IDCV TS II K/S

Oslo Plads 2
C/O DLA Piper Denmark, DK-2100 Copenhagen
CVR no. 42 82 78 86

Annual report for the period 11 November 2021 to 31 December 2022

Adopted at the annual general meeting on 14 April 2023

DocuSigned by:
Niels Ankerstjerne Sloth
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Niels Ankerstjerne Sloth
chairman

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Statement by management on the annual report

The management has today discussed and approved the annual report of IDCV TS II K/S for the financial period 11 November 2021 - 31 December 2022.

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 2022 and of the results of the company's operations for the financial period 11 November 2021 - 31 December 2022.

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

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

Copenhagen, 14 April 2023

On behalf of the General Partner: IDC RP 2019 ApS

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Independent Auditor's Report

To the shareholders of IDCV TS 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 2022, and of the results of the Company's operations for the financial year 11 November 2021 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of IDCV TS II K/S for the financial year 11 November 2021 - 31 December 2022, 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, 14 April 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Company details

The company	IDCV TS II K/S C/O DLA Piper Denmark Oslo Plads 2 DK-2100 Copenhagen	
	CVR no.:	42 82 78 86
	Reporting period:	11 November 2021 - 31 December 2022
	Domicile:	Copenhagen
On behalf of the General Partner: IDC RP 2019 ApS	Michael Skovbo Bühlmann Richard Aitkenhead Castillo Roberto Aitkenhead Niels Ankerstjerne Sloth	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Management's review

Business review

The object of the limited partnership is to generate income and capital appreciation by making investments in unlisted shares.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of TUSD 7, and the balance sheet at 31 December 2022 shows equity of TUSD 15.546.

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.

Income statement 11 November 2021 - 31 December 2022

	Note	2021/22
		TUSD
Gross profit		**-7**
Profit/loss for the year		**-7**

Distribution of profit	
Retained earnings	-7
	-7

Balance sheet at 31 December 2022

	Note	2021/22
		TUSD
Assets		
Other fixed asset investments	2	15.553
Fixed asset investments		**15.553**
Total non-current assets		**15.553**
Total assets		**15.553**

Balance sheet at 31 December 2022

	Note	2021/22
		TUSD
Equity and liabilities		
Contributed capital		15.553
Retained earnings		-7
Equity	3	**15.546**
Trade payables		7
Total current liabilities		**7**
Total liabilities		**7**
Total equity and liabilities		**15.553**
Staff expenses	1	
Uncertainty in the recognition and measurement	4	

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity at 11 November 2021	0	0	0
Cash capital increase	15.553	0	15.553
Net profit/loss for the year	0	-7	-7
Equity at 31 December 2022	**15.553**	**-7**	**15.546**

Notes

		2021/22
1	**Staff expenses**	
	Average number of employees	0

2 Fixed asset investments

	Other fixed asset investments
Cost at 11 November 2021	0
Additions for the year	15.553
Cost at 31 December 2022	15.553
Revaluations at 11 November 2021	0
Revaluations at 31 December 2022	0
Carrying amount at 31 December 2022	**15.553**

3 Equity

Limited Partners' and General Partners' total committed capital is TUSD 15.553 of which TUSD 0 is not yet called at 31 December 2022.

Notes

4 Uncertainty in the recognition and measurement

Other fixed asset investments
Methods and assumptions in determining fair value

The valuations process:
The valuations are prepared by the relevant valuation team and are reviewed on a quarterly basis as well as per year end by the 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 team considers the appropriateness of the valuation model itself, the significant and key inputs as well as the valuation results using round based valuation method. 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 valuation team utilizes comparable market multiples in arriving at the valuation. In accordance with the Partnership ’s policy the valuation team determines appropriate companies based on industry, size, development stage, revenue generation and strategy. The valuation team then calculate 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 valuation team reviews the performance of the portfolio companies. Furthermore the valuation team 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 valuation teamalso track peer group company multiples, recent transaction results and credit ratings for similar companies.

Sensitivity analysis:
The fair value of the Company’s portfolio Companies is affected by the financial performance in the individual Company’s alongside recent transaction results. A change in significant unobservable input will have an effect on the valuation of the portfolio Companies, as well as the fair value will beaffected of development in general macro – economic conditions.

Accounting policies

The annual report of IDCV TS II K/S for 2021/22 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 annual report for 2021/22 is presented in TUSD.

Currency exchange rate (USD/DKK):
31/12/2022: 697,22

As 2022 is the company's first reporting period, no comparatives have been presented.

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 as well as expenses relating to the company's ordinary activities.

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.

Fair value adjustment of other investments assets

The value adjustment of investments in portfolio companies comprises value adjustments realized from sale and value adjustments unrealized from any revaluation or impairment of investments in portfolio companies at fair value.

Tax on profit/loss for the year

The company is not independently liable to tax and consequently tax has not been recognized.

Balance sheet

Other securities and investments, fixed assets

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.

Fair value estimation

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Given the unquoted nature of the company's investments, the calculation of fair value assumes that the investment is realized or sold at the measurement date regardless of the company's intention to sell.

Valuations will factor in, among other items, the portfolio company's financial position and operating results, recent rounds of financing, exit or bid at portfolio company, subsequent events, exit strategy, shareholder rights and liquidation preferences, current developments including investment specific as well as industry/region related and commodity related events (if applicable).

Accounting policies

The fair value estimates presented herein are not necessarily indicative of an amount the company could realize in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Liabilities

Other liabilities, which include trade payables 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. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.