

Seed Capital Management I/S

Annual Report

1 January 2023 – 31 December 2023

19th financial year

Seed Capital Management I/S
Registration No. 28 29 30 89
Address: c/o Matrikel1, Højbro Pads 10, 1200 København K

Approved at the annual general meeting of shareholders on 29 April 2024
Chairman: Jakob Fuglede Nielsen

Table of contents

Management's statement	1
Independent auditors' report	2
Information about the Company	5
Management's Review	6

Financial statements

Profit and loss account for the year ended 31 December 2023	8
Balance sheet at 31 December 2023	9
Statement of changes in equity	11
Notes to the financial statements	12

Management's statement

The Management have today discussed and approved the annual report of Seed Capital Management I/S for the financial year 1 January – 31 December 2023.

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

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities, and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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

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

Copenhagen, 29 April 2024

Management:

Ulla Brockenhuus-Schack

Managing Partner og
General Partner

Lars Andersen

General Partner

Adopted at the Meeting on 29 April 2024

Chairman

Independent Auditors' Report

To the Limited Partners of Seed Capital Management I/S

Opinion

We have audited the financial statements of Seed Capital Management I/S for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Management is responsible for the Management's review.

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

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 29 April 2024

EY Godkendt Revisionspartnerselskab
Cvr. No. 30 70 02 28

Henrik Pedersen
State Authorized
Public Accountant
mne35456

Information about the Company

Seed Capital Management I/S
c/o Matrikel 1
Højbro Plads 10
1200 København K

www.seedcapital.dk
Registration nr. (Cvr.nr.): 28 29 30 89

Registered office

Københavns Kommune

Management

Ulla Brockenhuus-Schack (Managing Partner)
Lars Andersen

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
Postboks 250
2000 Frederiksberg

Bankers

Nykredit Bank A/S

Management's Review

This annual report relates to the nineteenth financial year of Seed Capital Management I/S for the period 1 January – 31 December 2023.

The Company's activities

Seed Capital Management I/S advise and invest in knowledge-intensive start-ups. The principal activity of Seed Capital Management is to act as a management company to the active venture fund Seed Capital Denmark II K/S.

The fund Seed Capital Denmark II invests venture capital in high-technology, research-based and knowledge-intensive companies focusing on biotechnology/medical technology, IT and telecommunication, cleantech and other high-technology areas.

Reference is made to the annual report of the individual investment companies and the fund.

Venture companies	Capital commitment	Formation	End of investment period	Duration	Number of active portfolio companies
Seed Capital Denmark II K/S	DKK 682 million	1 February 2010	31 December 2014	31 December 2024	5

Activities in 2023

As management company for the funds Seed Capital Management I/S focus in 2023 has been on maturing and exiting the remaining shares in the companies held in the funds. As per end of 2023 the active portfolio managed in the fund consists of 5 companies.

Events after the balance sheet date

No events have occurred after the balance sheet date, which may materially affect the assessment of the Company's financial position.

Business development and outlook

The development in the portfolio in Seed Capital Denmark II K/S has been strong over the years. The outlook for the remaining portfolio companies and the fund as a whole, remains promising. Seed Capital Management I/S will aim at pursuing successful exits of the remaining companies in the portfolio over the coming years.

It is expected that the results of Seed Capital Management I/S for the coming years will decrease further due to declining management fees and following the decline in the activities in the funds managed by Seed Capital Management I/S.

The duration of Seed Capital Denmark II K/S has been extended until 31 December 2024 according to approval from the investors. A further extension is expected and will be evaluated in 2024 and brought forward on a General Assembly, when relevant.

Profit and loss account for the year ended 31 December 2023

	Note	2023 (000 DKK)	2022 (000 DKK)
Gross profit		1,360	4,219
Other external expenses		-413	-411
Staff costs	2	-80	-200
Depreciation tangible fixed assets		-19	-13
Operating profit		848	3,595
Other financial revenue		1	0
Other financial expenses		-7	-5
Profit for the year		842	3,589
The Management recommends that the profit for the year should be appropriated as follows:			
Retained earnings at 1 January		15	15
Net profit for the year		842	3,589
Available for appropriation		857	3,604
Recommended appropriation:			
Retained earnings at 31 december		15	15
Distribution proposed for the year		842	3,589
		857	3,604

Balance sheet at 31 December 2023

	Note	2023 (000 DKK)	2022 (000 DKK)
ASSETS			
Fixed assets			
Tangible fixed assets			
IT, software, furnitures ao.	3	<u>31</u>	<u>27</u>
Total tangible fixed assets		<u>31</u>	<u>27</u>
Investments			
Investments	4	<u>9</u>	<u>10</u>
Total financial fixed assets		<u>9</u>	<u>10</u>
Total fixed assets		<u>40</u>	<u>37</u>
Current assets			
Receivables			
Other receivables		<u>2</u>	<u>0</u>
Total receivables		<u>2</u>	<u>0</u>
Cash in bank and at hand		<u>205</u>	<u>306</u>
Total current assets		<u>207</u>	<u>306</u>
TOTAL ASSETS		<u>247</u>	<u>343</u>

Balance sheet at 31 December 2023

	Note	2023 (000 DKK)	2022 (000 DKK)
EQUITY AND LIABILITIES			
Equity	5		
Investment capital		0	0
Retained earnings		<u>15</u>	<u>15</u>
Total equity		<u>15</u>	<u>15</u>
Liabilities other than provisions			
Short-term liabilities other than provisions			
Trade payables		74	68
Other payables		<u>158</u>	<u>261</u>
Current liabilities		<u>232</u>	<u>328</u>
Total liabilities other than provisions		<u>232</u>	<u>328</u>
TOTAL EQUITY AND LIABILITIES		<u><u>247</u></u>	<u><u>343</u></u>

Statement of changes in equity

(000 DKK)	Investment capital	Retained earnings	Total
Balance 1 January 2023	0	15	15
Net profit for the year 2023	0	842	842
Distributed regarding 2023	0	-842	-842
Balance 31 December 2023	0	15	15

(000 DKK)	Investment capital	Retained earnings	Total
Balance 1 January 2022	0	15	15
Net profit for the year 2022	0	3,589	3,589
Distributed regarding 2022	0	-3,589	-3,589
Balance 31 December 2022	0	15	15

Notes to the financial statement

1. Accounting policies
2. Staff costs
3. Tangible fixed assets
4. Investments
5. Contingent liabilities
6. Related parties

Notes to the financial statement

1 Accounting policies

The Annual Report of Seed Capital Management I/S has been presented in accordance with the provisions in the Danish Financial Statements Act regarding reporting class B enterprises, adjusted to the Company's special activities as a management company for a venture company.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The Annual Report has been presented in Danish kroner.

Foreign currencies

Amounts in foreign currencies are translated into Danish kroner at the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated into Danish kroner at closing rates.

Realised and unrealised exchange gains and losses are recognised in the profit and loss account as financial income and expenses.

Profit and loss account

Turnover

Management fee

Management fee comprises administration fee and performance fee for the companies appointed by Seed Capital Management to investment manager.

Services

Income from the supply of services is recognized as the services are rendered.

Other external costs

Other external costs comprise costs for administration, premises, bad debt losses, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Depreciation

Book depreciation is provided on the basis of regular assessments of the useful life and residual value of the relevant assets. Tangible fixed assets are depreciated on a straight-line basis over the expected useful lives of the individual assets. Depreciation periods and scrap values, calculated by reference to the historical cost, are as follows:

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Depreciation period

Fixtures and fittings, tools, and equipment 3-5 years

Acquisitions not exceeding DKK 32,000 are charged to the profit and loss account in the year of acquisition.

Losses and profits on the replacement of fixed assets are included in book depreciation. Losses and profits are made up as the difference between the net selling price and the net book value at the time of sale.

Tax

The Company is not a tax-paying entity thus no tax has been expensed.

Balance sheet

Tangible fixed assets

Tangible fixed assets are measured at cost plus revaluations and less accumulated depreciation and write-downs.

Investments

Investments in subsidiaries are measured at the company's share of the equity in the subsidiaries (equity method). If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are amortised at the lower of amortised cost and the net realisable value, calculated by reference to individual assessments of the individual accounts receivable.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Contingent liabilities

Contingencies are not recognised in the balance sheet but disclosed in the notes only. Liabilities which exist at the balance sheet date, but which cannot be measured, are considered contingent liabilities.

	2023 (000 DKK)	2022 (000 DKK)
2 Staff costs		
Analysis of staff costs:		
Wages and salaries	76	191
Staff costs	<u>4</u>	<u>8</u>
	<u>80</u>	<u>200</u>
Average number of employees	<u>2</u>	<u>2</u>
3 Tangible fixed assets (000 DKK)		Other fixed assets
		<u> </u>
Cost as per 1 January 2023		277
Additions during the year		23
Disposals during the year		<u>0</u>
Cost as per 31 December 2023		300
Depreciations as per 1 January 2023		-250
Depreciations during the year		-19
Reversed depreciation on disposals		<u>0</u>
Depreciations as per 31 December 2023		-269
Value as per 31 December 2023		<u>31</u>

4 Investments

	Seed Capital Denmark II K/S
	(000 DKK)
Cost 1 January 2023	0
Additions in the year	0
Distributions in the year	0
Net cost at 31 December 2023	0
Results and revaluation and write-downs 1 January 2023	10
Revaluation and write-downs in the period	-1
Revaluation and write-downs at 31 December 2023	9
Book value at 31 December 2023	9

5 Contingent liabilities

There is no contingent liabilities in the company.

6 Related parties

The Company's related parties comprise the following:

- Seed Capital Denmark II K/S (1 general partner is CEO)

All transactions between the parties are based on arm length principle.

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

Ulla Brockenhuus-Schack

General Partner and Managing Partner

On behalf of: Seed Capital Management I/S

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IP: 77.33.xxx.xxx

2024-04-30 08:41:28 UTC



Lars Andersen

General Partner

On behalf of: Seed Capital Management I/S

Serial number: 41fcd2d4-838e-454e-b63a-ff76bc9bcd46

IP: 38.109.xxx.xxx

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Henrik West Rohden Pedersen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: be28c3ef-63c3-4030-ab1f-5b23aee164af

IP: 165.225.xxx.xxx

2024-05-01 16:30:26 UTC



Jakob Fuglede Nielsen

Chairman

On behalf of: Seed Capital Management I/S

Serial number: 52272e4a-ecd2-4cb6-a614-0641bb4ad12c

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