators have not been reported, the performance is based on available data from online sources. We do not require that the indicators provided by our portfolio companies are audited.

- Exclusion criteria: The Exclusion criteria for Polaris Flexible Capital, and the Fund, for new investments are those listed below. We measure the number of investments made in-line with these criteria and target 100%. Three new investment, Sticks'n'Sushi, InArea and Jernbro Industrial Services, was made in the Fund during the Period and these investment fulfilled these criteria. The fullfillment is consequently 100% for the Fund.
    - No support to unsustainable sectors: Polaris has commited to not make investments in portfolio companies that are part of, or have an important exposure to, the following sectors: gambling, weapons, tobacco, alcohol, and pornography.
    - No support to sanctioned countries, persons or entities: Polaris has commited to not make investments in portfolio companies companies with an un-acceptable exposure to countries, persons or entities on the UN Sanctions list.
    - Reasonable risk: By assessing sustainability-related risks, hereunder principal adverse impacts, in potential investments, we have commited to not invest in companies with an unacceptable risks for adverse sustainability impacts, or with unacceptable actual adverse sustainability impacts.
    - Sustainability governance: We have commited to invest in companies with a governance structure which is deemed adequate to manage sustainability and the company's adverse impact.
    - Sustainability process: We have commited to invest in companies that have commited to (i) discuss sustainability at least annually in its board of directors and (ii) report annually to The Fund on the status and work related to sustainability. We also follow-up continously on the adherence to this commitment.
- Sustainability process: We continously follow-up on the adherence to our companies initial commitment to a sustainability process. For the Period, we submitted a survey to enquire about the status of their work to each company. We will continue with this survey going forward and complement with a dedicated discussion of their sustainability work. For the Period, 100% of the companies fufilled their commitment to process.

Status of sustainability process

Investments in the Fund per 31.12.2024 (acquisition date)	Discussion of ESG/sustainability related topics at the board of directors level during the Period	Reporting on ESG/sustainability related topics between Polaris and company in period	Comment on implementation
Aerfin (Jul '23)	Yes	Yes	Working with independt climate change experts and have developed own ESG strategy
Sticks'n'Sushi (Feb '24)	Yes	Yes	
InArea Group (May '24)	Yes	Yes	
Jernbro Industrial Service (Sep '24)	Yes	Yes	
The Fund	100% (4/4)	100% (4/4)	

- Management of adverse sustainability impacts: We have commited to work to influence our portfolio companies to implement a management system in-line with UN Guiding Principles and OECD guidelines for Multinational Enterprises and sign-up to the UN Global Compact. We follow-up on the implementation rate among our portfolio companies and target 100% adherence for the portfolio companies acquired more than 12 months earlier although we might have limited ability to control this indicator. This was however achieved by Jernbro, Sticks'n'Sushi and AerFin while it has not yet been done for InArea. Thus fulfillment for both indicators for the Fund was 75% of companies in the Period.

Status on adherence to UN/OECD guidelines of Responsible Business Conduct				
Investments in the Fund per 31.12.2024 (acquisition date)	Membership of UN Global Compact	Mgmt system implemented 31.12.2023[1]	Mgmt system implemented 31.12.2024[2]	Comment on implementation
Aerfin (Jul '23)	Yes	No	Yes	-
Sticks'n'Sushi (Feb '24)	Yes		Yes	-
InArea Group (May '24)	No		No	-
Jernbro Industrial Service (Sep '24)	Yes		Yes	-
G&O Maritime (exited '24)		Yes		
The Fund	75% (3/4)	50% (1/2)	75% (3/4)	

The structure and performance related to Polaris' three focus areas, Climate change, Gender equality and Working environment, is followed-up annually at the portfolio company level through our survey and review of publically available information provided by each portfolio company. The Fund is constrained by their governance rights in each investment and the reporting scope, data availability and timeline of each of their companies. Data for the Period itself might therefor not be available at the time of the publishing of this report or not produced by the company, in those cases we will use the most recently available information.

- Promotion of climate change mitigation: We have commited to promote that our portfolio companies measure their Greenhouse Gas Emissions according to the GHG Protocoll and try to reduce their absolute GHG emissions (tonnes of CO_2 equivalent) and/or their GHG intensity (tonnes of CO_2 equivalent in relation to turnover or other relevant measure of company output). We have commited to promoting annual reductions and encourage portfolio companies to support the Paris Agreement and set 'science based' CO_2 emissions reduction reduction targets as defined by the Science Based Target Initiative. All respondents measure according to scope 1 and 2 but none yet report on Scope 3 emissions. In addition, only 50% of our companies have a plan to reduce their emissions and none have yet set a 'Science Based Target'.

[1] Refers to UN/OECD guidelines for Responsible Business Conduct
[2] Refers to UN/OECD guidelines for Responsible Business Conduct

Status on CO2 measurements and target setting						
Investments in the Fund per 31.12.2024 (acquisition date)	Measurement of CO2e – Scope 1, 2 & 3* and reduction plans			Science Based Target**		Comments
	2023	**2024**	**Plan to reduce greenhouse gas emissions 2024**	**31.12.2023**	**31.12.2024**	
Aerfin (Jul '23)	-	1/2	No	No	No	Plans to commit.
Sticks'n'Sushi (Feb '24)		1/2	No		No	Plans to commit.
InArea Group (May '24)		1/2	Yes		No	-
Jernbro Industrial Services (Sep '24)		1/2	Yes		No	According to mgmt, targets are set according to SBT but not officially commited
G&O Maritime (exited '24)	1/2			No		
The Fund	Scope 1/2: 50% (1/2) Scope 3: 50% (1/2)	Scope 1/2: 100% (4/4) Scope 3: 0% (0/4)	50% (2/4)	0% (0/2)	0% (0/4)	

* Defined as measured if done according to the Greenhouse Gas Protocoll (GHG) and published publically by the company.

** Science Based Target as defined and approved by the Science Based Target Initiative (SBTI)

- Promotion of climate change mitigation – CO2e emissions: All companies report on CO2 emissions Scope 1 and 2 but yet Scope 3. We expect these to be material and we are therefor not yet able to track the actual CO2e emissions, or their development, for the Fund in a reasonable way. The increase in Scope 1 and 2 emissions for Fund in the year is driven by inclusion of new portfolio companies.

Status of CO2 emissions							
Investments in the Fund per 31.12.2024 (acquisition date)	**CO2 emissions – Scope 1/ 2 (tCO2e)**		**CO2 emissions – Scope 3 (tCO2e)**		**CO emission intensity – Scope 1/2/3 (gCO2e/DKK revenue)**		**Comments**
	2022	**2023**	**2022**	**2023**	**2022**	**2023**	
Aerfin (Jul '23)	n.a.	374	n.a.	n.a.	-	-	
Sticks'n'Sushi (Feb '24)		1.109		n.a.		-	
InArea Group (May '24)		1.500		n.a.		-	
Jernbro Industrial Services (Sep '24)		1.180		n.a.		-	
G&O Maritime (exited '24)	430		15.345		40.0		

The Fund	430	4.163	15.345	n.a.	40.0	-	Intensity not calculated as Scope 3 emissions are not available and are likely material.

- Promotion of gender equality: We have commited to encourage our portfolio companies to measure the gender distribution at the board of director level and management team level and target a distribution of at least 40% of each gender. The gender distribution at board level was 12.5% while the management team level distribution was 3.6% at end of the Period based on publicly available data. Thus both metrics are well below the ambition of 40% for the Fund. 50% of the companies do however have plans to improve gender equality and distribution. For the previous report, we relied on data reported by management and the latest data point is therefor for 2022.

Status on Gender Distribution

Investments in the Fund per 31.12.2024 (acquisition date)	Gender distribution – Board of directors		Gender distribution – Management		Does the company have a plan to improve gender equality and distribution	Comments
	2022	2024	2022	2024		
Aerfin (Jul '23)	13%	12.5%	14%	14.3%	Yes	-
Sticks'n'Sushi (Feb '24)		0%		0%	No	-
InArea Group (May '24)		25%		0%	No	-
Jernrbro Industrial Services (Sep '24)		12.5%		0%	Yes	-
G&O Maritime (exited '24)	0%		46%			
The Fund	7%	12.5%	35%	3.6%	50% (2/4)	

- Promotion of improved working environment: We have commited to work to encourage our portfolio companies to measure employee initiatied employee turnover and to target an annual reduction or a stable development at a low level as suitable for each individual portfolio company. InArea have informed us that they don't follow-up on this metric while AerFin, Sticks'n'Sushi and Jernbro have informed that they do.. Neither of the three companies have however been able to supply us with the actual data for the period. The employee initiated turnover for the Fund most recently estimated to 11% is consequently not possible to follow-up on for the Period. To supplement the tracking of employee-initiated turnover, we also follow-up on use of employee satisafaction surveys and plans to improve the working environment.

Status on Work Environment						
Investments in the Fund per 31.12.2024 (acquisition date)	**Employee-initiated employee turnover (end 2022)**	**Employee-initiated employee turnover (end 2023)**	**Employee-initiated employee turnover (end 2024)**	**Measurement of employee satisfaction at least annually**	**Formalized plan to improve the working environment**	**Comments**
Aerfin (Jul '23)	-	N/A	N/A	Yes	Yes	The company has become Great Place to Work-Certified*
Sticks'n'Sushi (Feb '24)			N/A	Yes	No	-
InArea Group (May '24)		N/A	N/A	No	Yes	Measurement of employee satisfaction is expected to begin in 2025
Jernrbro Industrial Services (Sep '24)		N/A	N/A	No	Yes	-
G&O Maritime (exited '24)	Yes (11%)					
The Fund	Measure : 25% (1/4) 11%	Measure : 0% (0/4) N/A	Measure : 0% (0/4) N/A	50% (2/4)	75% (3/4)	

* To become certified, the average score across employee surveys must show that approximately 7 out of 10 are having a consistently positive experience at work

..and compared to previous periods?

- Exclusion criteria: Fulfillment of our exclusion criteria was a 100% for the Period, which also was the case in the previous period.
- Management of adverse sustainability impacts: The implementation rate increased from 50% to 75% of the companies in the Period.
- Promotion of climate change mitigation:
    - Measurement of CO2e emissions: Companies measuring CO2e emissions on Scope 1 and 2 increased from 50% of respondents to 100%. Measument according to scope 3 fell from 50% of respondents to 25% due to the inclusion of new investments that have not yet implemented this.
    - Plans to reduce emissions: We did not follow-up on this indicator in the previous period.
    - Science Based Target: The share of companies with Science Based Targets remains at 0%.
    - CO2e emissions: The Scope 1 and 2 emissions for which we have data, increased from 430 to 4.163 tCO2e from 2022 to 2023. This was driven by inclusion of new portfolio companies. We do not yet have data for Scope 3 emissions.
- Promotion of gender equality: The share of women in the boards of fund increased from 7% to 12.5% while the share of women in the management teams fell from 35% to 3.6%.

- Promotion of improved working environment: We are not received data which enables us to provide information on the development on the working environment in the portfolio.

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

Not applicable as the Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17).

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

Not applicable as the Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17).

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

The Fund does not take Principle Adverse Impacts on Sustainability factors ("PAI indicators") into account in its investment process.

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

Implementing the management system according to these guidelines is one of the Funds objectives. At the end of the period, 75% of the investments hade implemented the system.

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

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

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

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

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

PFC does not take principle adverse impacts on sustainability impacts into account in its investment process. This commitment was removed during 2024 and implemented in Polaris Resposible Investment Policy (RIP) as well as in a retroactive amendment to PFC's Pre-contractual Statement, which was approved by the investors in the fund.

What were the top investments of this financial product?

Three new platform investments and one divestment were made by the Fund in the Period. Sticks'n'Sushi, InArea Group and Jernbro Industrial Services were invested into while G&O was divested. As of the 31st of December 2024, the Fund had the following investments.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1-Jan 2024-31 Dec 2024

Investments in the Fund per 31.12.2024	**Date of acquisition**	**Sector**	**% Assets* per 31.12.2023**	**% Assets* per 31.12.2024**	**Country**
Aerfin	Jul 2023	Aerospace	62%	23%	United Kingdom
Sticks'n'Sushi	Feb 2024	Restaurants	-	37%	Denmark
InArea Group	May 2024	Construction	-	19%	Sweden
Jernbro Industrial Services	Sep 2024	Industrial services	-	21%	Sweden
G&O Maritime (exited '24)	Jun 2022	Industrial goods	38%		Denmark
The Fund			100%	100%	

% of Assets defined as % share of Cost of remaining investments per 31.12.

What was the proportion of sustainability-related investments?

What was the asset allocation?

#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

All investments (100%) made by the Fund in the Period, and prior to the Period, fall under category "#1B Other E/S characteristics" as the Fund does not make sustainable investments.

In which economic sectors were the investments made?

Three new investments was made in the period, which constituted 77% of the Fund.

Investments in the Fund per 31.12.2024	Date of acquisition	Sector	% Assets* per 31.12.2024	Country
Aerfin	Jul 2023	Aerospace	23%	United Kingdom
Sticks'n'Sushi**	Feb 2024	Restaurants	37%	Denmark
InArea Group**	May 2024	Construction	19%	Sweden
Jernbro Industrial Services**	Sep 2024	Industrial service	21%	Sweden
The Fund			100%	

Asset allocation describes the share of investments in specific assets.

* % of Assets defined as % share of Cost of remaining investments per 31.12 in year.

** Acquisitions made during the Period

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

The Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17).

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

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

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

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

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[3]?

Yes:

In fossil gas In nuclear energy

No

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

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

What was the share of investments made in transitional and enabling activities?

The Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17). The investments made by the Fund had environmental characteristics that were not aligned with the EU Taxonomy.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

The Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17). The investments made by the Fund had environmental characteristics that were not aligned with the EU Taxonomy.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17). The investments made by the Fund had environmental characteristics that were not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

Not applicable as the Fund does not make sustainable investments as defined by the EU taxonomy and SFDR Art. 2(17).

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

Not applicable as no investments were made in the category "Other" by the Fund.

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

During the Period, we engaged with the portfolio companies of the Fund to request how the Funds environmental and social characteristics were addressed. This was executed through a survey sent to all portfolio companies to detail the status of sustainability in each company. It is also part of the on-going dialogue with all portfolio companies. We also ask that all companies discuss these questions in the board of directors at least annually which all portfolio companies confirmed that they had. In the next period, we aim to continue the interaction with our portfolio companies concerning sustainability and complement the annual survey with dedicated management discussions.

did this financial product perform compared to the reference benchmark?

Not applicable as we have not designated a specific index as a reference benchmark for this product.

How does the reference benchmark differ from a broad market index?

Not applicable as we have not designated a specific index as a reference benchmark for this product.

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

Not applicable as we have not designated a specific index as a reference benchmark for this product.

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

Not applicable as we have not designated a specific index as a reference benchmark for this product.

- ***How did this financial product perform compared with the broad market index?*** Not applicable as we have not designated a specific index as a reference benchmark for this product.

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Henrik Bonnerup
Board member
Serial number: 035d243e-52f6-4034-916e-9028107efac0
IP: 77.241.xxx.xxx
2025-02-11 18:28:08 UTC

Jesper Langmack
Board member
Serial number: fc57714a-39c7-46ad-bdbd-efb0fa11655c
IP: 202.1.xxx.xxx
2025-02-12 01:52:07 UTC

Peter Høltermand
Chairman of the Board
Serial number: 86368728-4979-4640-bb3b-56844686032e
IP: 217.61.xxx.xxx
2025-02-12 07:04:58 UTC

Steffen Astrup
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: 716cab07-428c-4948-a9b0-54f423eee73a
IP: 165.225.xxx.xxx
2025-02-12 07:38:23 UTC

Jens Thordahl Nøhr
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: c1e8a2a1-ddd5-4d62-bf0c-551b3baecb85
IP: 147.161.xxx.xxx
2025-02-12 10:54:02 UTC

Søren Fogh
Chairman
Serial number: 04da236a-7dc9-4efd-87a2-94858ba5875d
IP: 185.58.xxx.xxx
2025-03-06 07:45:59 UTC

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