Nordic Alpha Partners Fund II K/S

Strandvejen 114 A, DK-2900 Hellerup

CVR no. 42 61 39 83

Annual report for 2023

Adopted at the annual general
meeting on 21 March 2024

Troels Øberg
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Nordic Alpha Partners Fund II K/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Executive board recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 21 March 2024

On behalf of the General Partner: Nordic Alpha General Partner II ApS

Laurits Mathias Bach Sørensen   Rasmus Lund   Troels Øberg

Independent Auditor's Report

To the limited partners of Nordic Alpha Partners Fund II K/S

Opinion

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

We have audited the Financial Statements of Nordic Alpha Partners Fund II K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (''financial statements'').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

Independent Auditor's Report

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Hellerup, 21 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Niels Henrik B. Mikkelsen
State Authorised Public Accountant
mne16675

Martin Birch
State Authorised Public Accountant
mne42825

Company details

The company	Nordic Alpha Partners Fund II K/S Strandvejen 114 A DK-2900 Hellerup	
	CVR no.:	42 61 39 83
	Reporting period:	1 January - 31 December 2023
	Domicile:	Hellerup
On behalf of the General Partner: Nordic Alpha General Partner II ApS	Laurits Mathias Bach Sørensen Rasmus Lund Troels Øberg	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Management's review

Business review

The purpose of the Limited Partnership is to generate profits by conducting, monitoring, developing and realizing investments in companies, either directly or through wholly or partly owned holding companies.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of EUR 4.484.962, and the balance sheet at 31 December 2023 shows equity of EUR 12.090.147.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Other reporting

Below you find our periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph of Regulation (EU) 2020/852 for the period ending 31 December 2023.

ANNEX V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Nordic Alpha Partners Fund II K/S **Legal entity identifier:** CVR-no.: 42613983

Sustainable investment objective

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

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

Did this financial product have a sustainable investment objective?

☒ Yes*	☐ No
☒ It made sustainable investments with an environmental objective: 100%	☐ It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
☒ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made sustainable investments with a social objective: ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

The objective of Nordic Alpha Partners Fund II K/S ("Fund II") is to invest in high growth sustainability technology companies that contribute to environmentally sustainable objectives.

Fund II will invest in companies that make a substantial contribution to the environmental objectives defined by the EU Taxonomy. These objectives are: Climate Change Mitigation; Climate Change Adaptation; Sustainable use and protection of water and marine resources; Transition to a circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems.

Fund II can also invest in environmentally sustainable activities that are not covered by the EU Taxonomy as long as they otherwise qualify as a "sustainable investment" within the meaning of Article 2(17) of the Regulation (EU) 2019/2088 ("SFDR"). This can for example be environmentally sustainable activities not covered by the EU Taxonomy.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

In 2023, Fund II invested in three portfolio companies namely SunRoof Sverige AB ("SunRoof"), STABL Energy GmbH ("STABL Energy") and Airwatergreen AB ("Airwatergreen"). All portfolio companies operate in the high growth sustainability technology sector. Further, all portfolio companies contribute to the environmentally sustainable objective of 'Climate change mitigation' as set out in Article 9, litra a of Regulation (EU) 2020/852. For the purpose of SFDR 2(17), the contribution to this objective can be measured by key resource efficiency indicators including efficient use of energy and the enabling of renewable energy production.

How did the sustainability indicators perform?

For the sustainability indicators used to measure the attainment of the sustainable investment objective of Fund II, the performance of 2023 was as follows:

- **EU Taxonomy alignment degree:** 95% of total portfolio company revenue[1]
- **Estimated CO2e emissions avoided:** 4.044 tonnes CO2e[2]
- **Contribution to Sustainable Development Goals (SDGs):** It was found that all three portfolio companies had a positive contribution to SDGs 7, 9, 12 and 13.Weighted by the ownerhip of Fund II, the portfolio comapanies' contribution to these SDGs was measured by the following sub-indicators:
    - *Total energy consumption: 21 MWh*
    - *Total renewable energy consumption: 6 MWh*
    - *Total energy production: 0 MWh*
    - *Total renewable energy production: 0 MWh*
    - *Total renewable energy production enable for customers: 26.743 MWh*[3]
    - *Scope 1 GHG emissions: 27 tonnes CO2e*[4]
    - *Scope 2 GHG emissons: 5 tonnes CO2e*[4]
    - *Scope 3 GHG emissions: 1.022 tonnes CO2e*[4]
    - *Investee companies with a target to have net zero GHG emissions by 2050 or sooner: 2/3 entities*
    - *Hazardous waste generation: 0 tonnes*
    - *Investee companies with a supplier code of conduct: 3/3 entities*

It is noted that data has been derived from self-reported information provided by the portfolio companies.

[1] EU Taxonomy alignment is derived based on the degree to which turnover of portfolio companies qualify as "aligned" under the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and the supplementary acts to this Regulation. The reported figures are given by the companies pursuant to third-party evaluations of the linkage between the Regulation and their financial streams.

[2] Based on NAP's internal framework, avoided emissions are estimated for each portfolio company based entity specifc avoided emissions factors. These factors are then applied to the periodic sales of the individual companies.

[3] Based on estimated lifetime energy production factors, total renewable energy production enabled for customers is calculated based on reported product sales of portfolio companies. This metric concerns only portfolio companies that offer energy-producing products.

[4] CO2 emission calculations are reported based on factors derived from relevant sources that align with the Greenhouse Gas (GHG) Protocol.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

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

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

Fund II considers Principal Adverse Impact ("PAI") indicators, as they are defined in the European Supervisory Authorities' Regulatory Technical Standards (RTS) for SFDR. PAI indicators are systematically measured, taken into account and followed-up on by Fund II. This is done in the following steps:

1. Data on PAI indicators is collected for all investments. Where data is not available or where data quality is assessed to be low a plan is developed for how the relevant data can be procured.
2. All investments in Fund II are assessed against these indicators to ensure no significant harm is done.
3. Performance on PAI-indicators is a part of Fund II's annual reporting.
4. Performance on PAI-indicators is an integrated part of the sustainability review on Fund II's board meetings.

Fund II commits to report on following 16 PAI metrics:
- Table 1: The 14 mandatory indicators applicable to investments in investee companies.
- Table 2: #4. Investments in companies without carbon emission reduction initiatives.
- Table 3: #4. Lack of a supplier code of conduct.

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

The companies that Fund II invests in are required to comply with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business & Human Rights. This includes a policy that commits the company to respect human rights, align with the International Labour Organisation's (ILO) eight core conventions and ensure that the company has a human rights due diligence process in place.

In the reporting period there were no known violations to the principles of the United Nations Universal Declaration of Human Rights, the International Labour Organisation's (ILO) labour standards, the United Nations Guiding Principles for Business and Human Rights (UNGPs), the United Nations Global Compact (UNGC) and the OECD Guidelines for Multinational Enterprises.

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

The steps presented for no significant harm on sustainable investment objectives ensures that Fund II takes the material ESG factors and risks into consideration prior to investments and in management. These include procedures for taking material PAIs into account.

Fund II considers and reports anually on the pricipal adverse impact indicators ("PAI") as presented in Annex I to the Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council. Performance of the PAI indicators of this period shall be presented in the publicly available ESG Report of the Fund.

What were the top investments of this financial product?

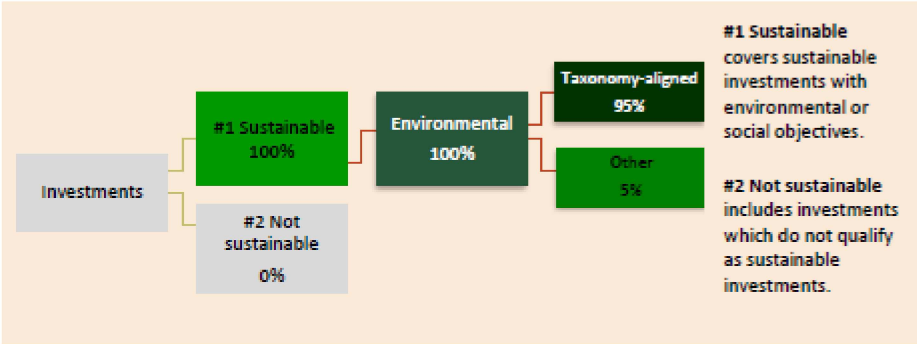
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: **2023**

Largest investments	Sector	% Assets	Country
SunRoof	Technology	41%	Sweden
Airwatergreen	Technology	37%	Sweden
STABL Energy	Technology	22%	Germany

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



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

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

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

In which economic sectors were the investments made?

All investments were made in the high growth sustainability technology sector

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

The following proportion of investments were aligned with the environmental objectives set out in Article 9 of the Regulation (EU) 2020/852, as measured by total portfolio company revenue.

- Climate change mitigation: 95%
- Climate change adatation: 0%
- The sustainable use and protection of water and marine resources: 0%
- The transition to circular economy: 0%
- Pollution prevention and control: 0%
- The protection and restoration of biodiversity and ecosystems: 0%

The investments underlying the financial products include SunRoof, STABL Energy and Airwatergreen, which are all investments within the high growth sustainability technology sector. The compliance of these investments with the requirements laid down in Article 3 of Regulation (EU) 2020/852 will not be subject to assurance provided by one or more auditors or a review by one or more third parties.

Fund II invested in sustainable investments with an environmental objective which are not environmentally sustainable economic activities as set out in Article 3 of Regulation (EU) 2020/852. These investments pertain to the company of Airwatergreen. Investments were made in the company, as it is presently in process of adapting its business operation to achieve the status of being an environmentally sustainable economic activity.

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[5]?

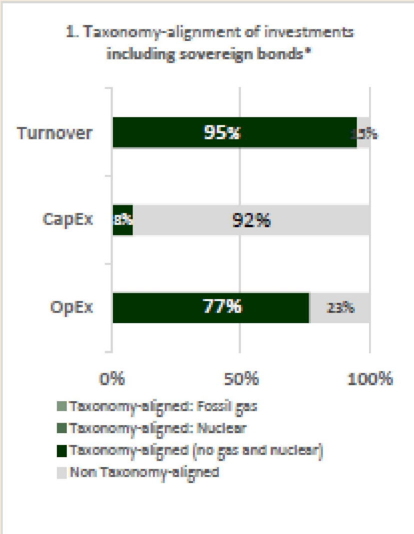
☐ Yes:

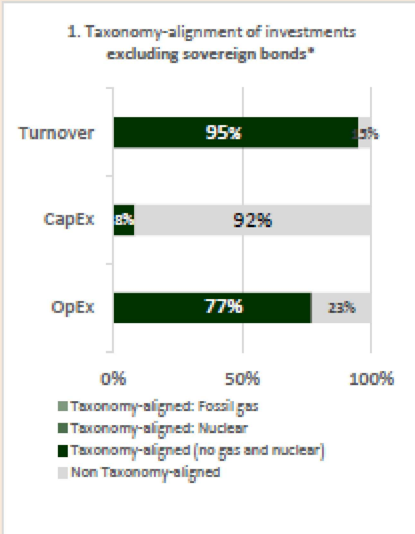
☐ In fossil gas ☐ In nuclear energy

☒ No

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

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?

100% of investments were made in enabling activities. No investments were made in transitional activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

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

5% of investments were sustainable investments with an environmental objective that were not aligned with the EU Taxonomy, as measured by total portfolio company revenue. These investments pertain to the

[5] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

company of Airwatergreen. Investments were made in the company, as it is presently in process of adapting its business operation to achieve the status of being an environmentally sustainable economic activity.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

N/A - no investments were included under "not sustainable".

What actions have been taken to attain the sustainable investment objective during the reference period?

During the period of 2023, Fund II invested in three portfolio companies which are all in the high growth sustainability technology sector, and which have been found to contribute to environmentally sustainable objectives. The performance of all companies have been monitored through quarterly investor reporting, including reporting upon the sustainability indicators of Fund II. Throughout 2023, there has been a focus on supporting the portfolio companies in developing and ensuring that the proper governance structures are in place to fulfil the requirements of a sustainable investment classification. This include for example a human rights due diligence and policies.

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

No index has been designated as a reference benchmark for Fund II. Each sustainable investment objective is attained through Fund II's investment strategy and applying the abovementioned sustainability indicators.

Income statement 1 January - 31 December

	Note	2023	17 August 2021 - 31 December 2022
		EUR	EUR
Gross profit		**-4.337.830**	**-1.392**
Financial expenses		-147.132	0
Profit/loss for the year		**-4.484.962**	**-1.392**

Distribution of profit

Retained earnings	-4.484.962	-1.392
	-4.484.962	**-1.392**

Balance sheet 31 December

	Note	2023 EUR	2022 EUR
Assets			
Investments in subsidiaries	2	8.556.126	0
Other fixed asset investments	3	10.841.204	0
Convertible loans	4	2.437.500	0
Fixed asset investments		**21.834.830**	**0**
Total non-current assets		**21.834.830**	**0**
Other receivables		13.361	1.200
Receivables		**13.361**	**1.200**
Total current assets		**13.361**	**1.200**
Total assets		**21.848.191**	**1.200**

Balance sheet 31 December

	Note	2023	2022
		EUR	EUR
Equity and liabilities			
Contributed Capital		16.576.501	1.200
Retained earnings		-4.486.354	-1.392
Equity	5	**12.090.147**	**-192**
Banks		9.598.881	47
Trade payables		133.559	1.345
Other payables		25.604	0
Total current liabilities		**9.758.044**	**1.392**
Total liabilities		**9.758.044**	**1.392**
Total equity and liabilities		**21.848.191**	**1.200**
Staff expenses	1		
Uncertainty in the recognition and measurement	6		

Statement of changes in equity

	Contributed Capital	Retained earnings	Total
Equity at 1 January 2023	1.200	-1.392	-192
Cash capital increase	16.575.301	0	16.575.301
Net profit/loss for the year	0	-4.484.962	-4.484.962
Equity at 31 December 2023	**16.576.501**	**-4.486.354**	**12.090.147**

Notes

1 Staff expenses

	2023	2022
Number of fulltime employees on average	0	0

2 Investments in subsidiaries

	2023 EUR	2022 EUR
Cost at 1 January 2023	0	0
Additions for the year	8.556.126	0
Cost at 31 December 2023	8.556.126	0
Revaluations at 1 January 2023	0	0
Revaluations at 31 December 2023	0	0
Carrying amount at 31 December 2023	**8.556.126**	**0**

3 Other fixed asset investments

	2023 EUR	2022 EUR
Cost at 1 January 2023	0	0
Additions for the year	10.841.204	0
Cost at 31 December 2023	10.841.204	0
Revaluations at 1 January 2023	0	0
Revaluations at 31 December 2023	0	0
Carrying amount at 31 December 2023	**10.841.204**	**0**

Notes

4 Fixed asset investments

	Convertible loans
Cost at 1 January 2023	0
Additions for the year	2.437.500
Cost at 31 December 2023	2.437.500
Carrying amount at 31 December 2023	**2.437.500**

5 Equity

Limited Partners' and General Partner's total committed capital is MEUR 150 of which MEUR 134 is not yet called at 31 December 2023.

Notes

6 Uncertainty in the recognition and measurement

Fixed asset investments
Methods and assumptions in determining fair value

The valuations process:
The valuations are prepared by the relevant team of the Investment Advisor and are reviewed on a quarterly basis as well as per year end by the Investment Advisor's valuation committee who report and make recommendations to the general partner. The recommendations are reported to the General Partner on a quarterly basis, in line with the quarterly valuations that are provided to investors. The valuation committee considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using various valuation methods and techniques generally recognized as standard within the industry. The fair value estimates are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guidelines" which is why investments are recognized at fair value at the balance sheet date.

In determining the valuation recommended to the General Partner for Partnership's investments, the Investment Advisor utilizes comparable market multiples in arriving at the valuation. In accordance with the Partnership's policy the Investment Advisor determines appropriate companies based on industry, size, development stage, revenue generation and strategy. The Investment Advisor then calculates a market multiple for each comparable company identified. The multiple is calculated by using either P/E or multiples based on EBITDA or revenues. For holdings without significant profits or positive cash flow, the general partner has either used multiples based on revenues, the price of a recent investment, other indicators of change in fair value or – for recent additions to the portfolio – maintained the investment at cost.

In determining the continued appropriateness of the chosen valuation techniques, the valuation committee may perform back testing to consider the various models' actual results and how they have historically aligned with the market transactions.

Significant unobservable inputs:
All investments apart from listed investments have been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for these investments, the general partner has used valuation techniques to determine fair value. In order to assess the valuation made for the investments, the Investment Advisor reviews the performance of the portfolio companies. Furthermore, the Investment Advisor is regularly in contact with the management of the portfolio companies in order to make assessments of business and operational matter which are considered in the valuation process. Where appropriate the Investment Advisor also tracks peer group company multiples, recent transaction results and credit ratings for similar companies.

Accounting policies

The annual report of Nordic Alpha Partners Fund II K/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in EUR. The presentation currency has changed from DKK to EUR this year.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of other external expenses.

Accounting policies

Other external expenses

Other external expenses include expenses related to administration etc.

Management fee comprises of management fee for the period calculated according to the Limited Partnership Agreement.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised exchange gains and losses on securities, liabilities and foreign currency transactions.

Tax on profit/loss for the year

The Company is not an independant tax subject, consequently no tax has been included in the annual report.

Balance sheet

Investments in subsidiaries and other fixed asset investments

Investments in subsidiaries and other fixed asset investments comprise investments in portfolio companies and are measured at cost on the balance sheet date.

Investments in portfolio companies are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guidelines" which is why investments are recognised at fair value at the balance sheet date in accordance with the Danish Financial Statement Act §37 and §41.

Investments in portfolio companies of which listed market prices exist are measured on the basis of the last market price. Unlisted portfolio companies are valued either by way of a capital increase round or part sale based on the value of comparable companies as well as by applying traditional measurement methods.

Convertible loans

Convertible loans are measured in the balance sheet at the lower of amortised cost and net realisable value, which correspond to nominal value and incurred and not paid interest. Interest income is recognized in the income statement as financial income.

Accounting policies

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicity traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date.

Fair value for unlisted equity securities are determined by the General Partner using valuation techniques. Such valuation techniques may include earnings multiples and discounted cash flows. The Partnership adjust the valuation model as deemed necessary for factors such as non maintainable earnings, tax risk, growth stage and cash traps.

The general partner has chosen to adopt different valuation techniques depending on the portfolio company. For holdings with substantial and sustainable cash flow or earnings, the general partner has adopted a valuation technique using either P/E or multiples based on EBITDA or revenues. For holdings without significant profits or positive cash flow, the general partner has maintained cost or the price of a recent investment or the use of multiples based on revenues.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Rasmus Lund
Direktionsmedlem
Serienummer: 50439b64-d018-4505-938c-23065128e916
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Laurits Mathias Bach Sørensen
Direktionsmedlem
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Troels Øberg
Direktionsmedlem
Serienummer: toe@napartners.dk
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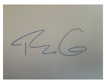

Niels Henrik Bechsøfft Mikkelsen
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33771231
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Martin Lennart Birch
PRICEWATERHOUSECOOPERS STATSAUTORISERET REVISIONSPARTNERSELSKAB CVR: 33771231
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Troels Øberg
Dirigent
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2024-03-22 14:58:05 UTC