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Nordic Eye K/S

Havnegade 55, st. th 1058 København K CVR No. 38155326

Annual report 2022

The Annual General Meeting adopted the annual report on 27.04.2023

Anders Kaasgaard Chairman of the General Meeting

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Entity details

Entity

Nordic Eye K/S Havnegade 55, st. th 1058 København K

Business Registration No.: 38155326 Registered office: København Financial year: 01.01.2022 - 31.12.2022

Executive Board

Peter Alfred Warnøe, On behalf of Nordic Eye General Partner ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Nordic Eye K/S for the financial year 01.01.2022 - 31.12.2022.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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

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

Copenhagen, 27.04.2023

Executive Board

Peter Alfred Warnøe On behalf of Nordic Eye General Partner ApS

Independent auditor's report

To the shareholders of Nordic Eye K/S

Opinion

We have audited the financial statements of Nordic Eye K/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, 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 the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 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 this auditor's report. We are independent of the Entity 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.

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 Entity'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 Management either intends to liquidate the Entity 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

Management 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, 27.04.2023

Deloitte Statsautoriseret Revisionspartnerselskab CVR No. 33963556

Bjørn Winkler Jakobsen State Authorised Public Accountant Identification No (MNE) mne32127 **Michael Thorø Larsen** State Authorised Public Accountant Identification No (MNE) mne35823

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Key figures					
Gross profit/loss	(1,212)	(1,436)	(1,773)	(1,956)	(1,786)
Net financials	(22,898)	293,824	57,722	20,482	19,568
Profit/loss for the year	(24,109)	292,388	55,949	18,526	17,782
Total assets	408,833	432,544	140,167	84,689	58,226
Equity	408,286	432,396	140,008	84,367	56,356
Ratios					
Equity ratio (%)	99.87	99.97	99.89	99.62	96.79

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

<u>Equity * 100</u> Total assets

Primary activities

The fund 's objective is to invest in tech Companies within lifestyle and SaaS solutions. The fund is fully invested, and does not carry out new investments.

Development in activities and finances

The company's income statement for 2022 shows a loss of EUR 24m and as of December 31, 2022, and a Net Asset Value (NAV) of EUR 408 with Assets under Management (AUM) of EUR 412m. In 2022 the Company made a few follow-on investments in existing portfolio companies. As the fund has passed its investment period, no new investments have been made.

Profit/loss for the year in relation to expected developments

The negative development in the value of the fund's assets have met the expectations, considering the challenging venture market in 2022.

Uncertainty relating to recognition and measurement

We refer to note 6 in the annual report and the accounting policies applied, as well as financial risk.

Outlook

Due to of the current market conditions, including the company's investment strategy, it is not possible to provide a more detailed outlook. We do however expect a positive development for the fund in 2023.

Statutory report on corporate social responsibility

It is the mission of the fund to generate returns for our investors by investing in, developing, improving, and selling growth companies. Working towards this mission, we believe not only in economic sustainability, but also in responsible investment practices that consider our environmental and social responsibility, and good corporate governance. We invest in tech and lifestyle growth companies. Our ambition is to ensure that our companies have the required foundation for long term sustainable growth, delivering value to investors and society at large. The company is fully invested. When the investments were made an ESG review was not fully integrated in our investment processes, but since we have and are expanding our ESG review of new investments.

Sourcing and Due Diligence

In our sourcing and diligence in other funds, we do review relevant sustainability factors in our general evaluation criteria when screening for future investment options, and we have defined a set of industry exclusion criteria in line with industry standards. We analyze our findings and incorporate them in our risk assessment, valuation processes, and investment committee material.

Active ownership and Governance

We are active in our portfolio companies and strive to ensure that they do not take steps, which are generally not considered to be ESG compliant. We receive regular reporting from all our portfolio companies and monitor any deviances from agreed business plans, including any new or changed business areas which are generally not considered to be ESG compliant.

SFDR-reportering

The fund is classified as article 6 under the SFDR-legislation, and hence the SFDR appendix is not included. Further, the Investments underlying this Financial Product do not take into account the EU criteria for environmentally sustainable economic activities in accordance with article 6.

Statutory report on the underrepresented gender

The fund does not have any employees in the fund but have invested in several companies lead and founded by female founders.

The employee composition at Nordic Eye Management ApS reflects that the company works within an industry where typically far more men than women are educated. There is therefore a larger part of male employees compared to female.

It is Nordic Eye Management ApS' ambition to increase the proportion of female employees. When recruiting new employees, internally as well as externally, we have with special consideration to competencies and experience, a focus on recruiting, equally between women and men.

Statutory report on data ethics policy

Nordic Eye K/S has not adopted a policy for data ethics, because the fund does not process large amounts of data itself or make use of algorithms for data analysis. The investments owned by the fund have very different business areas and can therefore process data to an extent where it is advisable to adopt a data policy. The data policies of the investments owned are then published either in these companies' consolidated accounts or on their website, as required.

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.

Income statement for 2022

		2022	2021
	Notes	EUR	EUR
Other external expenses	2	(1,211,804)	(1,435,657)
Gross profit/loss		(1,211,804)	(1,435,657)
Other financial income	3	(22,889,777)	293,988,928
Other financial expenses		(7,806)	(165,138)
Profit/loss for the year	4	(24,109,387)	292,388,133

Balance sheet at 31.12.2022

Assets

		2022	2021
	Notes	EUR	EUR
Other investments		408,761,399	431,518,696
Other receivables		0	36,469
Financial assets	5	408,761,399	431,555,165
Fixed assets		408,761,399	431,555,165
Other receivables		39,240	43,139
Receivables		39,240	43,139
Cash		32,789	945,534
Current assets		72,029	988,673
Assets		408,833,428	432,543,838

Equity and liabilities

	2022	2021
Notes	EUR	EUR
	49,946,892	49,946,892
	358,339,423	382,448,810
	408,286,315	432,395,702
6	547,113	148,136
	547,113	148,136
	547,113	148,136
	408,833,428	432,543,838
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Statement of changes in equity for 2022

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	49,946,892	382,448,810	432,395,702
Profit/loss for the year	0	(24,109,387)	(24,109,387)
Equity end of year	49,946,892	358,339,423	408,286,315

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.

Cash flow statement for 2022

	Notes	2022 EUR	2021 EUR
Operating profit/loss		(1,211,804)	(1,435,657)
Working capital changes	7	439,367	37,276
Cash flow from ordinary operating activities		(772,437)	(1,398,381)
Financial expenses paid		7,806	(20,159)
Cash flows from operating activities		(764,631)	(1,418,540)
Dividends received		0	1,071,141
Acquisition of other investments		(151,100)	(1,086,951)
Other receivables		2,986	(36,469)
Cash flows from investing activities		(148,114)	(52,279)
Free cash flows generated from operations and investments before financing		(912,745)	(1,470,819)
Increase/decrease in cash and cash equivalents		(912,745)	(1,470,819)
Cash and cash equivalents beginning of year		945,534	2,416,353
Cash and cash equivalents end of year		32,789	945,534
Cash and cash equivalents at year-end are composed of:			
Cash		32,789	945,534
Cash and cash equivalents end of year		32,789	945,534

Notes

1 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.

2 Fees to the auditor appointed by the Annual General Meeting

	2022	2021
	EUR	EUR
Statutory audit services	94,030	87,076
Other services	9,360	17,415
	103,390	104,491

3 Other financial income

	2022	2021
	EUR	EUR
Fair value adjustments	(22,908,937)	292,912,018
Other financial income	19,160	1,076,910
	(22,889,777)	293,988,928

Fair value adjustments include value and currency adjustments on the fund's holdings of unlisted shares.

4 Proposed distribution of profit and loss

	2022	2021
	EUR	EUR
Retained earnings	(24,109,387)	292,388,133
	(24,109,387)	292,388,133

5 Financial assets

	Other
	investments
	EUR
Cost beginning of year	38,934,132
Additions	115,172
Cost end of year	39,049,304
Revaluations beginning of year	392,621,031
Fair value adjustments	(22,908,936)
Revaluations end of year	369,712,095
Carrying amount end of year	408,761,399

Of the fund's total assets, one investment represents 85 % of the year's investment sum. The fund is operating within the tech-health area, which is characterized by a high fluctuation in valuation over time. The valuation at

31.12.2022 is in accordance with applied accounting policies and it is on budgeted revenue per 2023 with an implied market multiple for a group of comparable companies. The valuation is characterized by uncertainty as a result of the industry and macroeconomic conditions. The realization of the estimated fair market value is therefore subject to uncertainty and the matters listed above.

The fund invests in unlisted equity investments within the venture environment. Investments are made through equity instruments, loans or convertible bonds/debt instruments. As a result, the valuation is associated with uncertainty, just as the valuation is dependent on the future execution of the strategy by the individual companies. In periods of high economic uncertainty, the uncertainty surrounding the valuation will also be greater. Other receivables consists of convertable notes and loans. Convertable notes are measured at amortised cost, usually equalling nominal value, less exchange rate adjustments or write downs for bad and doubtful debts.

The Fund calculates with an AUM on € 412.022.940, which includes the strike price of options in the money. The Fund has assets in both EUR, USD and DKK.

As the fund is nominated in EUR, changes in currency rates can have a significant effect on the value of the companies in EUR and hence the P&L effect.

The effect of a 5% change in DKK and USD respectivly can be described This risk is not hedgedFund

Fund I - Assets under Management					
Currency	5	% increase	Actual		5% decrease
DKK	€	413.402.375	€ 412.022.940		€ 410.774.879
Relative change		0,33%			-0,30%
Absolute change	€	1.379.435		€	(1.248.061)
Exchange rate		7,06555	7,43743		7,80930
USD	€	431.041.029	€ 412.022.940		€ 394.816.097
Relative change		4,6%			-4,2%
Absolute change	€	19.018.089		€	(17.206.843)
Exchange rate		1,01702	1,07055		1,12408

6 Other payables

	2022	2021
	EUR	EUR
Wages and salaries, personal income taxes, social security costs, etc payable	0	4,028
Other costs payable	547,113	144,108
	547,113	148,136

7 Changes in working capital

	2022 EUR	2021 EUR
Increase/decrease in receivables	40,368	0
Increase/decrease in trade payables etc	398,999	11,184
Other changes	0	26,092
	439,367	37,276

8 Employees

The Fund has no employees.

Management receive no remuneration.

9 Fair value information

	EUR
Fair value end of year	(22,908,936)
Unrealised fair value	(22,908,936)
adjustments recognised in	

the income statement

10 Contingent liabilities

There are no contingent liabilities of the fund.

11 Assets charged and collateral

There are no assets charged or guarantees of the fund.

12 Related parties with controlling interest

The Fund has no related parties with controlling interest.

13 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

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Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year with exception that the annual report 2022 is presented in accordance with governing reporting class C (large).

Reporting currency is Euro (EUR).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

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

Income statement

Other external expenses

Other external expenses include management fee, GP fee, investorboard fee and administration cost relating to the Entity's ordinary activities.

Other financial income

Other financial income comprises unrealized and realized net gains including transaction cost for unlisted investments.

Other financial expenses

Other financial expenses comprise interest expenses, bank fees and net capital or exchange losses on transactions in foreign currencies.

Balance sheet

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Convertable notes are measured at cost, and notes in other currency than EUR, are being exchange rate adjusted.

Other investments

On initial recognition, other investments are measured at cost, and subsequently measured at fair value. Other investments comprise unlisted equity investments, warrant and options. Warrant and options are recognized in the balance sheet at fair value, when they are assessed in the money, i.e. when the share price of the investment is higher than the strike price of the warrant or option. The share price of the warrants and options are measured under the same principles as unlisted equity investments.

The fair value is calculated equivalent to an estimated fair value that is determined based on market information, The International Private Equity and Venture Capital Valuation Guidelines and accepted valuation techniques, including recent price of transactions (recent funding round) and multiple method to provide the best estimate of the fair value. Choice of valuation method is dependant on the underlying companies lifecycle including whether positive EBITDA is generated or similar.

Cash

Cash comprises 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 shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of equity and financial instruments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs and payment of dividend.

Cash and cash equivalents comprise cash.