



Ax VI Management Invest K/S

C/O Kromann Reumert Sundkrogsgade 5
2100 København Ø
CVR No. 40754466

Annual report 2023

The Annual Report was presented and adopted
at the Annual General Meeting of the Company
on 08.02.2024

Jesper Frydensberg Rasmussen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Supplementary reports	12
Income statement for 2023	13
Balance sheet at 31.12.2023	14
Statement of changes in equity for 2023	16
Cash flow statement for 2023	17
Notes	18
Accounting policies	21

Entity details

Entity

Ax VI Management Invest K/S
C/O Kromann Reumert Sundkrogsgade 5
2100 København Ø

Business Registration No.: 40754466
Date of foundation: 29.08.2019
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Fund Manager:

The General Partner is Axcel VI GP ApS and the Fund Manager is Axcel Management A/S, FT no. 23101

Board of Directors in Axcel VI GP ApS

Christian Gyms Schmidt-Jacobsen, Chairman
Mads Dreyer Laursen, Member
Jacob Høeg Madsen, Member

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Depositary :

Intertrust Depositary Services (Denmark) A/S
Sundkrogsgade 21
2100 København Ø

Statement by Management

The Board of Directors has today considered and approved the annual report of Ax VI Management Invest K/S for the financial year 01.01.2023 - 31.12.2023.

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 assets, liabilities and financial position of the Company at 31 December 2022 and of the result of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report to be adopted at the Annual General Meeting.

Copenhagen, 02.02.2024

Board of Directors

Christian Gyomos Schmidt-Jacobsen
Chairman

Mads Dreyer Laursen
Member

Jacob Høeg Madsen
Member

Independent auditor's report

To the shareholders of Ax VI Management Invest K/S

Opinion

We have audited the financial statements of Ax VI Management Invest K/S for the financial year 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 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 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, 02.02.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Financial highlights

	2023	2022	2021	2019/20
	EUR'000	EUR'000	EUR'000	EUR'000
Key figures				
Operating profit/loss	(12)	(4)	(59)	0
Profit/loss for the year	36,221	49,744	9,920	(2)
Total assets	103,529	66,578	12,977	1,293
Equity	95,883	59,662	9,918	(2)
Ratios				
Return on equity (%)	44.65	14,298.00	20,008.00	(200.00)

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Primary activities

Ax VI Management Invest K/S is a private fund which invests in mid-size Nordic based companies with the purpose of developing these commercially. Axcel VI K/S is managed by Axcel Management A/S, a manager under supervision by the Danish FSA.

Development in activities and finances

Ax VI Management Invest K/S was established on 29 august 2019 and had final close on 20 august 2021. Ax VI Management Invest K/S co-invests with other partnerships and the funds have a combined commitment of EUR 807m from its limited partners.

During the investment period, which ended in February 2023, the Fund acquired 12 platform investments. After the investment period, the Fund has focused on developing the acquired companies until they are divested.

The portfolio companies have performed well during 2023 and have with a few exceptions, increased in value during the year.

Profit/loss for the year in relation to expected developments

The result for the year is a gain of approximately EUR 36.2 million compared to a gain of EUR 49.7 million last year. The result is driven by unrealised gain from valuations of the investments.

The result is in line with management's expectations.

Uncertainty relating to recognition and measurement

The unrealized result on investments in portfolio companies, which are recognized in the income statement and the value of the investments that are recognized and measured in the balance sheet, are based on accounting judgement and estimates, which are uncertain by nature.

When measuring the fair value of the unlisted investments, the General Partner assesses the stage of the portfolio companies compared to the initial plans at the time of making the initial investments, future financing requirements, commercialization possibilities, timing of exit and possible exit values, including changes in earnings and multiples.

Outlook

Forthcoming results of Ax VI Management Invest K/S depend on the portfolio companies' performance and the stock market development in general for which it is not possible to provide forward-looking statements.

Statutory report on corporate social responsibility

It is the mission of Axcel VI to generate returns for its investors by acquiring, developing and improving, and selling medium-sized Nordic companies. Axcel VI has integrated sustainability considerations in its investment process and approach to active ownership. Axcel VI is classified as an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR). Axcel VI's approach to sustainability is guided by Axcel Management's policies and procedures, specifically the Sustainability Policy and the Investment and Due Diligence Policy. All policies are approved by Axcel's Board of Directors.

The Sustainability Policy outlines Axcel Management's commitment to respecting human and labour rights, to undertaking initiatives to promote greater environmental responsibility, and to working to prevent corruption in all forms as a signatory to the United Nations Global Compact. The investment process, social, environmental and governance performance sections provide further insights into how Axcel Management works to address its impacts, risks, and opportunities.

The Head of Sustainability is responsible for the development and implementation of the sustainability strategy, which is overseen by the Axcel Management partners, the Axcel Advisory Board, and the Axcel Board of Directors. This work includes ensuring appropriate risk management of ESG factors, including risks related to climate change. In portfolio companies, sustainability efforts are overseen by the company's Board of Directors, where Axcel is always represented, and led by Executive Management. Axcel requires that the boards of directors of the portfolio companies follow up on all ESG matters which may emerge during due diligence, in the course of audits, in the regular risk reporting cycle, during self-assessments, or in the course of the day-to-day business. Progress on sustainability matters in the portfolio is monitored through quarterly reporting to Axcel Management and an annual review by the company Board of Directors.

Investment process

Axcel VI integrates sustainability considerations in all stages of its investment process, from sourcing and due diligence, through active ownership and exit.

Sourcing and Due Diligence

When screening investment opportunities, Axcel incorporates relevant ESG factors into the general evaluation criteria. Axcel conducts a thorough ESG due diligence ahead of any new investment with support from external specialists. The due diligence identifies and assesses ESG impacts, including principal adverse impacts as defined by the EU SFDR, as well as ESG risks and opportunities by considering the company's business model, industry, and geographic footprint. Climate related risks and opportunities are assessed using the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD). The due diligence focuses on those impacts, risks and opportunities that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character.

The assessment relies on quantitative data where available as well as qualitative data in the form of documentation and interviews with company management. The maturity of the target's responses to the identified impacts, risks, and opportunities is assessed. The result is a summary of the type and scale of various ESG impacts, risks and opportunities, the maturity of the company's approach to addressing ESG matters, the willingness of management to improve performance on ESG matters, and the resulting net risk score.

The consultants' findings serve as input to the overall assessment of an opportunity and guide the future ESG work with the company to secure a successful exit.

Active ownership

As an active owner, Axcel VI considers ESG factors not only in strategic decisions, but also in day-to-day business activities to ensure that companies mitigate sustainability driven risks, capture sustainability driven opportunities, and improve their impact on society and the environment. Axcel VI implements a five-step sustainability programme in portfolio companies. (i) Embed sustainability in policies and management systems: requirements include a) Sustainability policy, b) Code of conduct, c) Supplier code of conduct, d) Data privacy policy, e) Whistleblower scheme f) Commitment to the UN Global Compact, g) ESG priorities linked to the UN Sustainable Development Goals. (ii) Identify and assess ESG impacts, risks and opportunities: building on the analyses conducted during due diligence, companies are asked to assess their ESG impacts, risks, and opportunities in line with the with the OECD Guidelines and the UN Guiding Principles. ESG-related risks and opportunities are assessed leveraging stakeholder insights, the SASB materiality finder and findings from the TCFD assessment. (iii) Prioritise topics and define ESG priorities: topics are mapped on a materiality matrix. Actions are defined to address prioritised ESG topics that are aligned with the UN Sustainable Development Goals (SDGs). (iv) Track implementation and results: companies report quarterly on progress on ESG priorities

and ESG KPIs aligned with the EU Principal Adverse Impact indicators and the Data Convergence Initiative. Company boards review and approve ESG efforts on an annual basis. (v) Communicate on progress: companies report publicly on progress in line with UN Global Compact requirements.

Exit

The efforts and achievements of Axcel's companies related to sustainability are highlighted in the exit story. By working with its companies in a comprehensive and structured manner Axcel seeks to ensure that the sustainability efforts are well embedded in the organization and continue to flourish long after exit.

Environmental and social characteristics

The Fund promotes the following environmental and social characteristics:

- 1) Axcel VI seeks to improve gender diversity in portfolio company leadership teams and to ensure all portfolio company boards have members from both genders.
- 2) Axcel VI seeks to reduce GHG emissions in its portfolio companies.
- 3) The fund considers principal adverse impacts on sustainability factors and seeks to reduce adverse impacts of portfolio companies.
- 4) Since 2021 Axcel VI has implemented Axcel Management's five-step sustainability programme in portfolio companies. Axcel VI targets that companies have implemented required ESG policies, commitments, and processes within one year of ownership including:
 - a) Sustainability policy
 - b) Code of conduct
 - c) Supplier code of conduct
 - d) Data privacy policy
 - e) Whistleblower scheme
 - f) Commitment to the UN Global Compact
 - g) Define ESG priorities linked to the UN Sustainable Development Goals

Environmental performance

Environmental risks

The most significant environmental risks in the Axcel VI portfolio relate to climate change. All companies in the portfolio directly or indirectly emit GHG emissions through their business activities. Some companies operate in high impact climate sectors. Climate change impacts are addressed through portfolio-wide targets as described below. In addition to climate change, some companies have specific environmental impact areas that they address in their individual ESG strategies for example packaging (reduction, use of recycled materials).

Climate change

Axcel Management has set an approved science-based target. Axcel Management targets that by 2025, 60% of its portfolio companies across Axcel funds will have set approved science-based targets and that by 2030, 100% of portfolio companies will have done so. Portfolio coverage is measured as the share of invested capital in companies owned for more than two years.

As per 30 September 2023, four companies in the Axcel portfolio had approved science-based targets representing 43% of invested capital in companies owned for more than two years. One of the companies, Emagine, is owned by Axcel VI representing 37% of invested capital in Axcel VI companies owned for more than

two years.

Axcel Management is furthermore committed to sourcing at least 85% renewable electricity. During 2023, Axcel Management sourced 100% renewable electricity.

As per the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel VI portfolio companies collect and report data on GHG emissions, energy consumption, biodiversity, water, and waste. During 2023 full GHG emissions baselines were defined for most of the Axcel VI companies. The baselines for the remaining companies will be completed during 2024.

Social performance

Social risks

All organizations are at risk of adversely impacting labour and human rights. These risks are identified and addressed in each company in a systematic manner through the governance requirements described in the next section including policy requirements that make specific commitments to respect human and labour rights and the requirement to commit to the United Nations Global Compact ten principles. No severe actual human rights impacts have been identified during the financial year. Focus areas during 2023 have included diversity, employee wellbeing, and employee safety. Focus on human rights will continue in 2024.

Across companies, the risk of discrimination in company operations is significant and therefore addressed through portfolio-wide targets on diversity, equity & inclusion. The starting point is to focus on gender diversity with the aim to encourage more inclusive workplaces that promote all types of diversity.

Diversity, equity & inclusion

Axcel VI targets that during its ownership period 40% of persons hired into portfolio company leadership teams will be of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). The target applies from January 2022 onwards and is an ongoing target that continues into the coming years.

As per 30 September 2023

- 25% of Axcel VI companies have achieved a 60/40 gender split in the leadership team, and there is therefore no underrepresented gender
- 17% of Axcel VI companies have met the target of 40% of additions to leadership teams being of the underrepresented gender
- 58% of Axcel VI companies have not met the target of 40% of additions to leadership teams being of the underrepresented gender
- 0% of Axcel VI companies did not make additions to the leadership team
- 0% of Axcel VI companies did not report on additions to the leadership team

Leadership teams are defined as the CEO, direct reports to the CEO (L1), and direct reports to L1 (L2). Only employees who have others reporting to them are included. Additions are defined as persons promoted or hired into the leadership team.

Axcel Management targets that by 2023, 40% of independent board members will be of the underrepresented gender across all boards established after June 2021. This target will continue into 2024.

As per 30 September 2023, 37% of independent board members were women in boards established after June 2021 (including Axcel Advisory Board).

As per 30 September 2023, 39% of independent board members were women in Axcel VI boards established after June 2021.

As per the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel VI portfolio companies collect and report on compliance with the OECD Guidelines, the UN Global Compact, unadjusted gender pay gap, board gender diversity, and exposure to controversial weapons.

Governance performance

Governance risks

All organizations are at risk of incidents of corruption, be it bribery, theft, fraud, or another type. Incidents can occur within the organisation or in its value chain. This risk is addressed through Axcel governance requirements which are implemented in all companies. A status on implementation is provided below.

ESG requirements

As per 30 September 2023, 58% of Axcel VI companies had implemented Axcel required ESG policies, commitments, and processes within one year of ownership. 25% of Axcel VI companies did not meet the deadline but have subsequently met all requirements. 17% of Axcel VI companies had already been owned for more than one year when the target was defined and meet all requirements.

In accordance with the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel VI monitors ESG incidents in its portfolio companies. All companies are required to implement a whistleblower system and report incidents to Axcel Management. During 2023 no significant incidents occurred.

Monitoring of ESG incidents and the implementation of required policies and procedures will continue in 2024.

Statutory report on data ethics policy

Ax VI Management Invest 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

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.

Supplementary reports

Please refer to the supplementary report provided for the Sustainable Finance Disclosure Regulation on page 23.

Income statement for 2023

		2023	2022
	Notes	EUR'000	EUR '000
Other external expenses	3, 2	(12)	(3)
Gross profit/loss		(12)	(3)
Income from financial assets		36,620	49,847
Other financial expenses		(387)	(100)
Profit/loss before fair value adjustments and tax		36,221	49,744
Profit/loss for the year	4	36,221	49,744

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR'000	2022 EUR'000
Other investments		103,257	66,554
Financial assets	5	103,257	66,554
Fixed assets		103,257	66,554
Other receivables		272	0
Receivables		272	0
Cash		0	24
Current assets		272	24
Assets		103,529	66,578

Equity and liabilities

	Notes	2023 EUR'000	2022 EUR'000
Contributed capital		6,696	0
Retained earnings		89,187	59,662
Equity		95,883	59,662
Other provisions	6	33	1,427
Provisions		33	1,427
Bank loans		7,335	5,483
Other payables		278	6
Current liabilities other than provisions		7,613	5,489
Liabilities other than provisions		7,613	5,489
Equity and liabilities		103,529	66,578
Events after the balance sheet date	1		
Employees	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2023

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	6,696	52,966	59,662
Profit/loss for the year	0	36,221	36,221
Equity end of year	6,696	89,187	95,883

At 31.12.2023 carried interest has increased the fair value of investment, and total net assets, with a total of 91.2 mEUR. In 2023 carried interest has increased income from portfolio companies with 34.7 mEUR in 2023.

Cash flow statement for 2023

	Notes	2023 EUR'000	2022 EUR'000
Operating profit/loss		(12)	(3)
Working capital changes	7	0	18
Cash flows from operating activities		(12)	15
Free cash flows generated from operations and investments before financing		(12)	15
Increase/decrease in cash and cash equivalents		(12)	15
Cash and cash equivalents beginning of year		6,327	6,312
Cash and cash equivalents end of year		6,315	6,327
Cash and cash equivalents at year-end are composed of:			
Cash		0	24
Cash and cash equivalents end of year		0	24

Notes

1 Events after the balance sheet date

No events have occurred after the reporting date, which would materially influence the evaluation of this annual report.

2 Other external expenses

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

In accordance with section 61 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for 2023 for Axcel Management A/S, Business Reg. No. 28 30 18 55.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Board of Directors has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:

- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

3 Fees to the auditor appointed by the Annual General Meeting

	2023	2022
	EUR'000	EUR'000
Statutory audit services	1	1
Other services	1	1
	2	2

4 Proposed distribution of profit and loss

	2023	2022
	EUR'000	EUR'000
Retained earnings	36,221	49,744
	36,221	49,744

5 Financial assets

	Other investments EUR'000
Cost beginning of year	6,705
Additions	82
Cost end of year	6,787
Revaluations beginning of year	59,850
Fair value adjustments	36,620
Revaluations end of year	96,470
Carrying amount end of year	103,257

Investments in other investments are measured at fair value.

The Fund Manager regularly and at least on a quarterly basis reviews the fair value of its portfolio companies in connection with its non-public reporting to its Limited Partners and in connection with the preparation of the financial statements.

At 31.12.2023 carried interest has increased the fair value of investment, and total net assets, with a total of 91.2 mEUR. In 2023 carried interest has increased income from portfolio companies with 34.7 mEUR in 2023.

The Fund's portfolio companies are not classified as investment companies. They are engaged in doing business in trading and development, etc. The Fund has no limitations concerning the potential reception of dividends or having loans etc. repaid from the portfolio companies, apart from the fact that distribution from the portfolio companies can only take place if it is considered proper and prudent.

Methods and assumptions for determining fair values in unlisted portfolio companies

The fair value for each unlisted group enterprise is determined based on methods which best reflect the individual investment's potential and risk.

In general, the fair value is determined following the IPEV Valuation Guidelines which prescribe the use of accepted valuation methods, such as multiple analysis/benchmarking, most recent transaction multiple and other relevant methods. Upon initial investment, cost of the investment is generally determined to represent the fair value. In connection with the use of this method, the Fund assesses which multiples are applicable as well as assesses the determination of the applicable earnings to be used in the calculation of the deemed fair value.

The fair value is determined in the functional currency of the group enterprise, which is then translated to euro at the exchange rate at the balance sheet date, and any exchange rate adjustment is included in the fair value adjustment of the investment in profit or loss.

Ax VI Management Invest K/S owns each portfolio company via separate holding structures for each investment. Ax VI Management Invest K/S owns a share class, which has certain preference rights, but the fair value of the shares owned may also be reduced by carried interest if the conditions for carried interest are fulfilled. Carried interest is based on a classical European whole-fund carried interest model with a hurdle rate of 8%.

Following valuation of investments in portfolio companies, it can be determined whether the management incentive program in the respective group enterprise is in or out of the money, which may then either decrease or increase Axcel VI's fair value of the investment. As a final step in measuring the valuation of all Axcel VI's

investments, carried interest is recalculated (if relevant) in accordance with the whole fund waterfall mechanism as agreed with the Limited Partners

Material unobservable inputs for Level 3

Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable inputs. Material unobservable assumptions used in the valuation of unlisted investments in portfolio companies consist of multiples and future earnings expectations for the portfolio companies. The multiples are derived from looking at the valuation of comparable business for each investment. As the multiples are multiplied on the expected earning level of a given investment, the multiple used has a significant effect on the valuation. Management believes that the multiples applied are on a par with the market for comparable Danish businesses. In addition, allowance is made for net interest-bearing debt of the portfolio companies when making the valuation.

	2023	2022
Technology	11 to 17	10 to 19
Business Services and industries	8 to 11	8 to 11
Healthcare	11 to 14	12 to 14
Consumer	15 to 15	16 to 16

6 Other provisions

Provisions comprise temporary debt in holding companies for the investments taken up in connection with the acquisition, for which Axcel VI has provided guarantee.

7 Changes in working capital

	2023	2022
	EUR'000	EUR'000
Increase/decrease in receivables	(272)	139
Increase/decrease in trade payables etc	272	(121)
	0	18

8 Employees

The Entity has no employees.

9 Contingent liabilities

As of 31 December 2023, the investment group Axcel VI has issued a guarantee of EUR 2.7 million to support the senior loan in a portfolio company.

10 Assets charged and collateral

No securities or mortgages exist at the balance sheet date.

Accounting policies

Reporting class

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

The accounting policies applied to these financial statements are consistent with those applied last year.

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 expenses relating to the Entity's normal activities, including expenses for management fee, administration and abort cost.

Income from other fixed asset investments

Income from investments in portfolio companies comprises gains/losses from divestments, fair value changes and received dividends and other similar types of returns from the investments.

Other financial expenses

Other financial expenses comprise bank fees and transactions in foreign currencies.

Balance sheet

Other investments

Investments in portfolio companies comprise equity investments in portfolio companies measured at fair value through profit or loss.

The fair value of the unlisted investments is determined in accordance with IPEV's Valuation Guidelines, according to which the fair value – depending on the type and maturity of the investment – is determined to be

equal to cost (typically applied for new investments) or multiple-based calculations based on industry benchmarks.

Receivables

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

Cash

Cash comprises cash at bank.

Other provisions

Provisions comprise temporary debt in holding companies for the investments taken up in connection with the acquisition, for which Axcel VI has provided guarantee.

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 financial income and financial expenses.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and repayments of interest-bearing debt.

Cash comprise bank deposits.

Periodic disclosure for Article 8 financial products

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 for the period 01.01.2023 - 31.12.2023.

Product name: Axcel VI
 Legal entity identifier: 89450012BSVE5Z4ZU905

Sankt Annæ Plads 10
 DK-1250 Copenhagen K
 Denmark

Phone (+45) 33 36 69 99

axcel@axcel.dk
 www.axcel.dk

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input type="checkbox"/> 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 <ul style="list-style-type: none"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input checked="" type="checkbox"/> 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?

Diversity, equity & inclusion

Axcel VI worked to improve gender diversity in portfolio company leadership teams and to ensure all portfolio company boards have members from both genders by tracking gender diversity KPIs and considering diversity in hiring and promotion processes.

Climate change

Axcel VI worked to reduce GHG emissions in its portfolio companies by asking portfolio companies to measure GHG emissions and to set science-based targets. Axcel Management furthermore worked to reduce its own GHG emissions by sourcing renewable electricity.

Principal adverse impact indicators

Axcel VI worked to reduce adverse impacts of portfolio companies by asking portfolio companies to measure and report on principal adverse impact indicators. 2023 was the first year a principal adverse indicator report was published.

ESG requirements

Axcel VI implemented Axcel Management's five-step sustainability programme in portfolio companies.

How did the sustainability indicators perform?

Diversity, equity & inclusion

Axcel VI targets that during its ownership period 40% of persons hired into portfolio company leadership teams will be of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). The target applies from January 2022 onwards.

As per 30 September 2023

- 25% of Axcel VI companies have achieved a 60/40 gender split in the leadership team, and there is therefore no underrepresented gender
- 17% of Axcel VI companies have met the target of 40% of additions to leadership teams being of the underrepresented gender
- 58% of Axcel VI companies have not met the target of 40% of additions to leadership teams being of the underrepresented gender
- 0% of Axcel VI companies did not make additions to the leadership team
- 0% of Axcel VI companies did not report on additions to the leadership team

Leadership teams are defined as the CEO, direct reports to the CEO (L1), and direct reports to L1 (L2). Only employees who have others reporting to them are included. Additions are defined as persons promoted or hired into the leadership team.

Axcel Management targets that by 2023, 40% of independent board members will be of the underrepresented gender across all boards established after June 2021.

As per 30 September 2023, 37% of independent board members were women in boards established after June 2021 (including Axcel Advisory Board).

As per 30 September 2023, 39% of independent board members were women in Axcel VI boards established after June 2021.

Climate change

Axcel Management has set an approved science-based target. Axcel Management targets that by 2025, 60% of its portfolio companies across Axcel funds will have set approved science-based targets and that by 2030, 100% of portfolio companies will have done so. Portfolio coverage is measured as the share of invested capital in companies owned for more than two years.

As per 30 September 2023, four companies in the Axcel portfolio had approved science-based targets representing 43% of invested capital in companies owned for more than two years. One of the companies, Emagine, is owned by Axcel VI representing 37% of invested capital in Axcel VI companies owned for more than two years.

Axcel Management is furthermore committed to sourcing at least 85% renewable electricity. During 2023, Axcel Management sourced 100% renewable electricity.

Principal adverse impact indicators

During 2023 Axcel VI companies reported on principal adverse impact indicators. A PAI report was published on Axcel's website on 30 June 2023 which contains results from 2022. A second PAI report will be published by 30 June 2024 with full-year 2023 results.

ESG requirements

As per 30 September 2023, 58% of Axcel VI companies had implemented Axcel required ESG policies, commitments, and processes within one year of ownership. 25% of Axcel VI companies did not meet the deadline but have subsequently met all requirements. 17% of Axcel VI companies had already been owned for more than one year when the target was defined and meet all requirements.

...and compared to previous periods?

Diversity, equity & inclusion

Measure	Results	
	2022	2023
Share of Axcel VI companies that have achieved a 60/40 gender split in the leadership team, and where there is therefore no underrepresented gender.	17%	25%
Share of Axcel VI companies that have met the target of 40% of additions to leadership teams being of the underrepresented gender.	33%	17%
Share of Axcel VI companies that have not met the target of 40% of additions to leadership teams being of the underrepresented gender.	8%	58%
Share of Axcel VI companies did not make additions to the leadership team.	42%	0%
Share of Axcel VI companies did not report on additions to the leadership team	0%	0%

Share of independent board members were women in boards set after June 2021 (including Axcel Advisory Board).	37%	37%
Share of independent board members were women in Axcel VI boards set after June 2021.	33%	39%

Climate change

Measure	Results	
	2022	2023
Number of companies in the Axcel portfolio with approved science-based targets.	2	4
Share of invested capital in companies owned for more than two years with approved science-based targets.	29%	43%
Number of Axcel VI companies in the Axcel portfolio with approved science-based targets.	1	1
Share of Axcel VI invested capital in companies owned for more than two years with approved science-based targets.	73%	37% ¹
Share of renewable electricity purchased by Axcel Management	100%	100%

- 1) The percentage decreases between 2022 and 2023 as more companies have been owned for two years and are included in the calculation while the same number of companies (1) in Axcel VI have an approved science-based target.

Principal adverse impact indicators

Measure	Results	
	2022	2023
Principal adverse impact indicators data collected and reported	Yes	Data is being collected. Report will be published in June 2024.

ESG requirements

Measure	Results	
	2022	2023
Share of Axcel VI companies that have implemented Axcel required ESG policies, commitments, and processes within one year of ownership.	25%	58%
Share of Axcel VI companies that did not meet the deadline but have subsequently met all requirements.	8%	25%
Share of Axcel VI companies that had already been owned for more than one year when the target was defined and meet all requirements.	17%	17%

Share of Axcel VI companies that had not been owned for one year.	50%	0%
---	-----	----

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

This product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088.

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

This product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088. 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.



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

Axcel collected data on the principal adverse indicators presented in Annex 1 of the Sustainable Finance Disclosure Regulation Regulatory Technical Standards. Axcel engages with its companies on sustainability matters with the aim of reducing adverse impacts and increasing positive impacts on sustainability topics, including the adverse sustainability indicators.



What were the top investments of this financial product?

Largest investments	Sector	% Assets ¹	Country
SuperOffice	Technology	5-15%	Norway
Currentum	Technology	5-15%	Sweden
Edda Group	Business services & industrials	5-15%	Denmark
Vetopia	Healthcare	5-15%	Denmark
emagine Consulting	Technology	5-15%	
BullWall	Technology	5-15%	
Init	Technology	5-15%	
DANX Carousel	Business services & industrials	5-15%	
Oral Care	Healthcare	5-15%	
Voff	Consumer	5-15%	Sweden
NTI Group	Technology	5-15%	Denmark
itm8	Technology	5-15%	Denmark
NTI Group	Technology	5-15%	Denmark
Total		100%	

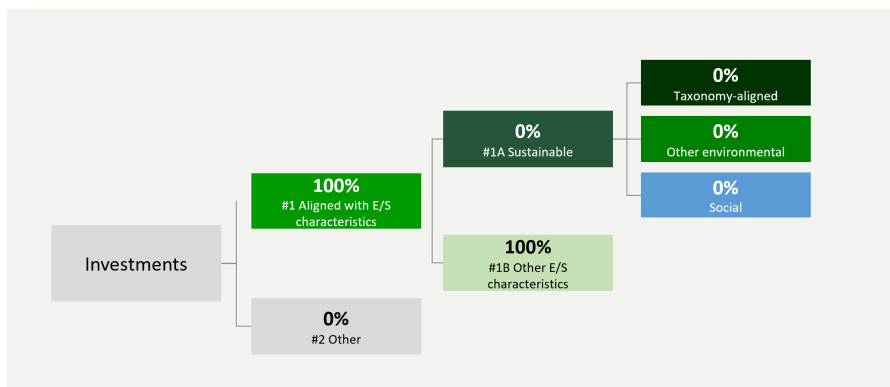
1) Share of invested capital



What was the proportion of sustainability-related investments?

The fund did not make 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.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:

- The sub-category #1A Sustainable covers environmentally and socially sustainable investments.
- The sub-category #1B Other E/S characteristics covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Investments have been made in Industrials & Business Services, Healthcare, Technology and Consumer sectors.



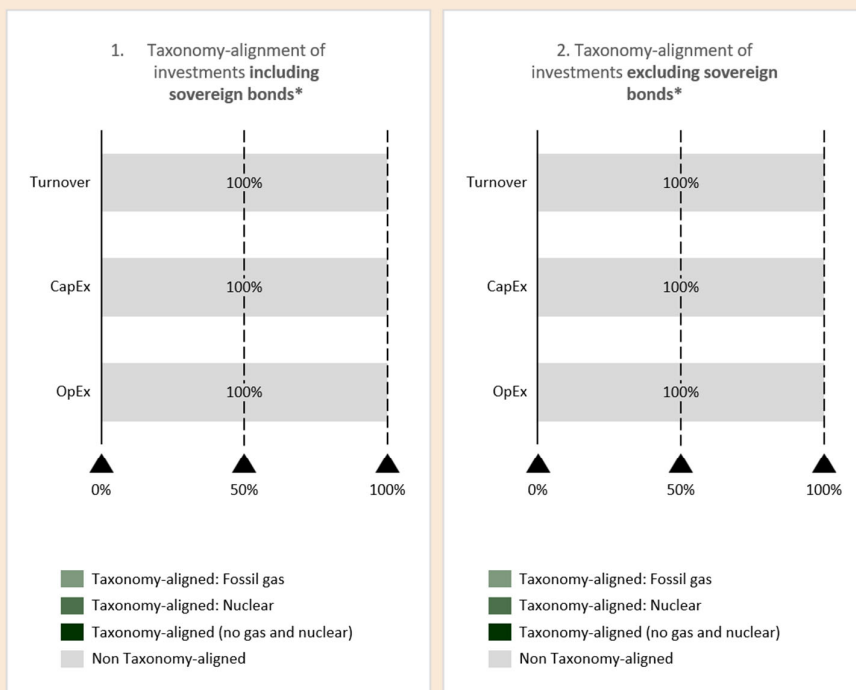
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

This product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088. None of the investments (0%) are aligned with the EU Taxonomy.

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

- Yes
 - In fossil gas
 - In nuclear energy
- No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

None of the investments (0%) are aligned with the EU Taxonomy criteria for transitional or enabling activities.

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

Measure	Results	
	2022	2023
Share of Taxonomy aligned investments	0%	0%



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

This product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088.



What was the share of socially sustainable investments?

This product has environmental and social characteristics. It does not make sustainable investments in the manner described in Regulation (EU) 2019/2088.



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

No investments are included under “other”. All investments are categorized as #1B Other E/S characteristics.



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

- Worked together with portfolio companies to improve performance on diversity, equity & inclusion, climate change, and ESG management
- Collected and reported EU Principal Adverse Impact data as well as Data Convergence initiative data
- Continued engagement with portfolio companies through Board review of progress on ESG priorities, ongoing sparring with Axcel Management’s Head of Sustainability, quarterly reporting to Axcel Management, and competency building events



How did this financial product perform compared to the reference benchmark?

A reference benchmark has not been defined for this product.

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

Not applicable as a reference benchmark has not been defined 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 a reference benchmark has not been defined for this product.

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

Not applicable as a reference benchmark has not been defined for this product.

How did this financial product perform compared with the broad market index?

Not applicable as a broad market index has not been used for this product.