
GRO II Co-Invest I K/S

Grønningen 17, 2., DK-1270 Copenhagen

Annual Report for 2023

CVR No. 43 00 51 97

The Annual Report was
presented and adopted
at the Annual General
Meeting of the limited
partnership
on 14/3 2024

Lars Dybkjær
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of GRO II Co-Invest I 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 financial position at 31 December 2023 of the Limited Partnership and of the results of the Limited Partnership operations for 2023.

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

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

Copenhagen, 14 March 2024

Executive Board

Lars Dybkjær
GRO II Co-Invest I GP ApS

Lars Christian Lunde
GRO II Co-Invest I GP ApS

Independent Auditor's report

To the limited partners of GRO II Co-Invest I K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2023 and of the results of the Limited Partnership'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 GRO II Co-Invest I 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 ("the 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 Limited Partnership 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.

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 Limited Partnership'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 Limited Partnership or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

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 Limited Partnership'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 Limited Partnership'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 Limited Partnership 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 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Søren Ørjan Jensen

State Authorised Public Accountant

mne33226

Henrik Aslund Pedersen

State Authorised Public Accountant

mne17120

Company information

The Company GRO II Co-Invest I K/S
Grønningen 17, 2.
DK-1270 Copenhagen

CVR No: 43 00 51 97
Financial period: 1 January - 31 December
Municipality of reg. office: Copenhagen

Executive Board Lars Dybkjær
Lars Christian Lunde

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Key activities

The object of the limited partnership is to generate returns on the limited partnership's capital by making investments in primarily small and medium-sized unlisted Danish, Nordic and Northern European companies.

Development in the year

The income statement of the Limited Partnership for 2023 shows a loss of TEUR 11, and at 31 December 2023 the balance sheet of the Limited Partnership shows a positive equity of TEUR 32,022.

Uncertainty relating to recognition and measurement

Investments in portfolio companies consist of shares in unlisted companies where no exact trading value exists. The Company is using recognized valuation methods to measure the portfolio companies at fair value. The valuation is as far as possible based on comparable external market data, but also on estimates and judgements made by Management. As a result, significant uncertainty is associated with this.

Unusual events

The financial position at 31 December 2023 of the Limited Partnership and the results of the activities and cash flows of the Limited Partnership for the financial year for 2023 have not been affected by any unusual events.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		TEUR 12 months	TEUR 11 months
Gross loss		-11	-1,082
Net profit/loss for the year		-11	-1,082
Distribution of profit			
		2023	2022
		TEUR	TEUR
Proposed distribution of profit			
Retained earnings		-11	-1,082
		-11	-1,082

Balance sheet 31 December

Assets

	Note	2023	2022
		TEUR	TEUR
Investments in associates	2	32,040	21,869
Fixed asset investments		32,040	21,869
Fixed assets		32,040	21,869
Current assets		0	0
Assets		32,040	21,869

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		TEUR	TEUR
Share capital		23,164	23,164
Unpaid share capital		-157	-157
Revaluation reserve		10,171	0
Retained earnings		-1,156	-1,145
Equity		32,022	21,862
Other payables		18	7
Short-term debt		18	7
Debt		18	7
Liabilities and equity		32,040	21,869
Uncertainty relating to recognition and measurement	1		
Contingent assets, liabilities and other financial obligations	3		
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Statement of changes in equity

	Share capital	Unpaid share capital	Revaluation reserve	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR	TEUR
Equity at 1 January	23,164	-157	0	-1,145	21,862
Revaluation for the year	0	0	10,171	0	10,171
Net profit/loss for the year	0	0	0	-11	-11
Equity at 31 December	23,164	-157	10,171	-1,156	32,022

Notes to the Financial Statements

1. Uncertainty relating to 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 General Partner and are reviewed on a half-yearly basis as well as per year end by the General Partner's valuation committee. The recommendations are reported to the General Partner on a half-yearly basis, in line with the half-yearly 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 Partnership's investments, the General Partner utilizes comparable market multiples in arriving at the valuation. In accordance with the Partnership's policy the General Partner determines appropriate companies based on industry size, development stage, revenue generation and strategy. The General Partner 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.

Significant unobservable inputs:

The investment has been valued based on significant unobservable inputs, as they trade infrequently. As quoted market prices are not available for the investment, the General Partner has used valuation techniques to determine fair value. In order to assess the valuation made for the investment, the Investment Advisor reviews the performance of the associated company. Furthermore the Investment Advisor is regularly in contact with the management of the participating interest in order to make assessments of business and operational matters 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.

Sensitivity analysis:

The fair value of the Company's associated company is affected by the financial performance in the Company alongside recent transaction results. A change in significant unobservable input will have an effect on the valuation of the associated company, as well as the fair value will be affected by development in general macro-economic conditions.

2. Investments in associates

	2023	2022
	TEUR	TEUR
Cost at 1 January	21,869	0
Additions for the year	0	21,869
Cost at 31 December	21,869	21,869
Revaluations for the year, net	10,171	0
Value adjustments at 31 December	10,171	0
Carrying amount at 31 December	32,040	21,869

Notes to the Financial Statements

3. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

Notes to the Financial Statements

4. Accounting policies

The Annual Report of GRO II Co-Invest I 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 selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TEUR.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Limited partnership, 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 out of the Limited partnership, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Other external expenses

Other external expenses comprise expenses for management, administration etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises of other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

The Annual Report does not contain any tax as the Company is not independently liable to tax. Each limited partner includes the taxable result of the Company in their respective income statement in relation to ownership share.

Notes to the Financial Statements

Balance sheet

Investments in subsidiaries

Investments in portfolio companies are measured regardless of their ownership at fair value in accordance with §37 and §41 of the Danish Financial Statements Act.

Investments in portfolio companies are measured according to the guidelines of the "International Private Equity and Venture Capital" (IPEV) "Valuation Guideline" 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.

Value adjustments are taken to equity.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.