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Axcel VI K/S

C/O Kromann Reumert Sundkrogsgade 5
2100 København Ø
CVR No. 40754415

Annual report 2024

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 06.02.2025

Jesper Frydensberg Rasmussen
Chairman of the General Meeting

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Entity details

Entity

Axcel VI K/S
C/O Kromann Reumert Sundkrogsgade 5
2100 København Ø

Business Registration No.: 40754415
Date of foundation: 29.08.2019
Registered office: København
Financial year: 01.01.2024 - 31.12.2024

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

Board of Directors in Axcel VI GP ApS

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

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

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

Statement by Management

The Board of Directors has today considered and approved the annual report of Axcel VI K/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2024 and of the result of the Company's operations for the financial year 1 January 2024 - 31 December 2024.

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

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

Copenhagen, 05.02.2025

Board of Directors in Axcel VI GP ApS

Christian Gymos Schmidt-Jacobsen
Chairman

Mads Dreyer Laursen
Member

Jacob Høeg Madsen
Member

Independent auditor's report

To the shareholders of Axcel VI K/S

Opinion

We have audited the financial statements of Axcel VI K/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2024 and of the results of its operations and cash flows for the financial year 01.01.2024 - 31.12.2024 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 by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 05.02.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen
State Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen
State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Financial highlights

	2024 EUR'000	2023 EUR'000	2022 EUR'000	2021 EUR'000	2019/20 EUR'000
Key figures					
Operating profit/loss	(3,690)	(3,727)	(5,325)	(7,072)	(2,569)
Profit/loss for the year	64,030	41,682	56,675	11,732	(365)
Total assets	403,958	329,957	281,844	109,184	33,850
Equity	395,538	326,895	238,751	73,952	9,495
Ratios					
Return on equity (%)	17.73	14.74	36.25	28.12	(7.69)

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

Return on equity (%):
Profit/loss for the year * 100
Average equity

Primary activities

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

Development in activities and finances

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

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

The portfolio companies have performed well during 2024 and have with a few exceptions, increased in value during the year.

Profit/loss for the year in relation to expected developments

The result for the year is a gain of approximately EUR 64.0 million compared to a gain of EUR 41.6 million last year. The result is driven by unrealised gain from valuations of the investments.

The result is in line with management's expectations.

Uncertainty relating to recognition and measurement

The unrealized result on investments in portfolio companies, which are recognized in the income statement and the value of the investments that are recognized and measured in the balance sheet, are based on accounting judgement and estimates, which are uncertain by nature.
When measuring the fair value of the unlisted investments, the General Partner assesses the stage of the portfolio companies compared to the initial plans at the time of making the initial investments, future financing requirements, commercialization possibilities, timing of exit and possible exit values, including changes in earnings and multiples.

Unusual circumstances affecting recognition and measurement

Except for the fair value changes on investments, the annual report is not influenced by unusual circumstances.

Outlook

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

Other external expenses are expected to be in the range 3.6-4.0 mEUR in 2025.

Statutory report on corporate social responsibility

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

The Sustainability Policy outlines Axcel's commitment to respecting human and labour rights, undertaking initiatives to promote greater environmental responsibility, and working to prevent corruption in all forms as a signatory to the United Nations Global Compact. Insights into how Axcel addresses its impacts, risks, and opportunities are described further in the sections 'Investment Process', 'Environmental and social characteristics', and 'Environmental, Social and Governance Performance'.

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

Data ethics

Axcel VI has not adopted a policy for data ethics, because the Fund does not process large amounts of data itself or uses algorithms for data analysis. The investments owned by the Fund have very different business areas and can therefore process data to an extent where it is advisable to adopt a data policy. The data policies of the investments are then published either in these companies' consolidated accounts or on their website.

Investment process

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

Sourcing and Due Diligence

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

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

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

Active ownership

As an active owner, Axcel VI considers ESG factors not only in strategic decisions, but also in day-to-day business activities to ensure that companies mitigate sustainability-driven risks, capture sustainability-driven

opportunities, and improve their impact on society and the environment. Axcel VI implements a five-step sustainability programme in portfolio companies:

(i) Embed sustainability in policies and management systems: requirements include a) Sustainability policy, b) Code of conduct, c) Supplier code of conduct, d) Data privacy policy, e) Whistleblower scheme f) Commitment to the UN Global Compact, g) ESG priorities linked to the UN Sustainable Development Goals.

(ii) Identify and assess ESG impacts, risks and opportunities: building on the analyses conducted during due diligence, companies are asked to assess their ESG impacts, risks, and opportunities in line with the OECD Guidelines and the UN Guiding Principles. ESG-related risks and opportunities are assessed leveraging stakeholder insights, the SASB materiality finder and findings from the TCFD assessment.

(iii) Prioritise topics and define ESG priorities: topics are mapped on a materiality matrix. Actions are defined to address prioritised ESG topics that are aligned with the UN Sustainable Development Goals (SDGs).

(iv) Track implementation and results: companies report quarterly on progress on ESG priorities and ESG KPIs aligned with the EU Principal Adverse Impact indicators ("PAI indicators") and the Data Convergence Initiative. Company boards review and approve ESG efforts on an annual basis.

(v) Communicate on progress: companies report publicly on progress in line with UN Global Compact requirements.

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

Environmental and social characteristics
The Fund promotes the following environmental and social characteristics:
1. Improve ESG Management:
a. As part of Axcel's 5-step sustainability programme, 100% of portfolio companies are required to embed: a) Sustainability policy, b) Code of conduct, c) Supplier code of conduct, d) Data privacy policy, e) Whistleblower scheme f) Commitment to the UN Global Compact, g) ESG priorities linked to the UN Sustainable Development Goals within one year of ownership (target applies from 2021)
b. Axcel encourages portfolio companies to implement sustainability-linked loans
c. All portfolio companies must measure and report on Axcel's identified PAI indicators and should seek to reduce adverse impacts where possible

2. Mitigate Climate Change:
a. All portfolio companies must measure and report on their Scope 1-3 emissions, and reduce emissions where possible
b. Portfolio companies are encouraged to set Science-Based Targets, with a target of 60% of all companies across Funds having set an approved target by 2025, and 100% by 2030

3. Increase Diversity, Equity & Inclusion:
a. Portfolio companies across all funds should ensure at least 40% of new hires to leadership of the underrepresented gender during the holding period
b. Axcel's portfolio across all funds with boards established after 2021 should ensure at least 40% of independent

Board members of the underrepresented gender

4. Support People & Culture:
a. Portfolio companies should ensure processes to track and report employee satisfaction, sickness absence and work-related injuries

Environmental performance
Environmental risks
The most significant environmental risks in the Axcel VI portfolio relate to climate change. All companies in the portfolio directly or indirectly emit GHG emissions through their business activities. Some companies operate in high-impact climate sectors. Climate change impacts are addressed through portfolio-wide targets as described below. In addition to climate change, some companies have specific environmental impact areas that they address in their individual ESG strategies, for example, waste management and circular economy.

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

As per 30 September 2024, six companies in the Axcel portfolio had approved science-based targets representing 46% of invested capital in companies owned for more than two years. Four of the companies with approved science-based targets are owned by Axcel VI, representing 36% of invested capital in Axcel VI. All companies in Axcel VI have been owned for more than two years.

Axcel is furthermore committed to sourcing at least 85% renewable electricity. During 2024, Axcel sourced 100% renewable electricity.

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

Social performance
Social risks
All organizations are at risk of adversely impacting labour and human rights. These risks are identified and addressed in each company in a systematic manner through the governance requirements described in the next section including policy requirements that make specific commitments to respect human and labour rights and the requirement to commit to the United Nations Global Compact's ten principles. No severe actual human rights impacts have been identified during the financial year. Focus areas during 2024 have included diversity, employee wellbeing, and employee safety. Focus on these matters will continue in 2025.

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

Diversity, equity & inclusion
Axcel VI targets that during its ownership period 40% of persons hired into portfolio company leadership teams

will be of the underrepresented gender (measured as the share of women hired into the leadership team, or in the case men are the underrepresented gender, the share of men hired into the leadership team). Leadership teams are defined as the CEO, direct reports to the CEO (L1), and direct reports to L1 (L2). Only employees who have others reporting to them are included. Additions are defined as persons promoted or hired into the leadership team. The target has applied since January 2022 and is an ongoing target that continues into the coming years.

As per 30 September 2024:
- 25% of Axcel VI companies have met the target of 40% of additions to leadership teams being of the underrepresented gender
- 75% of Axcel VI companies have not met the target of 40% of additions to leadership teams being of the underrepresented gender
- 0% of Axcel VI companies have not made additions to the leadership team
- 0% of Axcel VI companies did not report on additions to the leadership team, as they have been owned for less than one year
- 17% of Axcel VI companies have at least a 60/40 gender split in leadership team

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

As per 30 September 2024:
- 35% of independent board members were women in boards established after June 2021 across all Axcel portfolio companies
- 35% of independent board members were women in Axcel VI boards established after June 2021
- 58% of Axcel VI companies had both genders represented on the Board

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

Governance performance

Governance risks

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

ESG requirements

As per 30 September 2024:
- 100% of Axcel VI companies had implemented Axcel required ESG policies, commitments, and processes
- 20% of Axcel companies within scope of the target did not meet the requirements within one year of ownership but have subsequently implemented all requirements

In accordance with the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel VI monitors ESG incidents in its portfolio companies. All companies are required to implement a whistleblower system and report incidents to Axcel. During 2024 no significant incidents occurred. Monitoring of ESG incidents and the implementation of required policies and procedures will continue in 2025.

Information according to the Alternative Investment Fund Managers Directive

According to Article 22 of the Alternative Investment Fund Managers Directive, Alternative Investment Funds (AIF) must make certain disclosures to investors in connection with the presentation of financial statements.

- During the financial period covered by the financial statements, there have been no significant changes in the matters below:
- The Fund's Investment strategy;
- Valuation principles of the Fund's investments;
- The percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature;
- New arrangements for managing the Fund's liquidity;
- The Fund's risk profile and the risk management systems implemented by the Fund Manager used to manage the Fund's risks;
- There have been no amendments to the maximum level of leverage which the Fund Manager can use on behalf of the Fund. Nor has there been any changes in the right to use collateral or any guarantee accordance with the agreement allowing for the leverage.

Statutory report on data ethics policy

Axcel VI K/S has not adopted a policy for data ethics, because the Fund does not process large amounts of data itself or make use of algorithms for data analysis. The investments owned by the Fund have very different business areas and can therefore process data to an extent where it is advisable to adopt a data policy. The data policies of the investments owned are then published either in these companies' consolidated accounts or on their website.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2024

	Notes	2024 EUR'000	2023 EUR '000
Other external expenses	3, 2	(3,690)	(3,727)
Gross profit/loss		**(3,690)**	**(3,727)**
Income from financial assets		67,724	45,413
Other financial expenses		(4)	(4)
Profit/loss before fair value adjustments and tax		**64,030**	**41,682**
Profit/loss for the year	4	**64,030**	**41,682**

Balance sheet at 31.12.2024

Assets

	Notes	2024 EUR'000	2023 EUR'000
Investments in participating interests		402,992	328,981
Financial assets	5	**402,992**	**328,981**
Fixed assets		**402,992**	**328,981**
Cash		**966**	**976**
Current assets		**966**	**976**
Assets		**403,958**	**329,957**

Equity and liabilities

	Notes	2024 EUR'000	2023 EUR'000
Contributed capital		221,784	217,171
Retained earnings		173,754	109,724
Equity		**395,538**	**326,895**
Trade payables		2,105	198
Other payables		6,315	2,864
Current liabilities other than provisions		**8,420**	**3,062**
Liabilities other than provisions		**8,420**	**3,062**
Equity and liabilities		**403,958**	**329,957**

Events after the balance sheet date	1
Employees	7
Contingent liabilities	8
Assets charged and collateral	9
Related parties with controlling interest	10

Statement of changes in equity for 2024

	Contributed capital EUR'000	Retained earnings EUR'000	Total EUR'000
Equity beginning of year	217,171	109,724	326,895
Increase of capital	4,613	0	4,613
Profit/loss for the year	0	64,030	64,030
Equity end of year	**221,784**	**173,754**	**395,538**

At 31.12.2024 carried interest has reduced the fair value of investment, and total net assets, with a total of 42.2 mEUR. In 2024 carried interest has reduced income from portfolio companies with 15.7 mEUR in 2024.

Cash flow statement for 2024

	Notes	2024 EUR'000	2023 EUR'000
Operating profit/loss		(3,690)	(3,727)
Working capital changes	6	1,907	(782)
Cash flows from operating activities		**(1,783)**	**(4,509)**
Acquisition of fixed asset investments		(2,840)	(41,669)
Cash flows from investing activities		**(2,840)**	**(41,669)**
Free cash flows generated from operations and investments before financing		**(4,623)**	**(46,178)**
Cash increase of capital		4,613	46,462
Cash flows from financing activities		**4,613**	**46,462**
Increase/decrease in cash and cash equivalents		**(10)**	**284**
Cash and cash equivalents beginning of year		976	692
Cash and cash equivalents end of year		**966**	**976**
Cash and cash equivalents at year-end are composed of:			
Cash		966	976
Cash and cash equivalents end of year		**966**	**976**

Notes

1 Events after the balance sheet date

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

2 Other external expenses

According to Article 107 of the AIFMD Level 2 Regulation and paragraph 61 section 3 (nos. 5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.
In accordance with section 61 (nos. 5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for 2024 for Axcel Management A/S, Business Reg. No. 28 30 18 55.

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

The remuneration policy ensures, among other matters, that the following is applied in relation to remuneration at the Fund Manager:
- Promoting of sound and effective risk management, which does not encourage excessive risk-taking.
- Consistency with the principles regarding the protection of the Limited Partners and measures in order to avoid conflicts of interest.

3 Fees to the auditor appointed by the Annual General Meeting

	2024 EUR'000	2023 EUR'000
Statutory audit services	19	19
Other assurance engagements	1	2
Tax services	0	1
Other services	2	2
	22	**24**

4 Proposed distribution of profit and loss

	2024 EUR'000	2023 EUR'000
Retained earnings	64,030	41,682
	64,030	**41,682**

5 Financial assets

	Investments in participating interests EUR'000
Cost beginning of year	200,324
Addition through business combinations etc	6,287
Cost end of year	**206,611**
Revaluations beginning of year	128,657
Share of profit/loss for the year	67,724
Revaluations end of year	**196,381**
Carrying amount end of year	**402,992**

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

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

Methods and assumptions for determining fair values in unlisted portfolio companies
The fair value for each unlisted group enterprise is determined based on methods which best reflect the individual investment's potential and risk.

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

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

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

Following valuation of investments in portfolio companies, it can be determined whether the management incentive program in the respective group enterprise is in or out of the money, which may then either decrease or increase Axcel VI's fair value of the investment. As a final step in measuring the valuation of all Axcel VI's investments, carried interest is recalculated (if relevant) in accordance with the whole fund waterfall mechanism

as agreed with the Limited Partners

Material unobservable inputs for Level 3
Financial instruments measured at fair value in the balance sheet are based on valuation techniques that include material unobservable inputs. Material unobservable assumptions used in the valuation of unlisted investments in portfolio companies consist of multiples and future earnings expectations for the portfolio companies. The multiples are derived from look-ing at the valuation of comparable business for each investment. As the mulitples are multiplied on the expected earning level of a given investment, the multiple used has a significant effect on the valuation. Management believes that the multiples applied are on a par with the market for comparable Danish businesses. In addition, allowance is made for net interest-bearing debt of the portfolio companies when making the valuation.

	2024	2023
Technology	8 to 18	11 to 17
Business Services and industries	8 to 11	8 to 11
Healthcare	12 to 16	11 to 14
Consumer	15 to 15	15 to 15

Investments in participating interests	Registered in	Corporate form	Ownership %	Equity EUR'000	Profit/loss EUR'000
SuperOffice Holding III	NO	A/S	29.52	31,633	(5,086)
AX VI Edda Group Holding III	DK	ApS	29.52	22,660	(5,669)
AX VI VET Holding III (Vetopia)	DK	ApS	29.52	60,963	(25,774)
AX VI INV7 Holding III (BullWall)*	DK	ApS	29.52	37,236	5,058
AX VI INV6 Holding III ApS (Init)*	DK	ApS	29.52	44,726	(3,450)
AX VI INV5 Holding III ApS (DANX)*	DK	ApS	21.30	121,004	(5,511)
AX VI INV3 Holding III AB (Oral Care)	SE	AB	29.52	38,419	(2,936)
AX VI INV2 Holding III AB (Voff)*	SE	AB	19.59	143,424	(13,110)
VI INV1 Holding (Currentum)	SE	AB	29.52	87,218	(1,333)
emagine Holding III	DK	ApS	16.05	580	(57)
AX VI INV8 Holding III ApS (NTI)	DK	ApS	21.41	96,845	(3,943)
AX VI Itm8 Holding III ApS (itm8)	DK	APS	16.72	349,453	(37,697)

The Profit/(loss) and Equity for Investments are from the investments' latest Annual Reports.

The table above only includes the directly owned Holding company within each investment as it is considered more accurate to present in the Annual Report as Axcel VI K/S is a Fund. For specification of Group companies

within each investment refer to the Group Annual Reports for the listed Holding companies.

6 Changes in working capital

	2024 EUR'000	2023 EUR'000
Increase/decrease in trade payables etc	1,907	(782)
	1,907	**(782)**

7 Employees

The Entity has no employees.

8 Contingent liabilities

The fund has an obligation to pay a management fee of 1.75% of the total invested capital in the Fund during the realisation period which is initially set to expire on the 21 February 2031. The liability to pay management fee is considered to be contingent as the fund under certain conditions may discontinue the management agreement with the Fund Manager.

As of 31 December 2024, Axcel VI K/S has issued guarantees of EUR 4.5 million to support senior loan facilities in portfolio companies.

9 Assets charged and collateral

No securities or mortgages exist at the balance sheet date.

10 Related parties with controlling interest

No single Limited Partner has control over the Fund, following Limited Partners as holding more than 5% of the voting rights or nominal value of the contributed capital:

PKA Private Funds III K/S
Danica Pension, Livsforsikringsaktieselskab
Cubera IX, L.P.
Nordea Danmark, Filial af Nordea Bank Abp, Finland
Dansk Vækstkapital III K/S
Carnegie Alternatives S.A. SICAV-SIF - SUB-FUND 7
BNP Paribas SA

Accounting policies

Reporting class

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

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Other external expenses

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

Income from investments in participating interests

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

Other financial expenses

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

Balance sheet

Investments in participating interests

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

The fair value of the unlisted investments is determined in accordance with IPEV's Valuation Guidelines, according to which the fair value – depending on the type and maturity of the investment – is determined to be equal to cost (typically applied for new investments) or multiple-based calculations based on industry benchmarks.

Cash
Cash comprises cash in bank.

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income and financial expenses.

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

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

Cash comprises cash in bank deposits.

Supplementary reports

Please refer to the supplementary report provided for the Sustainable Finance Disclosure Regulation on page 26.

ANNEX IV

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Axcel VI K/S **Legal entity identifier:** CVR: 40754415

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.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☐ 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 were the environmental and/or social characteristics promoted by this financial product met?

Axcel VI K/S (**"Axcel VI" or "the Fund") managed by Axcel Management A/S ("Axcel" or "the Manager") promotes the** following environmental and social characteristics for all its portfolio companies:

1. ***Improve*** **Environmental, Social & Governance ("ESG") Management:**
   a. Axcel requires all portfolio companies to embed various ESG-related policies and commitments within one year of ownership, including: a) Sustainability policy, b) Code of conduct, c) Supplier code of conduct, d) Data privacy policy, e) Whistleblower scheme f) Commitment to the UN Global Compact, g) ESG priorities linked to the UN Sustainable Development Goals (target applies from 2021)
   b. Axcel encourages portfolio companies to implement sustainability-linked loans
   c. **All portfolio companies must measure and report on Axcel's identified principal adverse impact indicators ("PAI indicators") and should seek to reduce adverse impacts where** possible
2. ***Mitigate*** **Climate Change:**

a. All portfolio companies must measure and report on their Scope 1-3 emissions, and reduce emissions where possible
b. Portfolio companies are encouraged to set Science-Based Targets, with a target of 60% of **Axcel's portfolio**[1] having set an approved target by 2025, and 100% by 2030

3. ***Increase* Diversity, Equity & Inclusion:**
   a. Portfolio companies across all funds should ensure at least 40% of new hires to leadership[2] of the underrepresented gender during the holding period
   b. **Axcel's portfolio across all funds with boards established after 2021 should ensure at least** 40% of independent Board members[3] of the underrepresented gender[4]
4. ***Support* People & Culture:**
   a. Portfolio companies should ensure processes to track and report employee satisfaction, sickness absence and work-related injuries

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The table below shows **Fund VI's** performance on various sustainability indicators and **Axcel's ESG**-related targets across its portfolio. Performance on indicators and targets are shown in column C for Fund VI, and results of portfolio-**wide ESG targets across all Axcel's** Funds (Axcel V, Axcel VI, and Axcel VII) in column D.

The attainment of the environmental and social characteristics promoted by the Fund, as well as the targets set across all **Axcel's Funds,** is measured in the following sustainability indicators (results as of 30/09/2024):

A	*B*	*C*	*D*
E/S characteristic	**Indicators & Targets**	**Fund VI performance** (12 companies)	**Portfolio performance & results of targets** (20 companies across all Funds)
ESG Management	Share of companies that have implemented required ESG-related policies and commitments	100%	85%
	Share of companies within target scope that have implemented required ESG-related policies and commitments (Target: 100% within one year of ownership)	80%	83%
	Share of companies that have a sustainability-linked loan	33%	25%
Climate Change	Share of companies measuring and reporting on Scope 1-3 emissions	92%	75%[5]
	Share of portfolio owned for more than two years with approved science-based targets (Target: 60% by 2025, 100% by 2030)	36%	46%

[1] Portfolio coverage is measured as the share of invested capital in companies owned for more than two years.
[2] Leadership teams are defined as the CEO, direct reports to the CEO (L1), and direct reports to L1 (L2). Only employees who have others reporting to them are included. Additions are defined as persons promoted or hired into the leadership team.
[3] Independent board members excludes founders, investors, part of the executive team or day-to-day operations.
[4] Underrepresented gender across entire Board, not limited to independent board members.
[5] Five companies have been owned for less than 18 months and are setting their GHG emissions baselines to be able to report

	Share of companies that have met the target of 40% of additions to leadership being of the underrepresented gender	25%	30%
Diversity, Equity & Inclusion	Share of additions to leadership have been women across Axcel companies (Target: 40% during holding period)		39%
	Share of independent board members of the underrepresented gender (Target: 40% for boards established after June 2021)	35%	35%
	Share of companies with both genders represented on the Board	58%	50%
People & Culture	Share of reporting companies conducting employee satisfaction survey	92%	80%

- ***...and compared to previous periods?***

E/S characteristic	Indicator	Fund VI performance as of 30/09/2024 (12 companies)	2023[6]	2022[7]
ESG Management	Share of Axcel VI companies that have implemented required ESG-related policies and commitments	100%	75%	42%
	Share of Axcel VI companies that have a sustainability-linked loan	33%	n.a.	n.a.
Climate Change	Share of Axcel VI companies measuring and reporting on Scope 1-3 emissions	92%	n.a.	n.a.
	Share of Axcel VI companies that have set approved science-based targets	36%	37%	73%
Diversity, Equity & Inclusion	Share of Axcel VI companies with at least 40% of additions to leadership of the underrepresented gender	25%	17%	33%
	Share of independent board members of the underrepresented gender in Axcel VI	35%	39%	33%
	Share of companies with both genders represented on the Board	58%	n.a.	n.a.
People & Culture	Share of Axcel VI companies conducting employee satisfaction survey	92%	n.a.	n.a.

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

  N/A

[6] Results from previous periodic reports and therefore representative of the number of companies and length of ownership as per 30 September 2023

[7] Results from previous periodic reports and therefore representative of the number of companies and length of ownership as per 30 September 2022

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

N/A

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

N/A

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

N/A

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.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-*aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



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

The Fund considers PAI indicators by collecting data on the indicators as defined and measured in **Annex 1 of the Regulatory Technical Standards ("RTS") for the Sustainable Finance Disclosure Regulation ("SFDR").** When screening for future investment options, Axcel incorporates relevant ESG factors in the general evaluation criteria including PAI indicators. Following an acquisition, **portfolio companies are introduced to Axcel's five**-step sustainability programme and are required to assess their impact on ESG topics and develop action plans. Action plans focus on those impacts that are deemed most relevant taking into account the probability of occurrence and the severity of impacts including their potentially irremediable character. Portfolio companies report on the **PAI indicators in Axcel's data management system quarterly.**

The Fund considers the 14 mandatory PAI indicators and has additionally selected the indicator ***'Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement'*** from Table 2, and ***'Share of investments in entities without policies on the protection of whistleblowers'*** of Table 3 of Annex I of the RTS.

Axcel reserves the publication of the PAI indicators under Article 11(2) of Regulation (EU) 2019/2088 **and consideration hereof for its PAI entity statement published on Axcel's website in** the Sustainability section by June 30th 2025.

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: 01/01/2024 – 31/12/2024

Largest investments	Sector	% Assets	Country
SuperOffice	Technology	1-20%	Norway
Currentum	Business Services & Industrials	1-20%	Sweden
Edda Group	Business Services & Industrials	1-20%	Denmark
Vetopia	Healthcare	1-20%	Denmark
emagine	Technology	1-20%	Denmark
BullWall	Technology	1-20%	Denmark
Init	Technology	1-20%	Denmark
DANX Carousel	Business Services & Industrials	1-20%	Denmark
Oral Care	Healthcare	1-20%	Sweden
The Nutriment Company	Consumer	1-20%	Sweden
NTI Group	Technology	1-20%	Denmark
itm8	Technology	1-20%	Denmark
Total		*100%*	

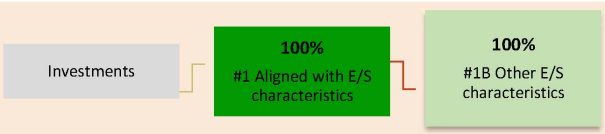
What was the proportion of sustainability-related investments?

0% - the Fund does not have sustainable investments as its objective.

What was the asset allocation?

Asset allocation describes the share of investments in specific assets.

100% of investments were aligned with the environmental and social characteristics promoted by the Fund, but 0% qualify as sustainable investments.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

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

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?

Investment	NACE code
SuperOffice	J62.0.1 - Computer programming activities
Currentum	F43.2.2 - Plumbing, heat and air-conditioning installation
Edda Group	N78.2.0 - Temporary employment agency activities
Vetopia	M75.0.0 - Veterinary activities
emagine	J62.0.2 - Computer consultancy activities
BullWall	J62.0.9 - Other information technology and computer service activities
Init	J62.0.9 - Other information technology and computer service activities
DANX Carousel	H53.2.0 - Other postal and courier activities
Oral Care	Q86.2.3 - Dental practice activities
The Nutriment Company	C10.9.2 - Manufacture of prepared pet foods
NTI Group	J62.0.9 - Other information technology and computer service activities
itm8	J62.0.2 - Computer consultancy activities

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

N/A

Did the financial product invest in fossil gas and/or nuclear energy-related activities complying with the EU Taxonomy[8]?

☐ Yes:

☐ In fossil gas In ☐ nuclear energy

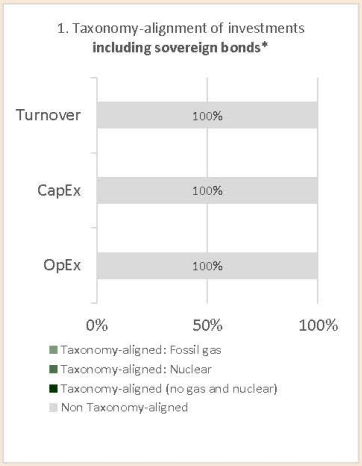
☒ No

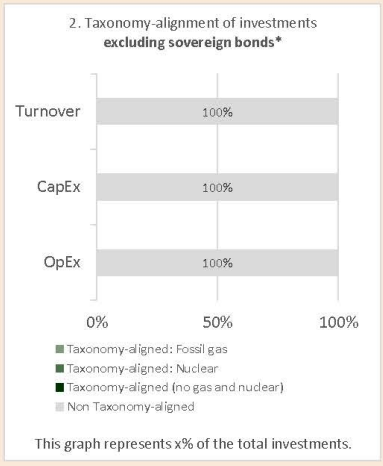
[8] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate **change ("climate change mitigation") and do not** significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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?

During the reference period, the proportion of investments in enabling activities was 0% and investments in transitional activities was 0%.

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

	2024	*2023*	*2022*
Share of Taxonomy-aligned investments	0%	0%	0%

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

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

What was the share of socially sustainable investments?
N/A

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

N/A



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

During the reference period, various procedures and processes have been upheld, strengthened or added by the Manager to work towards meeting the environmental and social characteristics of the Fund.

As no new investments were made by the Fund in the reference period, the actions taken have **focused on strengthening the portfolio companies' ability to report sustainability**-related data in a systematic, timely manner and continuously work to improve the **portfolio companies' maturity in** terms of ESG matters.

Some of the actions taken by the Manager include:

- Exercising shareholder engagement b**y prioritizing the Fund's environmental and social** characteristics as priorities on Board meetings
- Ongoing dialogue and sparring regarding sustainability matters between the portfolio companies and **the Manager, especially Axcel's Head of Sustainability**
- Quarterly and annual ESG reporting, including quarterly PAI reporting (except GHG emissions which are reported annually), and quarterly reporting on additional ESG indicators aligned with the targets set by the Fund
- Ensuring all portfolio companies subject to reporting under the Corporate Sustainability **Reporting Directive ("CSRD")** within the upcoming two years have commenced or have planned to start workstreams to prepare for the reporting requirements
- In addition, Axcel has also internally worked to strengthen its ability to increase its shareholder engagement with the portfolio companies to meet **the Fund's E/S** characteristics **e.g., by increasing the investment team's involvement in ESG matters and** strengthening internal ESG competencies with additional hires



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

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

- ***How did the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  N/A

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

  N/A

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

  N/A