# Axcel Management A/S

**Sankt Annæ Plads 10**
**1250 Copenhagen K**
**Denmark**

**Business Registration No. 28 30 18 55**
**Danish FSA No. 23101**

# Annual Report for 2023

The Annual General Meeting adopted the annual report on 23 April 2023

**Chairman of the Annual General Meeting**



Jesper Frydensberg Rasmussen

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# Company details

**Company**

Axcel Management A/S
Sankt Annæ Plads 10
1250 Copenhagen K, Denmark
Business Registration No.: 28 30 18 55

Phone: +45 33 36 69 99
Internet: www.axcel.dk
Email: axcel@axcel.dk

**Board of Directors**

Povl Christian Lütken Frigast (Chairman)
Lars Rebien Sørensen (Deputy Chairman)
Caroline Sundorph Pontoppidan

**Executive Board**

Christian Gymos Schmidt-Jacobsen

**Company auditor**

Deloitte Statsautoriseret Revisionspartnerselskab

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 01.01.2023 - 31.12.2023.

The annual report is prepared in compliance with the legal requirements, including the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position on 31 December 2023 and of the results of the Group's and the Parent Company's operations for the financial year 2023.

Moreover, in our opinion, the management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

The management will submit the annual report to the general meeting for approval.

Copenhagen, 9 February 2024

## Executive Board

Christian Gymos Schmidt-Jacobsen
Chief Executive Officer

## Board of Directors

Christian Frigast (Feb 9, 2024 16:16 GMT+1)
Povl Christian Lütken Frigast
Chairman

Lars Rebien Sørensen (Feb 9, 2024 14:47 GMT+1)
Lars Rebien Sørensen
Deputy Chairman

caroline pontoppidan (Feb 9, 2024 14:15 GMT+1)
Caroline Sundorph Pontoppidan

# Independent auditor's report

## To the shareholders of Axcel Management A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of Axcel Management A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2023, and of the results of their operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

### 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements**

Management is responsible for the preparation of the consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers etc. Act, the Danish FSA's Executive Order on general rules for financial statements and audit of Alternative Investment Fund Managers and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. We did not identify any material misstatement of the management commentary.

Copenhagen, 9 February 2024

**Deloitte**
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



Bill Haudal Pedersen
State-Authorised Public Accountant
Identification No. mne30131



Michael Thorø Larsen
State-Authorised Public Accountant
Identification No. mne35823

# Management commentary

## Primary activities

Founded in 1994, Axcel is a Nordic private equity firm focusing on mid-market companies. Axcel has raised seven funds with committed capital totalling EUR 4 billion. Over the last 29 years, these funds have made 70 platform investments with well over 300 add-on investments and 50 divestments.

The funds are organised as Danish limited partnerships and each fund have a wide range of Danish and international investors.

Axcel Management A/S holds a license from the Danish Financial Supervisory Authority to operate as a management company. Axcel is therefore subject to supervision and inspection by the FSA.

## Governance

Axcel Management is owned by seven partners, led by CEO and Managing Partner Christian Schmidt-Jacobsen. The Board of Directors consists of Christian Frigast (Chairman), Lars Rebien Sørensen (Deputy Chairman and Chairman of Axcel's Advisory Board), and Caroline Sundorph Pontoppidan. Managerial posts of the members of the current Executive Board and Board of Directors are listed in note 22.

Axcel has set up an Advisory Board who provides investment advice to Axcel. The Advisory Board consists of Lars Rebien Sørensen (Chairman), Christian Frigast (Deputy Chairman), Anna Mossberg, Catharina Stackelberg-Hammarén, Endre Rangnes, Mads Nipper and Marika Fredriksson.

## Group structure and organisation

Axcel Management A/S is based in Copenhagen and in Stockholm with its wholly owned subsidiary, Axcel Management AB. Organisationally, Axcel Management operates with four departments: Investment, Finance, Communications and Support.

The Investment department prepares investment proposals which are submitted to Axcel's Investment Committee for approval. The investment process is comprehensive and involves, for example, performing a thorough due diligence of the target company.

The Finance department and the Communication department ensures transparency on fund performance via investor reporting and meetings. The finance department also performs the daily compliance and risk management functions. If adequate segregation of duties cannot be established, compliance and risk management tasks are outsourced. For a more detailed description of the organisational structure and an overview of Axcel's employees, please refer to www.axcel.dk.

## Knowledge resources

The partners are of particular importance for the future earnings of Axcel Management A/S as profitable investments is the groundwork for Axcel's ability to gain access to capital from investors. Management agreements with funds under management are generally contingent on that the partners continue to work for Axcel during the investment period.

At year-end, Axcel had 47 employees compared to 43 employees last year. The office in Copenhagen employs 31 and 16 employees are in Stockholm.

## Corporate social responsibility

It is the mission of Axcel Management to generate returns for its investors by acquiring, developing and improving, and selling medium-sized Nordic companies. Working towards this mission, Axcel believes that profit and positive impact are intrinsically linked and that companies with robust ESG management capabilities are more valuable. Axcel furthermore believes that as active owners, Axcel has an important role to play in contributing to the transition to a more sustainable economy. For these reasons, Axcel has integrated sustainability considerations in its investment process and its own operations.

### Commitments

Axcel has been a signatory to the UN Guiding Principles since 2010 and to the Principles for Responsible Investment (PRI) since 2014. As signatories to the Principles for Responsible Investment and the United Nations Global Compact, Axcel is committed to the objectives of the Paris Agreement and the UN Sustainable Development Goals. Axcel is furthermore members of the Nordic industry associations including Active Owners Denmark, SVCA, FVCA, and NVCA and are committed to following their guidelines.

### Policies and Procedures

Axcel's commitment to sustainability is underpinned by its policies and procedures, which include a Code of Conduct, Compliance Policy, Sustainability Policy, Investment and Due Diligence Policy, Personal Data Policy, and Diversity Policies for the Axcel Board and Axcel Management whereby Axcel commits to seeking to ensure both genders are represented in all functions. Axcel has not adopted a policy for data ethics, because Axcel does not process large amounts of data itself or make use of algorithms for data analysis. The investments owned by the funds Axcel manages have differing business areas and can therefore process data to an extent where it is advisable to adopt a data policy. The data policies of investments are published in their consolidated accounts or on their website. All Axcel policies are approved by Axcel's Board of Directors.

The Head of Sustainability is responsible for the development and implementation of the sustainability strategy, which is overseen by the Axcel Management partners, the Axcel Advisory Board, and the Axcel Board of Directors. This work includes ensuring appropriate risk management of ESG factors, including risks related to climate change. In portfolio companies, sustainability efforts are overseen by the company's Board of Directors, where Axcel is always represented, and led by Executive Management. Axcel requires that the boards of directors of

the portfolio companies follow up on all ESG matters which may emerge during due diligence, in the course of audits, in the regular risk reporting cycle, during self-assessments, or in the course of the day-to-day-business. Progress on sustainability matters in the portfolio is monitored through quarterly reporting to Axcel Management and an annual review by the company Board of Directors.

The Sustainability Policy makes specific reference to Axcel's commitment to respect human and labour rights, in line with its commitment to the United Nations Global Compact. Considerations and actions to address human rights risks and opportunities are described in the investment process and social performance sections. Axcel's Sustainability Policy highlights Axcel's commitment to undertake initiatives to promote greater environmental responsibility as part of its commitment to the United Nations Global Compact. Axcel is committed to the Science Based Target initiative and has set ambitious climate targets in line with their methodology. Considerations and actions to address environmental risks and opportunities are described in the investment process and social performance sections. Axcel's Sustainability Policy highlights Axcel's commitment to work against all forms of corruption as part of its commitment to the United Nations Global Compact. Considerations and actions to prevent corruption are described in the investment process and governance performance sections

**Investment process**

Axcel 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 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 EU 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 consultants' findings serve as input for the overall assessment of an opportunity and guide the future ESG work with the company within a value-creation plan that aims to secure a successful exit.

*Active ownership*

As an active owner, Axcel 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 implements a five-step sustainability programme in portfolio companies. (i) Embed sustainability in policies and management systems: Axcel 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 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 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.

**Sustainability targets**

In 2022 Axcel Management defined a set of sustainability focus areas and targets. Axcel identified four areas where it can have material and measurable impact across the portfolio: (i) ESG management, (ii) Climate change, (iii) Diversity, equity, & inclusion, and (iv) People & culture.

i. ESG management: Axcel seeks to contribute to UN Sustainable Development Goal 12, Target 12.6: "Encourage companies … to adopt sustainable practices and to integrate sustainability information into their reporting cycle." Axcel targets 100% implementation of required policies and commitments, and definition of ESG priorities linked to the UN Sustainable Development Goals, within one year of ownership.

ii. Climate change: Axcel seeks to contribute to UN Sustainable Development Goal 13: "Take urgent action to combat climate change and its impacts." Axcel has committed to the Science Based Targets initiative. The targets have been developed using the Private Equity Sector Guidance. Axcel committed to sourc-

ing at least 85% renewable electricity. More importantly, Axcel has committed to encouraging its companies to set science-based targets. Axcel targets that 60% of its companies to have set science-based targets by 2025 and for 100% to have done so by 2030.

iii. Diversity, equity, & inclusion: Axcel seeks to contribute to UN Sustainable Development Goal 5, Target 5.5: "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life." Axcel is committed to both genders being represented on all boards going forward, and targets that by 2023 40% of independent board members will be of the underrepresented gender across all boards established after June 2021. Axcel furthermore targets that 40% of new hires to leadership teams in portfolio companies are of the underrepresented gender during Axcel's ownership period.

iv. People & culture: Axcel seeks to contribute to UN Sustainable Development Goal 8, Target 8.8: "Protect labour rights and promote safe and secure working environments for all workers…" Axcel measures the share of companies with employee engagement surveys and collects data on sickness absence and work-related injuries.

**Environmental performance**

Axcel seeks to identify and mitigate adverse impacts on environmental factors and to increase positive impacts considering its own business activities and the activities of its portfolio companies. Axcel furthermore considers how environmental factors may pose financial risks and opportunities to itself and its portfolio companies.

During 2023 climate change has continued to be a focus area for Axcel. As per 30 September 2023, ,82% of Axcel companies measure and report on GHG emissions. Furthermore, 4 companies, representing 43% of invested capital in Axcel funds IV, V, VI, and VII (in companies owned for more than two years), have set approved science-based targets. In 2023, Axcel purchased guarantees of origin for 100% of its electricity consumption in Denmark and Sweden. Axcel continued to apply the TCFD framework using two climate change scenarios to support the assessment of climate-related risks and opportunities in its companies.

As per the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel monitors impacts on GHG emissions, energy consumption, biodiversity, water, and waste. A PAI report was published on Axcel's website on 30 June 2023 which contains results from 2022. A second PAI report will be published by 30 June 2024 with full year 2023 results.

**Social performance**

Axcel seeks to identify and mitigate adverse impacts on social factors and to increase positive impacts considering its own business activities and the activities of its portfolio companies. Axcel furthermore considers how social factors may pose financial risks and opportunities to itself and its portfolio companies. Axcel and its companies seek to identify, prevent, and mitigate actual and potential adverse human rights impacts by defining

ESG action plans based on double materiality assessments. Not doing so could pose a risk for the reputation of Axcel and / or its companies. No severe actual human rights impacts have been identified during the financial year. Focus areas during 2023 have included diversity, employee wellbeing, and employee safety. Focus on human rights will continue in 2024.

During 2023 diversity, equity, & inclusion continued to be a focus area for Axcel. Axcel Management seeks to improve gender diversity in its own organization, in its boards, and in the leadership teams of its portfolio companies.

To improve gender diversity in its own organization, Axcel Management is an active sponsor of the organization "women in finance" (kvinder i finans) and is a member of the Level 20 Nordic Executive Committee. Through these organizations Axcel seeks to increase interest and awareness of private equity careers amongst women and to support women in entering and succeeding in the private equity industry. During 2023 several events and programmes were held including the Private Equity Female Academy for university students and various networking and coaching opportunities for women working in the private equity industry. As per 30 September 2023, 39% of Axcel Management employees were women and 20% of investment team members were women. Within the investment team the share of women by level was as follows:

| Role | Share women |
|---|---|
| Interns | 40% |
| Junior | 50% |
| Mid | 22% |
| Upper | 14% |
| Partner | 0% |

Axcel's Board of Directors is comprised of three members, one of whom is a woman, resulting in 33% of Board members being women. Axcel's Advisory Board is comprised of seven members, three of whom are women, resulting in 43% of Advisory Board members being women.

Axcel Management targets that by 2023, 40% of independent board members will be of the underrepresented gender across all boards established after June 2021. As per 30 September 2023, 37% of independent board members were women in boards established after June 2021 (including Axcel Advisory Board).

Axcel 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). The target applies from January 2022 onwards.

As per 30 September 2023

- 25% of Axcel companies have achieved a 60/40 gender split in the leadership team, and there is therefore no underrepresented gender
- 20% of Axcel companies have met the target of 40% of additions to leadership teams being of the underrepresented gender
- 50% of Axcel companies have not met the target of 40% of additions to leadership teams being of the underrepresented gender
- 0% of Axcel companies did not make additions to the leadership team
- 5% of Axcel companies have not yet reported on additions to 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. Focus on improving gender diversity will continue in 2024.

During 2023 people & culture continued to be a focus area for Axcel. Axcel monitors whether companies implement employee engagement surveys and if they have targets on survey results. Focus on employee matters will continue in 2024. Axcel furthermore monitors sickness absence and work-related injuries in portfolio companies. As per the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel monitors compliance with the OECD Guidelines, the UN Global Compact, unadjusted gender pay gap, board gender diversity, and exposure to controversial weapons.

### Governance performance

Axcel seeks to identify and mitigate adverse impacts on governance factors and to increase positive impacts considering its own business activities and the activities of its portfolio companies. Axcel furthermore considers how governance factors may pose financial risks and opportunities to itself and its portfolio companies. Corrupt practices can put the reputation of our firm at risk and undermine future investment opportunities as well as erode value of existing portfolio companies.

Axcel therefore targets 100% implementation of required policies and commitments, and definition of ESG priorities linked to the UN Sustainable Development Goals, within one year of ownership. This target applies to companies in Axcel VI and Axcel VII. As per 30 September 2023, 14% of Axcel companies had already been owned for more than one year when the target was defined and meet all requirements, 57% of Axcel companies had implemented Axcel required ESG policies, commitments, and processes within one year of ownership, 21% of Axcel companies did not meet the deadline but have subsequently met all requirements, and 7% of Axcel companies have not yet been owned for one year.

Axcel's Sustainability Policy commits to working against all forms of corruption as a signatory to the UN Global Compact. Axcel's Code of Conduct includes restrictions on giving and receiving business gifts. The Code of

Conduct furthermore prohibits the exchange of gifts with government officials as well as making political contributions in line with the Foreign Corrupt Practices Act. All Restricted Persons must certify that they have read and understood the Code of Conduct through a signed acknowledgement. Compliance is overseen by the Compliance Officer. Portfolio companies are required to commit to the UN Global Compact and thereby to work against all forms of corruption. Anti-corruption is addressed in portfolio company policies. Axcel has not encountered any cases of corruption during the financial year and will continue to have a focus on the matter going forward.

As signatories to the UN Global Compact and in accordance with the requirements set out in the SFDR PAI template (Table 1 of Annex I of the Regulatory Technical Standards) Axcel monitors ESG incidents in its portfolio companies. All companies are required to implement a whistleblower system and report incidents to Axcel. During 2023 no significant incidents occurred.

## Particular risks

*Risk management*

The Board of Directors determines the overall risk management policy and regularly receives risk management reports. The daily risk management is conducted by a risk manager.

*Business risks*

Special situations may occur which can cause a management agreement with a fund to be terminated or altered significantly. For example, if a certain number of key persons are no longer on Axcel's staff and no substitutes are engaged in time.

Financial risks and other relevant risks are commented on in note 3.

## Development in activities and finances

Profit for the year is DKK 76,078 thousand, against last year's profit of DKK 29,341 thousand, which Management considers satisfactory. The increase in earnings is attributed to the successful fundraising of Axcel VII, from which a management fee of DKK 111,734 thousand was derived during 2023. On 31 December 2023, equity amounts to DKK 131,647 thousand, compared to DKK 54,684 thousand on 31 December 2022.

## Uncertainty relating to recognition and measurement

Management believes that no material uncertainty is related to recognition and measurement of any of the assets or liabilities on the balance sheet.

## Unusual circumstances

Management has not identified any unusual circumstances that might have affected recognition or measurement in the financial statements.

## Events after the balance sheet date

No events have occurred after the balance sheet date which would influence the annual report.

## Outlook and other forward-looking statements

Management expects profits for 2024 of DKK 105-115 million.

## The Board of Directors' proposed dividend

The Board of Directors proposes that the Company pays a dividend of DKK 94 million for the financial year 2023.

## The Board of Directors' managerial posts

The members of the Company's Management hold the following managerial posts in other commercial enterprises:

**Povl Christian Lütken Frigast**

| Chairman of the Board of Directors | Board member | Executive officer |
|---|---|---|
| Active Owners Denmark | Danish Ship Finance | Frigast A/S |
| Axcel Management A/S | EIFO Danmarks Eksport- | |
| Axcelfuture | og Investeringsfond | |
| Board Leadership Society in Denmark | Nissens A/S | |
| Danish Ship Finance Holding | | |
| Axcel Advisory Board (Deputy Chairman) | | |
| Pandora A/S (Deputy Chairman) | | |
| PostNord (Deputy Chairman) | | |

**Lars Rebien Sørensen**

| Chairman of the Board of Directors | Board member |
|---|---|
| Axcel Advisory Board | Jungbunzlaur Suisse AG |
| Novo Nordisk Fonden | Thermo Fisher Scientific Inc. |
| Novo Holdings A/S | |
| Ferring AG (Deputy Chairman) | |

**Caroline Sundorph Pontoppidan**

| Managerial posts |
|---|
| Maersk A/S, Director (and managerial posts in 15 subsidiaries) |
| Danmark-Amerika Fondet (Deputy Chairman) |
| Dansk Industri (Executive Committee member) |
| Danish Shipping (Vice Chair) |

**Christian Gymos Schmidt-Jacobsen**
*Company (number of subsidiaries)*

| Chairman of the Board of Directors | Board member | Executive officer |
|---|---|---|
| Axcel Management Holding ApS | AX IV HoldCo A/S | Axcel Management Holding ApS |
| Axcel Management AB | AX VI INV5 Holding III ApS (7) | Axcel GP Fonden (3) |
| Axcel GP Fonden (3) | Ax VI INV6 Holding III ApS (2) | AX VI INV8 Holding III A/S |
| Ax VI Edda Group Holding III ApS (2) | emagine Holding III A/S | AX VII INV1 Holding III ApS (2) |
| Edda Group ApS (1) | AX VII INV1 Holding II ApS (2) | Spero Invest ApS (1) |
| (Deputy Chairman) | Axcelfuture | |

# Income statement and statement of comprehensive income

| Parent | | | Group | |
|---|---|---|---|---|
| 2023 DKK'000 | 2022 DKK'000 | | 2023 DKK'000 | 2022 DKK'000 |
| 225,154 | 149,403 | Fees and commission income | 225,154 | 149,403 |
| **225,154** | **149,403** | **Net fees and commission income** | **225,154** | **149,403** |
| (149,424) | (114,206) | Staff costs and administrative expenses | (115,229) | (104,426) |
| (5,136) | (5,393) | Amortisation, depreciation of and impairment losses on intangible assets and property, plan and equipment | (7,498) | (7,226) |
| **70,569** | **29,804** | **Profit before financial income and expenses, net** | **102,402** | **37,751** |
| 24,636 | 6,160 | Profit/loss from investments in group enterprises | 0 | 0 |
| 785 | 232 | Financial income | 787 | 233 |
| (868) | (490) | Financial expenses | (1,410) | (639) |
| (1,144) | 312 | Foreign currency translation adjustments | (1,344) | 299 |
| **93,978** | **36,018** | **Profit before tax** | **100,435** | **37,644** |
| (17,900) | (6,677) | Income tax | (24,357) | (8,303) |
| **76,078** | **29,341** | **Profit for the year** | **76,078** | **29,341** |
| | | **Proposal for the distribution of profit for the year** | | |
| (42,556) | 23,180 | Transferred to retained earnings | (17,922) | 29,341 |
| 24,634 | 6,161 | Transferred to revaluation reserves | 0 | 0 |
| 94,000 | 0 | Proposed ordinary dividend for the year | 94,000 | 0 |
| **76,078** | **29,341** | **Total distributed profit for the year** | **76,078** | **29,341** |
| | | **Comprehensive income** | | |
| 76,078 | 29,341 | Profit for the year | 76,078 | 29,341 |
| 885 | (479) | Other comprehensive income | 885 | (479) |
| **76,963** | **28,862** | **Total comprehensive income** | **76,963** | **28,862** |

# Balance sheet

## Assets

| Parent | | | | Group | |
|---|---|---|---|---|---|
| 31.12.23 DKK'000 | 31.12.22 DKK'000 | | Note | 31.12.23 DKK'000 | 31.12.22 DKK'000 |
| 12,969 | 16,211 | Owner-occupied property | 13 | 21,595 | 26,943 |
| 5,359 | 6,605 | Other fixtures and fittings, tools and equipment | 14 | 6,363 | 7,514 |
| **18,328** | **22,816** | **Property, plant and equipment** | | **27,958** | **34,457** |
| **18,328** | **22,816** | **Non-current assets** | | **27,958** | **34,457** |
| 155,282 | 36,375 | Receivables from funds under management | | 155,472 | 36,385 |
| 5,157 | 0 | Receivables from group enterprises | | 5,157 | 0 |
| 0 | 0 | Deferred tax assets | 15 | 22 | 0 |
| 7,119 | 10,535 | Other receivables | | 8,052 | 11,213 |
| 21,026 | 1,587 | Prepayments | | 21,657 | 2,229 |
| **188,584** | **48,497** | **Receivables** | | **190,360** | **49,827** |
| 33,760 | 8,239 | Investments in group enterprises | 16 | 0 | 0 |
| **33,760** | **8,239** | **Other investments** | | **0** | **0** |
| **25,620** | **40,706** | **Cash** | | **26,290** | **42,126** |
| **247,964** | **97,442** | **Current assets** | | **216,650** | **91,953** |
| **266,292** | **120,258** | **Total assets** | | **244,608** | **126,410** |

# Balance sheet

## Equity and liabilities

| Parent | | | | Group | |
|---|---|---|---|---|---|
| 31.12.23 DKK'000 | 31.12.22 DKK'000 | | Note | 31.12.23 DKK'000 | 31.12.22 DKK'000 |
| 500 | 500 | Share capital | 17 | 500 | 500 |
| 33,677 | 8,158 | Revaluation reserves | | 0 | 0 |
| 3,470 | 46,026 | Retained earnings | | 37,147 | 54,184 |
| 94,000 | 0 | Proposed ordinary dividend for the year | | 94,000 | 0 |
| **131,647** | **54,684** | **Equity** | | **131,647** | **54,684** |
| 5,572 | 621 | Provisions for deferred tax | 15 | 5,572 | 708 |
| **5,572** | **621** | **Provisions** | | **5,572** | **708** |
| 12,426 | 0 | Credit facility | | 12,426 | 0 |
| 23,831 | 10,853 | Payables to funds under management | | 23,831 | 10,853 |
| 45,565 | 14,341 | Payables to group enterprises | | 0 | 3,932 |
| 12,933 | 8,664 | Current tax liabilities | | 20,784 | 10,026 |
| 34,318 | 31,095 | Other payables | 18 | 50,348 | 46,207 |
| 0 | 0 | Prepayments received | | 0 | 0 |
| **129,073** | **64,953** | **Liabilities other than provisions** | | **107,389** | **71,018** |
| **266,292** | **120,258** | **Total equity and liabilities** | | **244,608** | **126,410** |

Other notes 19-21

# Statement of changes in equity

| | Group | | | |
|---|---|---|---|---|
| | **Share capital DKK'000** | **Retained earnings DKK'000** | **Proposed dividend DKK'000** | **Total DKK'000** |
| Equity beginning of 2023 | 500 | 54,184 | 0 | **54,684** |
| Profit for the period | | (17,922) | 94,000 | **76,078** |
| Other comprehensive income | | 885 | | **885** |
| **Equity end of 2023** | **500** | **37,147** | **94,000** | **131,647** |
| Equity beginning of 2022 | 500 | 25,322 | 103,000 | **128,822** |
| Ordinary dividend distributed | | | (103,000) | **(103,000)** |
| Profit for the year | | 29,341 | | **29,341** |
| Other comprehensive income | | (479) | | **(479)** |
| **Equity end of 2022** | **500** | **54,184** | **0** | **54,684** |

| | Parent | | | | |
|---|---|---|---|---|---|
| | **Share capital DKK'000** | **Revaluation reserves DKK'000** | **Retained earnings DKK'000** | **Proposed dividend DKK'000** | **Total DKK'000** |
| Equity beginning of 2023 | 500 | 8,158 | 46,026 | 0 | **54,684** |
| Profit for the period | | 24,634 | (42,556) | 94,000 | **76,078** |
| Other comprehensive income | | 885 | | | **885** |
| **Equity end of 2023** | **500** | **33,677** | **3,470** | **94,000** | **131,647** |
| Equity beginning of 2022 | 500 | 2,476 | 22,846 | 103,000 | **128,822** |
| Ordinary dividend distributed | | | | (103,000) | **(103,000)** |
| Profit for the year | | 6,161 | 23,180 | | **29,341** |
| Other comprehensive income | | (479) | | | **(479)** |
| **Equity end of 2022** | **500** | **8,158** | **46,026** | **0** | **54,684** |

# Notes

## 1. Summary of significant accounting policies

The consolidated financial statements and the parent financial statements have been presented in accordance with the Danish Act on Alternative Investment Fund Managers etc. and the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. (the Executive Order on Financial Reports).

The consolidated financial statements and the parent financial statements are presented in English and in Danish kroner (DKK).

The format of the income statement and the balance sheet and the designation of certain financial statement items have been adapted to the Company's activity as an alternative investment fund manager.

There have been no changes in accounting policies compared to the annual report for 2022.

### Basis of 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 Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value. However, intangible assets and property, plant and equipment are measured at cost at the time of initial recognition. 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 consolidated financial statements and the parent financial statements 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 the financial year. However, adjustments of the value of owner-occupied property are recognised directly in the statement of comprehensive income.

The purchase and sale of financial instruments is recognised on the trading day, and such recognition ceases when the right to have cash inflow and outflow from the financial asset or liability has expired, or if such right has been transferred, and the Company has transferred, in all material respects, all risks and proceeds relating to the right of ownership. The Company does not apply the rules of reclassification of certain financial assets from fair value to amortised cost.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the closing exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement as foreign currency translation adjustments.

## Income statement

### Administrative fees

Administrative fees consist of management fees for which the investment funds under management by the Company are invoiced. Management fees are recognised as and when earned.

### Staff costs and administrative expenses

Staff costs and administrative expenses include all costs related to staff, rent, IT, placement agents, legal and audit fees, and other administrative expenses. Costs for payments and benefits for employees are recognised concurrently with the employees' performance of such services as entitle them to receive the payments and benefits concerned.

Costs for incentive programmes (variable remuneration) are recognised in profit or loss in the financial year to which the cost is related and in which such remuneration is earned by the employees.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortization and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

### Other operating income and expenses

Other operating income and expenses comprise income and expenses of a nature secondary to the Company’s activities.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts attributable to this financial year. These items comprise interest, realised as well as unrealised foreign exchange gains and losses on receivables, debt and transactions denominated in foreign currencies, and tax surcharges and tax relief under the Danish Tax Prepayment Scheme.

### Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in profit or loss by the portion attributable to the profit/loss for the year, and in other comprehensive income or directly in equity by the portion attributable to entries in other comprehensive income or directly in equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

When computing the current tax for the year, the tax rates and tax rules in effect at the balance sheet date are used.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities. Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net assets.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets for set-off against future positive taxable income. At every balance sheet date, it is assessed whether sufficient taxable income is likely to arise in the future for the deferred tax asset to be used.

## Balance sheet

**Owner-Occupied property**

Owner-Occupied property are measured at present value on initial recognition. Present value are measured based on the leasing liability including expenses and prepayments. All lease contracts are handled equally and are measured at the lessee as a lease asset which represent the right to use the asset.

Straight-line depreciation is made on the basis of the leasing period of the asset:

| | |
|---|---|
| Owner-Occupied property | 5 years |

The lease liability is measured at the present value of the lease payments that are not paid at the date of the statement of financial position.

**Property, plant, and equipment**

Property, plant and equipment are measured at cost on initial recognition. Cost comprises acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

Straight-line depreciation is made on the basis of the estimated useful lives of the other assets:

| | |
|---|---|
| Other fixtures and fittings, tools and equipment | 3 to 5 years |
| Leasehold improvements | 5 years |
| Art objects | No depreciation |

Property, plant and equipment are tested for impairment when there is any indication of impairment, and they are written down to recoverable amount which is the higher of net realisable value and value in use.

**Investments in group enterprises**
Investments in group enterprises are recognised and measured at the enterprises' equity value. Such value is calculated using the reporting entity's own accounting policies.

The carrying amount of investments in group enterprises is revalued or written down by the share of the enterprise's profit or loss and movements in capital. An amount corresponding to the total net revaluation is transferred to "Reserve for net revaluation according to the equity method" in statutory reserves.

**Receivables**
Other assets are measured at amortised cost, usually equalling the nominal amount. The value is reduced by write-downs for bad and doubtful debts using recognised models under IFRS 9, including the Company's historical experience of credit losses etc.

**Prepayments (assets)**
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash and placement of capital in fixed-term deposits in accordance with section 16 of the Danish Alternative Investment Funds Act.

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

**Equity**
*Statutory reserves*
Revaluation reserves comprise revaluation of investments in group enterprises according to the equity method.

*Proposed dividend*
Dividend is recognised as a liability at the time of adoption at the general meeting. Dividend proposed for the financial year is disclosed as a separate item in equity.

## Financial highlights
Financial highlights are defined in accordance with the requirements of the Executive Order on Financial Reports and with the recommendations issued by CFA Society Denmark.

Assets under management are calculated as the total amount of equity in private equity funds under management.

## 2. Significant judgements and estimates, assumptions and uncertainties
The consolidated financial statements and the parent financial statements are prepared based on specific assumptions which involve the use of accounting estimates. These estimates are made by the Company's Management in accordance with the accounting policies and based on historical experience, and assumptions which Management considers reasonable and realistic. Management believes that there are no significant uncertainties related to recognition and measurement of the individual financial statement items.

## 3. Financial risks and financial risk management policies and objectives

The Company continuously develops its tools to identify and manage the risks affecting it on a daily basis. The Board of Directors lays down the overall related policy and regularly receives reports on developments. The daily risk management is conducted by the Risk Manager.

**Capital adequacy requirements**

The Company's capital must always be adequate and comply with the capital adequacy requirements of the Danish Alternative Investment Fund Managers Act for a management company. The capital depends on the Company's earnings and equity that are affected primarily by its earnings from management fees. The CEO monitors that the capital adequacy requirements are met.

**Liquidity risks**

The cash resources are determined with the objective of securing sufficient and stable cash resources. The Company's liquidity is not subject to great risk since management fees are received in advance on a semi-annual basis from the funds under management. It is the Board of Directors' policy to place surplus liquidity in fixed-term deposits with banks that have been assigned at least an A rating.

**Interest rate risks**

The Company's overdraft facility carries a floating interest rate. Any increase in the interest rate level may therefore have an adverse effect on the Company's future financial performance. Management does not consider it appropriate to hedge interest because the amounts drawn on the overdraft facility vary considerably and because the interest rate must increase heavily before this will have a material effect on the Company's financial performance.

**Currency risks**

Management fees are charged and paid in EUR or DKK whereas a large share of the Company's expenses are incurred in SEK. It is company policy to hedge the expected purchases of SEK for the coming year. Management fees received in EUR are not hedged.

**Credit risks**

Axcel regularly incurs expenses for and regularly provides other relevant services to the funds under management and companies owned by the funds. Management monitors credit risks on a current basis, however, these are generally considered very low since the funds' outstanding balances are usually covered by capital committed by the investors.

## 4. Five-year financial highlights of the Group

| | 2019<br>DKK'000 | 2020<br>DKK'000 | 2021<br>DKK'000 | 2022<br>DKK'000 | 2023<br>DKK'000 |
|---|---|---|---|---|---|
| **Financial highlights** | | | | | |
| **Income statement** | | | | | |
| Net fees and commission income | 96,881 | 126,676 | 197,965 | 149,403 | 225,154 |
| Staff costs and administrative expenses | 75,472 | 73,459 | 88,539 | 104,426 | 115,229 |
| Profit before financial income and expenses, net | 10,209 | 45,652 | 101,517 | 37,751 | 102,402 |
| Profit for the year | 7,910 | 35,353 | 78,708 | 29,341 | 76,078 |
| **Balance sheet** | | | | | |
| Equity | 38,744 | 74,152 | 128,822 | 54,684 | 131,647 |
| Total assets | 84,023 | 166,244 | 169,961 | 126,410 | 235,917 |
| **Financial ratios** | | | | | |
| Capital adequacy ratio | 46.1% | 44.6% | 75.8% | 43.3% | 55.8% |
| Return on equity before tax | 27.8% | 80.4% | 99.4% | 41.0% | 107.8% |
| Return on equity after tax | 21.5% | 62.6% | 77.6% | 32.0% | 81.7% |
| Average headcount | 36 | 36 | 37 | 43 | 47 |
| Number of AIFs under management | 8 | 11 | 11 | 11 | 12 |
| Number of investments in the funds | 12 | 15 | 18 | 19 | 20 |
| Assets under management (DKK'm) | 5,743 | 6,783 | 10,614 | 10,577 | 12,767 |

| Parent 2023 DKK'000 | Parent 2022 DKK'000 | | Group 2023 DKK'000 | Group 2022 DKK'000 |
|---|---|---|---|---|
| | | **5. Net fees and commission income** | | |
| 0 | 8,206 | Axcel IV | 0 | 8,206 |
| 28,252 | 40,881 | Axcel V | 28,252 | 40,881 |
| 85,168 | 100,316 | Axcel VI | 85,168 | 100,316 |
| 111,734 | 0 | Axcel VII | 111,734 | 0 |
| **225,154** | **149,403** | **Total net fees and commission income** | **225,154** | **149,403** |
| | | **6. Staff costs and administrative expenses** | | |
| 57,434 | 53,553 | Staff costs | 82,460 | 74,066 |
| 91,990 | 60,653 | Other administrative expenses | 32,769 | 30,360 |
| **149,424** | **114,206** | **Total costs and expenses** | **115,229** | **104,426** |

**Depositary expenses**
Axcel Management A/S has not incurred any expenses for fund depositaries. Such expenses are incurred directly by the funds.

| | | | | |
|---|---|---|---|---|
| | | **Staff costs** | | |
| 45,071 | 41,843 | Wages and salaries | 63,053 | 56,820 |
| 70 | 73 | Pension contributions | 85 | 88 |
| 160 | 181 | Other social security costs | 5,233 | 4,623 |
| 12,133 | 11,456 | Other staff costs | 14,089 | 12,535 |
| **57,434** | **53,553** | **Total staff costs** | **82,460** | **74,066** |
| | | Average number of employees converted | | |
| 31 | 30 | into full-time employees | 47 | 43 |

Staff costs are not allocated to the individual funds.

| | Group 2023 DKK'000 | Group 2022 DKK'000 |
|---|---|---|
| **Remuneration of employees able to exert significant influence on the risk profile (risk takers)** | | |
| Fixed remuneration | 18,193 | 18,124 |
| Variable remuneration | 686 | 546 |
| **Total remuneration** | **18,879** | **18,670** |
| Average number of risk takers converted into full-time employees | 7 | 8 |

## Remuneration policy

Axcel has adopted a written remuneration policy covering management and other employees whose activities have a significant impact on Axcel's risk profile or the risk profile of the alternative investment funds under management. The purpose of the remuneration policy is to promote sound and efficient risk management. Among the elements of the remuneration policy are that up to 60% of the variable pay must be deferred for up to three years and that payment of the deferred bonus can only take place if the criteria applicable at the vesting date still apply. The remuneration policy also includes other restrictions, for instance, that the Board of Directors is precluded from receiving variable pay and that the variable pay element for employees in control functions may solely be based on the actual work performed by such employees and not on the general financial development of the fund manager or the funds.

### Management and other employees' co-investments in funds under management

Management and other current or former employees of Axcel co-invest in companies owned by the alternative investment funds under management. The investments are made both on the same terms as the investors (although no management fee is paid) and in a special share class which holds certain rights to obtain a preferential return (carried interest) if certain criteria are met. This will be met when the alternative investment fund has repaid all capital contributed by the investors plus a pre-arranged return on the contributed capital. If carried interest is realised, a portion hereof shall be retained in escrow until further requirements are fulfilled. Any realised carried interest may be recalled (reclaimed) until the relevant fund is terminated.

## Wages and remuneration to management

Total remuneration to the Board of Directors in 2023 was DKK 1,1 million (2022: DKK 1,1 million). As of 31 December 2023, the Board of Directors consists of 3 persons (2022: 3). The Executive Board consists of 1 person (2022: 1).

No variable board fee has been paid in the period 2022-2023 to members of the Board of Directors. No variable fee has been paid in the period 2022-2023 to Executive Board.

According to Section 22(3) in the Danish Alternative Investment Fund Managers etc. Act, Axcel is required to disclose wages and remuneration to each of the management members. The individual remuneration to the Executive Board and the Board of Directors is published on Axcel's website: https://www.axcel.dk.

| Parent | | | Group | |
|---|---|---|---|---|
| 2023 DKK'000 | 2022 DKK'000 | | 2023 DKK'000 | 2022 DKK'000 |
| | | **7. Audit fees** | | |
| 118 | 96 | Statutory audit of consolidated financial statements and parent financial statements | 204 | 176 |
| 34 | - | Tax advisory services | 34 | - |
| 1,478 | 382 | Other services | 1,478 | 382 |
| **1,630** | **478** | **Total audit fees** | **1,716** | **558** |

Other services is comprised of KYC, compliance and ESG related services.

| | | | | |
|---|---|---|---|---|
| | | **8. Amortisation, depreciation of and impairment losses on intangible assets and property, plant and equipment** | | |
| 3,242 | 2,533 | Depreciation of owner-occupied property | 5,327 | 4,099 |
| 1,911 | 2,830 | Depreciation of other fixtures and fittings, tools and equipment | 2,190 | 3,097 |
| (17) | 30 | Loss/profit on sale of other fixtures and fittings, tools and equipment | (19) | 30 |
| **5,136** | **5,393** | **Amortisation, depreciation of and impairment losses on intangible assets and property, plant and equipment** | **7,498** | **7,226** |
| | | **9. Financial income** | | |
| 0 | 9 | Interest income from receivables | 0 | 9 |
| 785 | 223 | Other interest income | 787 | 224 |
| **785** | **232** | **Total financial income** | **787** | **233** |
| | | **10. Financial expenses** | | |
| 747 | 235 | Interest expense, leasing | 1,228 | 384 |
| 121 | 255 | Other interest expenses | 182 | 255 |
| **868** | **490** | **Total financial expenses** | **1,410** | **639** |
| | | **11. Foreign currency translation adjustments** | | |
| (1,144) | 312 | Foreign currency | (1,344) | 299 |
| **(1,144)** | **312** | **Total foreign currency translation adjustments** | **(1,344)** | **299** |

| Parent | | | Group | |
|---|---|---|---|---|
| 2023 DKK'000 | 2022 DKK'000 | | 2023 DKK'000 | 2022 DKK'000 |
| | | **12. Income tax** | | |
| 12,933 | 8,604 | Tax payable | 19,498 | 10,208 |
| 4,952 | (1,927) | Change in deferred tax | 4,845 | (1,908) |
| 15 | 0 | Adjustment regarding previous years | 14 | 3 |
| **17,900** | **6,677** | **Tax on profit for the year** | **24,357** | **8,303** |
| 20,675 | 7,924 | Calculated tax using the current tax rate* | 22,096 | 8,173 |
| (5,420) | (1,355) | Tax on profit from investments in group enterprises | 0 | 0 |
| 43 | 108 | Tax base of non-deductible expenses and non-taxable income | 2,247 | 127 |
| 15 | - | Adjustment of tax payable for previous years | 14 | 3 |
| **15,313** | **6,677** | **Tax on profit for the year** | **24,357** | **8,303** |

**/ The current income tax for the financial year is computed on the basis of a tax rate of 25.2% for Danish enterprises (2022: 22%). Deferred tax is calculated using a tax rate of 26%. For the Swedish subsidiary a corporate tax rate of 20.6% is used.*

| | | | | |
|---|---|---|---|---|
| **16.3%** | **18.5%** | **Effective tax rate** | **24.3%** | **22.1%** |
| | | **13. Owner-occupied property** | | |
| 24,510 | 14,415 | Cost beginning of year | 40,555 | 23,811 |
| 0 | 0 | Foreign currency translation adjustment | 0 | (375) |
| 0 | 10,095 | Revaluation for the year | 0 | 17,119 |
| **24,510** | **24,510** | **Cost end of year** | **40,555** | **40,555** |
| (8,299) | (5,766) | Depreciation and impairment losses beginning of year | (13,612) | (9,513) |
| 0 | 0 | Foreign currency translation adjustment | (21) | 0 |
| (3,242) | (2,533) | Depreciation for the year | (5,327) | (4,099) |
| **(11,541)** | **(8,299)** | **losses end of year** | **(18,960)** | **(13,612)** |
| **12,969** | **16,211** | **Carrying amount end of year** | **21,595** | **26,943** |

| Parent | | | Group | |
|---|---|---|---|---|
| 2023 DKK'000 | 2022 DKK'000 | | 2023 DKK'000 | 2022 DKK'000 |
| | | **14. Other fixtures and fittings, tools and equipment** | | |
| 21,202 | 19,954 | Cost beginning of year | 24,991 | 23,982 |
| 0 | 0 | Foreign currency translation adjustment | 18 | (309) |
| 665 | 1,248 | Additions for the year | 1,033 | 1,318 |
| **21,867** | **21,202** | **Cost end of year** | **26,042** | **24,991** |
| (14,597) | (11,767) | Depreciation and impairment losses beginning of year | (17,477) | (14,604) |
| 0 | 0 | Foreign currency translation adjustment | (12) | 224 |
| (1,911) | (2,830) | Depreciation for the year | (2,190) | (3,097) |
| **(16,508)** | **(14,597)** | **Depreciation and impairment losses end of year** | **(19,679)** | **(17,477)** |
| **5,359** | **6,605** | **Carrying amount end of year** | **6,363** | **7,514** |
| | | **15. Provisions for deferred tax** | | |
| (152) | 0 | Owner-occupied property and debt | (232) | 0 |
| 359 | 238 | Other fixtures and fittings, tools and equipment | 417 | 325 |
| 5,365 | 383 | Prepayments | 5,365 | 383 |
| **5,572** | **621** | **Total deferred tax*** | **5,550** | **708** |

**/ Deferred tax is calculated using a tax rate of 26% for the parent company. For the Swedish subsidiary a corporate tax rate of 20.6% is used.*

| | | | | |
|---|---|---|---|---|
| | | **16. Investments in group enterprises** | | |
| 82 | 82 | Cost beginning of year | | |
| **82** | **82** | **Cost end of year** | | |
| 8,157 | 2,476 | Revaluations and write-downs beginning | | |
| 885 | (479) | Foreign currency translation adjustments | | |
| 24,636 | 6,160 | Share of net profit for the year | | |
| **33,678** | **8,157** | **Revaluations and write-downs end of year** | | |
| **33,760** | **8,239** | **Carrying amount end of year** | | |

**Investments in group enterprises comprise:**
Axcel Management AB based in Stockholm, Sweden. The company is wholly owned by Axcel Management A/S.

### 17. Share capital

The share capital amounts to DKK 500,000 distributed on 500 shares in denominations of DKK 1,000. The shares are not divided into classes.

| Parent | | | Group | |
|---|---|---|---|---|
| 2023 DKK'000 | 2022 DKK'000 | | 2023 DKK'000 | 2022 DKK'000 |
| | | **18. Other payables** | | |
| 120,383 | 64,953 | Other payables falling due within one year | 98,698 | 71,018 |

## 19. Contingent liabilities

The Company participates in a Danish joint taxation arrangement with Axcel Management Holding ApS serving as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes and for obligations relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The Company has not recorded any other obligations regarding consolidated companies.

## 20. Related parties

All related party transactions have been conducted on an arm's length basis.

**Related parties with a controlling interest in the Company**

Axcel Management Holding ApS, Copenhagen, Denmark, whole owner.

**Related party transactions in the financial year**

The Company has had the following transactions with related parties in the financial year:

| Name | Basis of influence | Nature and scope of transactions |
|---|---|---|
| Christian Frigast | Chairman of the Board of Directors | Directors' fees |
| | | Fee for participating in boards of directors of companies owned by funds managed by Axcel |
| | Deputy Chairman of Axcel's Advisory Board | Consultancy fee |
| Lars Rebien Sørensen | Deputy Chairman of the Board of Directors | Directors' fees |
| | Chairman of Axcel's Advisory Board | Consultancy fee |
| Caroline Sundorph Pontoppidan | Board member | Directors' fees |
| Christian Schmidt-Jacobsen | Executive officer, board member and co-owner | Salary |

| Name | Basis of influence | Nature and scope of transact-tions |
|---|---|---|
| Asbjørn Mosgaard Hyldgaard | Partner and co-owner | Salary |
| Björn Larsson | Partner and co-owner | Salary |
| Christian Bamberger Bro | Partner and co-owner | Salary |
| Christoffer Arthur Müller | Partner and co-owner | Salary |
| Lars Cordt | Partner and co-owner | Salary |
| Thomas Blomqvist | Partner and co-owner | Salary |

During the financial year, Axcel Management AB has invoiced Axcel Management A/S for a total management fee of SEK 96,689 thousand (2022: SEK 46,243 thousand). This amount is included in the parent financial statement item “Staff costs and administrative expenses”. For specification of management fee refer to note 5.

## 21. Shareholder information

Axcel Management Holding ApS (Copenhagen, Denmark) is the sole shareholder of Company.