Deloitte.

The Aventures Fund K/S

Dronningens Tværgade 26
1302 Copenhagen
CVR No. 42485403

Annual report 2023

The Annual General Meeting adopted the annual report on 26.04.2024

Patrick Enok Magnus Theander
Chairman of the General Meeting

Contents

Entity details

Entity

The Aventures Fund K/S
Dronningens Tværgade 26
1302 Copenhagen

Business Registration No.: 42485403
Registered office: Copenhagen
Financial year: 01.01.2023 - 31.12.2023

Executive Board

On behalf of The Aventures GP ApS

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Østre Havnepromenade 26, 4th floor
9000 Aalborg

Statement by Management

The Executive Board has today considered and approved the annual report of The Aventures Fund 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 my 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 for the financial year 01.01.2023 - 31.12.2023.

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

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

Copenhagen, 26.04.2024

Executive Board

On behalf of The Aventures GP ApS

Independent auditor's report

To the shareholders of The Aventures Fund K/S

Opinion

We have audited the financial statements of The Aventures Fund K/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity 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 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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aalborg, 26.04.2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mikkel Hede Olsen
State Authorised Public Accountant
Identification No (MNE) mne47791

Lars Birner Sørensen
State Authorised Public Accountant
Identification No (MNE) mne11671

Management commentary

Primary activities

The object of the Partnership is to generate income and capital appreciation by investing in unlisted and listed companies as well as other financial instruments.

Development in activities and finances

The financial year resulted in a loss of EUR 10.2 million compared to a profit of EUR 2.1 million in 2022. The Partnerships equity as of 31 December 2023 amount to EUR 6.2 million.

The loss for the year has been significantly impacted by a write-down of other receivables of EUR 8.5 million. We refer to note 5 for further.

2023 shows what appears to be a significant loss, but the fund's portfolio is generally unaffected and the expectations and outlook are unchanged and remain very promising.

2023 shows a significant loss, but the fund and portfolio are generally unaffected, and the expectations and outlook are unchanged and remain very promising.

We are looking back on a positive and satisfying development of the majority of the fund's portfolio companies.

We made many new investments while also supporting our current portfolio companies. Notably, we grew our portfolio with a female-founded startup creating an app to help users rediscover their wardrobes and enable sustainability; a climate/deep-tech startup solving a major pollution problem in the mining industry; and a startup building a truly private and personal AI assistant.

Finally, we launched our own startup, Cap, an AI-based operating system for managing venture funds and automating venture fund operations, which The Aventures Fund participated in as a founding investor. Cap has, amongst other portfolio companies, been a highlight in our portfolio after a tremendous start with hundreds of VC funds signing up for Cap's waitlist, representing funds managing over 100 billion USD in total. This also materialised in our portfolio, as Cap had a significant write-up at the beginning of 2024.

We remain confident in our portfolio's ability to create significant progress andv raise capital on higher valuations in 2024 and in the years to come. Despite the many positive events, the result for 2023 is a setback in our total Net Asset Value (NAV), primarily due to the write-down and technicalities related to a single investment. In 2022, we made a strategic decision to focus primarily on our direct investments in tech startups. As part of this shift, we exited a large position in

Nordic Eye's NE Fund II SCSp and negotiated an earnout agreement. The valuation of the earnout was based on a future cash flow valuation method, as normal practice requires.

At the end of 2022, the earnout was significantly "in the money", and Nordic Eye's underlying portfolio had a strong performance outlook, as supported by both our internal due diligence and indications from the management team of Nordic Eye. However, during the end of 2023, there was an unpredictable negative development in Nordic Eye's portfolio, leading to a significant writedown of the underlying investments, as the key player and largest asset in Nordic Eye's portfolio faced severe challenges.

Based on our analysis and our opinion, there is currently no overwhelming probability or indications of a significant turnaround or growth in Nordic Eye's portfolio. Therefore, the future performance of Nordic Eye's funds is expected to be significantly lower than originally projected, and we have, therefore, conservatively chosen to write down the value of our earnout in Nordic Eye's fund from 8.47 million EUR to 0.

It is important to note that our decision to exit the majority of our direct exposure in Nordic Eye in 2022 at our initial investment value shielded the fund's investors from realising the investment at a loss and from further writedowns.

In alignment with our shift in strategy, the proceeds from the exit were reinvested during 2022 and 2023 to expand our portfolio of deep tech startups. As of 2023, it is too early to see any measurable or significant impact or results of these new investments. However, early indicators from Q1 2024 have shown promising signs with significant write-ups in some of our core investments suggesting a potential rebound in 2024 and the upcoming fiscal periods.

While the loss's impact is significant for the fund's investors in the short term, it is not of major consequence or concern when considering our other investments and long-term focus and objectives.

It is worth noting that the management and board are significantly invested in the fund, aligning our interests with our investors. Despite the loss in 2023, we, the board and the management, remain positive about the future prospects of our investment.

We are in the early stages of our fund's lifecycle and continue to expand our portfolio. We have a well-diversified portfolio of companies across various sectors, and our portfolio continues to show strong growth potential and there are multiple potential winners in our portfolio.

Our early indications, forecasts, and expectations for 2024 are that we will deliver a positive result and that these results could potentially exceed all expectations.

We remain committed to our mission of supporting exceptional entrepreneurs in building innovative startups.

Ultimately, the long-term outcomes and the realised returns define the success of our investment strategy, and we remain very confident that our approach to investing will yield substantial returns.

I want to thank our founders, investors, and partners for their continued trust, support, and commitment to our vision. We look forward to a successful year ahead.

Uncertainty relating to recognition and measurement

The objective of The Aventures Fund K/S is to invest in portfolio companies and other related investments and thereby finance the underlying investments in competitve companies. The highest factor of risk is the changes in the valuations of the companies in which The Aventures Fund K/S's invest in, which are based on both the development in earnings and the valutation af comparable investments. The portfolio valuations are based on an estimate and therefore subject to some degree of uncertainty.

We refer to note 4 in the annual report for further.

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 2023

	Notes	2023 EUR	2022 EUR
Other external expenses	1	(9,242,876)	(482,626)
Gross profit/loss		**(9,242,876)**	**(482,626)**
Income from investments in group enterprises		0	(5,376)
Other financial income	2	662,812	2,752,618
Other financial expenses	3	(1,580,167)	(176,937)
Profit/loss for the year		**(10,160,231)**	**2,087,679**
Proposed distribution of profit and loss:			
Retained earnings		(10,160,231)	2,087,679
Proposed distribution of profit and loss		**(10,160,231)**	**2,087,679**

Balance sheet at 31.12.2023

Assets

	Notes	2023 EUR	2022 EUR
Investments in group enterprises		0	0
Receivables from group enterprises		0	88,585
Investments in associates		303,412	0
Other investments		4,010,101	3,702,082
Financial assets	4	**4,313,513**	**3,790,667**
Fixed assets		**4,313,513**	**3,790,667**
Receivables from group enterprises		7,224	0
Other receivables	5	0	8,472,531
Prepayments		6,368	0
Receivables		**13,592**	**8,472,531**
Cash		**2,148,843**	**3,337,953**
Current assets		**2,162,435**	**11,810,484**
Assets		**6,475,948**	**15,601,151**

Equity and liabilities

	Notes	2023 EUR	2022 EUR
Contributed capital		8,235,032	7,046,421
Retained earnings		(2,010,215)	8,150,016
Equity		**6,224,817**	**15,196,437**
Trade payables		251,131	400,519
Other payables		0	4,195
Current liabilities other than provisions		**251,131**	**404,714**
Liabilities other than provisions		**251,131**	**404,714**
Equity and liabilities		**6,475,948**	**15,601,151**
Employees	6		
Fair value information	7		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2023

	Contributed capital EUR	Retained earnings EUR	Total EUR
Equity beginning of year	7,046,421	8,150,016	15,196,437
Increase of capital	1,188,611	0	1,188,611
Profit/loss for the year	0	(10,160,231)	(10,160,231)
Equity end of year	**8,235,032**	**(2,010,215)**	**6,224,817**

The investors have agreed upon a total commitment of EUR 8.2 million. As of 31.12.2023 the total remaining commitment amount to EUR 0.

Notes

1 Other external expenses

The write-down of other receivables related to the NE Fund II Scsp earnout agreement is included in other external expenses. The receivable has been written down to 0, resulting in a total write-down of EUR 8.472.530. The management does not expect to receive any financial benefits from the earnout agreement. We refer to note 5 for further.

2 Other financial income

	2023 EUR	2022 EUR
Financial income from group enterprises	7,493	10,063
Other interest income	13,800	0
Exchange rate adjustments	30	0
Fair value adjustments	641,489	2,742,555
	662,812	**2,752,618**

3 Other financial expenses

	2023 EUR	2022 EUR
Financial expenses from group enterprises	8,865	160,274
Other interest expenses	7	11,606
Exchange rate adjustments	29,292	5,057
Fair value adjustments	1,542,003	0
	1,580,167	**176,937**

4 Financial assets

	Investments in group enterprises EUR	Receivables from group enterprises EUR	Investments in associates EUR	Other investments EUR
Cost beginning of year	5,376	277,139	0	3,175,666
Additions	0	12,166	303,412	1,462,651
Disposals	0	(94,972)	0	(254,117)
Cost end of year	**5,376**	**194,333**	**303,412**	**4,384,200**
Revaluations beginning of year	0	(188,554)	0	526,416
Revaluations for the year	0	0	0	(900,515)
Reversal of revaluations	0	6,387	0	0
Impairment losses for the year	0	(12,166)	0	0
Revaluations end of year	**0**	**(194,333)**	**0**	**(374,099)**
Impairment losses beginning of year	(5,376)	0	0	0
Impairment losses end of year	**(5,376)**	**0**	**0**	**0**
Carrying amount end of year	**0**	**0**	**303,412**	**4,010,101**

Of the fund's total assets, one investment represents 17 % of the carrying amount end of year. The fund is operating within the early-stage tech area, which is characterized by a high fluctuation in valuation over time. The Fund has no controlling or significant influence on the portfolio funds and entities in which the fund has invested.

The valuation is measured as the fair value of each investment in portfolio companies and funds. The valuation of a portfolio company or fund is based on the industry, market position and earnings capacity, and the (i) the peer group multiple, i.e., the market value of comparable listed companies, (ii) transaction multiple in recent M&A transactions involving comparable companies, (iii) value indications from potential buyers of the portfolio company, (iv) market value if the portfolio company is publicly traded or (v) future expected proceeds, if there is a concluded agreement on the sale of the portfolio company.

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 funds and investments within the venture environment. Investments are made through equity 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.

The investments made are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs based upon quoted priced for identical assets and liabilities in active markets.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 – Unobservable input.

In 2022 and 2023 all investments where based on level 3.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
The Aventures LSIV ApS	DK	ApS	100.00
The Aventures Crypto ApS	DK	ApS	100.00

Investments in associates	Registered in	Corporate form	Equity interest %
CAP HoldCo ApS	DK	ApS	50.00

5 Other receivables

Other receivables consists of a variable earn-out agreement from sale of shares in NE Fund II Scsp in 2022. The valuation is associated with uncertainty, as the valuation is dependent on the future execution of strategy in NE Fund II Scsp. In periods of high economic uncertainty, the uncertainty surrounding the valutaion will be greater. Based on extensive changes to the strategy for NE Fund II SCSP, management has reassessed the valuation of the receivable.

The valuation has been based on the completed investments in NE Fund II SCSP. Similar to previous instances, management has reviewed the potential of the investments and the associated uncertainties. In light of events in the autumn of 2024, management has determined that the receivable could not be maintained at its book value. Consequently, an impairment of the receivable has been booked in 2023. The total effect on profit for the year is a write-down of EUR 8.5 million.

6 Employees

The Fund has no employees.
Management receive no remuneration, other than management fee.

7 Fair value information

	Other Investments EUR
Fair value end of year	4,010,101
Unrealised fair value adjustments recognised in the income statement	(900,514)

In line with the Limited Partnership Agreement other investments under non-current assets comprise investments in unlisted companies and funds located in OECD countries. As investments share many similar characteristics all investments are classified as other investments in the scheme above.

8 Contingent liabilities

The company has outstanding investment commitments to private equity funds of EUR 58 thousands.

In addition there are no guarantees or other contingent liabilities of the company.

9 Assets charged and collateral

There are no assets charged or guarantees of the fund.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

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

Consolidated financial statements
Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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, general partner fee, investorboard fee and administration cost relating to the Entity's ordinary activities.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, fair value adjustments etc.

Other financial expenses

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

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

The accounting policies applied to material financial statement items of associates are:

Investments in group enterprises: Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value. Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specifi c assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date. Upon distribution of profi t or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Receivables

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

Other investments
On initial recognition, other investments are measured at cost, and subsequently measured at fair value. Other investments comprise unlisted companies and funds.

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.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in bank deposits.

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