AXCEL

Axcel VI K/S 2
c/o Plesner
Amerika Plads 37
2100 København Ø
Central Business Registration No 40754474

Annual report for the financial year 1 January – 31 December 2021

The General Meeting adopted the annual report on 9 February 2022

Chairman of the General Meeting

Name: Jesper Frydensberg Rasmussen

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Fund details

Fund

Axcel VI K/S 2
c/o Plesner
Amerika Plads 37
DK-2100 København Ø

Central Business Registration No: 40754474
Registered in: Copenhagen
Financial year: 01.01.2021 – 31.12.2021

General Partner

Axcel VI GP ApS

Depositary

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

Management

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

Anders Lavesen, chairman
Simon Krogh
Christian Gymos Schmidt-Jacobsen

Board of Directors in Axcel Management A/S

Povl Christian Lütken Frigast, chairman
Lars Rebien Sørensen, vice chairman
Caroline Sundorph Pontoppidan

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by the General Partner on the annual report

The Board of Directors in Axcel VI GP ApS has today considered and approved the annual report of Axcel VI K/S 2 ("the Fund") for the financial year 01.01.2021 – 31.12.2021.

The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 – 31.12.2021.

In our opinion, the management commentary contains a fair review of the development of the Fund's business and financial matters, the results for the year and of the Fund's financial position as a whole, together with a description of the principal risks and uncertainties that the Fund faces.

Copenhagen, 26 January 2022

Board of Directors in Axcel VI GP ApS

Anders Lavesen
Anders Lavesen (1. Feb 2022 13:08 GMT+1)
Anders Lavesen
Chairman

Christian Gymos Schmidt-Jacobsen

Simon Krogh
Simon Krogh (11. Feb 2022 14:57 GMT+1)
Simon Krogh

Independent auditor's report

To the General Partner and Limited Partners of Axcel VI K/S

Opinion

We have audited the financial statements of Axcel VI K/S 2 for the financial year, 01.01.2021 – 31.12.2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Fund's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 – 31.12.2021 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements of the Danish Financial Statements Act. 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 Fund in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements of the Danish Financial Statements Act., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

General Partner's responsibilities for the financial statements

The General Partner is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act., and for such internal control as the General Partner 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, the General Partner is responsible for assessing the Fund'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 the General Partner either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA the additional requirements applicable in Denmark will always detect a material misstatement when it exits. 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.
- Conclude on the appropriateness of the General Partner'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 Fund'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 Fund 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.

Independent auditor's report

Statement on the Management commentary

The General Partner 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 under the Danish Financial Statements Act.

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 the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26 January 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Bill Haudal Pedersen
State Authorised Public Accountant
mne30131

Michael Thorø Larsen
State Authorised Public Accountant
mne35823

Management commentary

Primary activities

Axcel VI K/S 2 ("the Fund") is a private equity fund that invests in mid-size Nordic based companies with the purpose of developing these commercially. Axcel VI K/S 2 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 21 February 2020 and had final close on 20 August 2021. Axcel VI K/S will co-invest with other partnerships and the funds have a combined commitment of EUR 807m.

During 2021, the Fund made three investments and entered into agreements to purchase four additional companies of which two will combined as one. Once these investments are closed, the Fund will have invested 55% of the committed capital in nine companies. In the Axcel Annual Review which is published around May, you can also find additional information about Axcel and how the funds managed by Axcel have performed over time.

The result for the year is a gain of approximately EUR 26.3 million compared to a loss of EUR 1 million last year.

Material changes in the accounting year and other information

According the the Danish disclosure requirements of the AIFMD Act[1] the Annual report shall contain information on material changes as listed in §§ 62, 64 and 65.

The strategy of the Fund has since the formation been unchanged. The Fund does not make use of gearing.

The Fund has appointed Intertrust Depositary Services (Denmark) A/S as depositary to the Fund.

The share of assets placed in illiquid assets amount to approximately 99.8%. No special requirements are attached to these assets.

The Fund is close-ended and therefore bears no liquidity risk towards the limited partners. The Fund Manager has established risk management systems for measuring the Funds liquidity. The liquidity is managed in such a way that the value of the Funds assets and the undrawn commitment from the Funds investors at all times shall be adequate to honor the Funds actual and potential liabilities.

[1] In Danish "Lov om forvaltere af alternative investeringsfonde"

Management commentary (continued)

Uncertainty relating to recognition and measurement

When preparing the Fund's annual report, the General Partner, in accordance with legislative provisions, makes accounting judgements and estimates which form the basis of the annual report. The accounting judgement and estimates made by the General Partner are described in the paragraph "Material uncertainty related to recognition and measurement" under accounting policies to which we refer. Such estimates are primarily relating to the measurement of investments in portfolio companies made on the basis of assumptions which the General Partner considers reasonable and realistic, but which are uncertain by nature.

Unusual circumstances affecting recognition and measurement

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

Events after the balance sheet date

After the reporting date, the investment in Bullwall was closed. No other signicant events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Outlook

Forthcoming results of Axcel VI K/S 2 depend on the portfolio companies performance and the stock market development in general for which it is not possible to provide forward looking statements.

Key numbers for Axcel VI K/S 2

	2021 EUR'000	2019/20 EUR'000
Financial highlights		
Key figures		
Profit/loss from ordinary activities (EBIT)	26,320	-1,052
Profit/loss for the year	26,285	-1,053
Equity	165,173	27,464
Balance sheet total	243,902	97,831
Ratios		
Solvency ratio (%)	67.7	28.1
Return on average equity (%)	8.0	(1.9)

Limited partners in Axcel VI invests via three separate partnerships Axcel VI K/S, Axcel VI K/S 2 and Ax VI Management Invest K/S. Annual accounts are prepared for all three partnerships and the overview only represent the financial numbers for Axcel VI K/S 2.

Corporate social responsibility

It is the mission of Axcel to generate returns for our investors by acquiring, developing, and improving, and selling medium-sized Nordic companies. Working towards this mission, we believe not only in economic

Management commentary (continued)

sustainability, but also in responsible investment practices that consider our environmental and social responsibility, and good corporate governance. For this reason, Axcel has pledged itself to acting responsibly towards the companies we own and in the way we run our business in general. Anything else would affect the Fund's reputation and potentially also the value of our investments.

Our ambition is to ensure that our companies have the required foundation for long term sustainable growth, delivering value to investors and society at large. We therefore integrate ESG in our investment processes, from sourcing and due diligence, through active ownership and exit.

Sourcing and Due Diligence

We incorporate relevant sustainability factors in our general evaluation criteria when screening for future investment options and have defined a set of industry exclusion criteria in line with industry standards. We furthermore perform an ESG due diligence ahead of any new investment. The ESG due diligence identifies material topics based on industry, geography and business model and assesses the target's maturity within identified risk and opportunity areas. We analyse our findings and incorporate them in our risk assessment, valuation processes, and investment committee material.

Active ownership

We have developed a rigorous sustainability strategy development process that adheres to international frameworks including the OECD Guidelines, the UN Guiding Principles, the Task Force on Climate Related Finance Disclosures, and the UN Sustainable Development Goals. We require all our companies to commit to the UN Global Compact and report externally on progress on sustainability matters annually in their UN Communication on Progress reports.

Exit

The efforts and achievements of our companies related to sustainability are highlighted in the exit story. By working with our companies in a comprehensive and structured manner we integrate sustainability in company structures so that their sustainability efforts continue to flourish long after our exit.

Governance

We have been signatories to the UN Global Compact since 2010 and to the Principles for Responsible Investment (PRI) since 2014. We are furthermore members of the Nordic industry associations including Active Owners Denmark, SVCA and NVCA. 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.

Our commitment to sustainability is underpinned by Axcel's policies and procedures, which include our Code of Conduct, Compliance Policy, Sustainability Policy, Personal Data Policy, and Diversity Policies for our Board and Axcel Management. All policies are approved by our Board of Directors. The Head of Sustainability is responsible for the development and implementation of our sustainability strategy, which is overseen by the

Management commentary (continued)

Axcel Management partners, the Axcel Advisory Board, and the Axcel Board. This work includes ensuring appropriate risk management of ESG factors, including risks related to climate change.

During 2021 we worked to strengthen internal processes and procedures for active ownership by taking first steps to implement the recommendations from the Task Force on Climate-Related Financial Disclosures, establishing data collection processes that will enable us to comply with Article 4(1)(a) of Regulation (EU) 2019/2088 (also known as the EU Sustainable Finance Disclosure Regulation or the "SFDR") and currently applies Article 4(1)(b) of SFDR, and developing internal reporting frameworks to more closely monitor progress on sustainability in our portfolio companies.

ESG management in portfolio companies

Environmental principles

Our approach to sustainability as described above considers adverse impacts on environmental factors and asks our companies to consider how environmental topics may pose risks and opportunities to their business. During 2021 our portfolio companies developed GHG emissions baselines for scope 1 and scope 2 emissions. We expect to be able to report on these during Q1 2022 in our Annual Review & Sustainability Report.

Social principles

Our approach to sustainability as described above considers adverse impacts on social (human rights) factors and asks our companies to consider how social topics may pose risks and opportunities to their business. During 2021 our companies tracked and reported on social KPIs including gender diversity, gender diversity in management, sickness absence, and work-related injuries. We are members of two initiatives to increase the attraction and retention of women in finance and private equity – namely Kvinder i Finans (Kif – Women in Finance) and Level 20. During 2021 we participated actively in these groups, partaking in the Private Equity Female Academy and joining the Nordic Executive Committee of Level 20.

Governance principles

Our approach to sustainability as described above considers adverse impacts on governance factors and asks our companies to consider how governance topics may pose risks and opportunities to their business. During 2021 companies tracked and reported on gender diversity in their Boards and incidents in their whistleblower schemes.

Policy for data ethics

Axcel VI K/S 2 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.

Statement of comprehensive income

	Notes	2021 EUR'000	2019/20 EUR'000
Income from investments in portfolio companies	3	41,055	6,317
Operating income		**41,055**	**6,317**
Administrative expenses	4	(11,750)	(5,563)
Other operating expenses	5	(2,985)	(1,806)
Operating profit/loss (EBIT)		**26,320**	**(1,052)**
Financial income		0	0
Financial expenses		(35)	(1)
Profit/loss for the year		**26,285**	**(1,053)**
Other comprehensive income		**0**	**0**
Total comprehensive result for the year		**26,285**	**(1,053)**

Statement of financial position

	Notes	31 Dec 2021 EUR'000	31 Dec 2020 EUR'000
Assets			
Investments in portfolio companies	6	243,578	97,830
Fixed asset investments		**243,578**	**97,830**
Non-current assets		**243,578**	**97,830**
Pre-paid expenses and other receivables		324	0
Receivables		**324**	**0**
Cash		**0**	**1**
Current assets		**324**	**1**
Assets		**243,902**	**97,831**

Statement of financial position

	Notes	31 Dec 2021 EUR'000	31 dec 2020 EUR'000
Equity and liabilities			
Limited Partners' contributions	7	139,942	28,517
Retained Earnings		25,231	(1,053)
Equity		**165,173**	**27,464**
Provisions	8	76,272	68,557
Other payables	9	2,457	1,810
Current liabilities		**78,729**	**70,367**
Liabilities		**78,729**	**70,367**
Equity and liabilities		**243,902**	**97,831**

Statement of changes in equity for 2021

	Limited partners' contribution EUR'000	Retained earnings EUR'000	Total EUR'000
Balance at 28 August 2019	0	0	0
Contributions from Limited Partners	28,517	0	28,517
Comprehensive result for the year	0	(1,053)	(1,053)
Balance at 31 December 2020	**28,517**	**(1,053)**	**27,464**

	Limited partners' contribution EUR'000	Retained earnings EUR'000	Total EUR'000
Balance at 1 January 2021	28,517	(1,053)	27,464
Contributions from Limited Partners	111,424	0	111,424
Comprehensive result for the year	0	26,285	26,285
Balance at 31 December 2021	**139,941**	**25,232**	**165,173**

Statement of cash flows

	Notes	2021 EUR'000	2019/20 EUR'000
Operating profit/loss (EBIT)		26,285	(1,052)
Financing expenses		0	0
Income from investments in portfolio companies	3	(41,055)	(6,317)
Working capital changes	10	322	1,810
Cash flows from ordinary primary activities		**(9,873)**	**(5,559)**
Cash flows from operating activities		**(9,873)**	**(5,559)**
Investments in portfolio companies		(96,977)	(22,957)
Cash flows from investing activities		**(96,977)**	**(22,957)**
Contributions from Limited Partners		111,424	28,517
Cash flows from financing activities		**111,424**	**28,517**
Increase/decrease in cash and cash equivalents		**(1)**	**1**
Cash and cash equivalents at 1 January		0	0
Cash and cash equivalents at 31 December		**1**	**1**

Notes to the financial statements

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Notes

1. Accounting policies

The financial statements of Axcel VI K/S 2 are prepared in accordance with International Financial Reporting Standards as approved by the EU and disclosure requirements of the Danish Financial Statements Act governing reporting class C enterprises (large) as further outlined in the Danish Executive Order on Adoption of IFRS issued in accordance with the Danish disclosure requirements of the AIFMD Act.

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

The Fund's investments are portfolio companies which are not subject to IFRS 9. The Fund has no material assets or liabilities subject to IFRS 9.

The Fund's income consists of fair value changes, on investments in portfolio companies, and the Fund has no contracts subject to IFRS 15.

The Fund's has not entered into any leasing agreements subject to IFRS 16.

Axcel VI K/S 2 is a Limited Partnership based in Denmark.

The financial statements are presented in Euro (EUR), which is the functional currency of the Fund.

The financial statements are presented based on historical costs apart from investments in portfolio companies, which are measured at fair value. Historical cost is based on the fair value of the consideration given in exchange for the assets.

Judgements made by the General Partner in the application of IFRSs that have had significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

Defining materiality

If a line item is not individually material, it is aggregated with other items and notes of a similar nature in the financial statements or in the notes. There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or not applicable.

Report on the omission of preparation of consolidated financial statements

Axcel VI K/S 2 has omitted to prepare consolidated financial statements under the provisions of IFRS 10 and IAS 27 as the Limited Partnership qualifies as an investment entity. The definition is as follows:

"An investment entity is defined as an entity which commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both".

Notes

1. Accounting policies (continued)

In view of the circumstances described below, Management believes that the Limited Partnership satisfies the definition of an investment entity:

1) The Limited Partnership has more than one portfolio investment (portfolio companies).
2) The Limited Partnership has more than one investor, and its investors are not related parties.
3) The Limited Partnership's investments in portfolio companies take the form of equity instruments or similar investments (portfolio companies).
4) The investments are measured and evaluated on a fair value basis.

As a result the General Partner has decided to apply the exemption rule in IFRS 10 not to prepare consolidated financial statements where the controlled subsidiaries are consolidated, and instead the controlled subsidiaries are accounted for at fair value through profit or loss.

Similarly, Axcel VI K/S 2 holds investments in portfolio companies, which meet the definition of an associate over which the Fund has significant influence. Such investments are also accounted for at fair value through profit or loss whereby all investments are treated as investments in group companies no matter the ownership share at fair value through profit or loss.

Standards and interpretations not yet effective
All the new and amended Standards and Interpretations which are relevant to the Fund and which came into force with effect for financial years beginning 1 January 2021 have been applied when preparing the financial statements.

The General Partner further believes that other amended Standards and Interpretations, which have not entered into force, will not have significant impact on the financial statements as well as they haven't been implemented before time.

Significant accounting policies and estimates
When preparing the financial statements, the General Partner makes several accounting estimates forming the basis for the presentation, recognition and measurement of the Fund's assets and liabilities. The most significant accounting estimates and assessments are presented in note 2.

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 Fund, and the value of the asset can be measured reliably. Assets are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow to the Fund.

Acquisition and sale of financial assets and liabilities are recognised in the balance sheet at the commitment date.

Notes

1. Accounting policies (continued)

Liabilities are recognised in the balance sheet when the Fund 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 Fund, and the value of the liability can be measured reliably. Liabilities are eliminated from the balance sheet when it is no longer probable that future economic benefits will flow out of the Fund.

On initial recognition, assets and liabilities are measured at cost; however, on initial recognition, investment assets are measured at fair value, ordinarily corresponding to cost less direct expenses incurred. Measurement subsequent to initial recognition is effected as described below for each financial statement item. Consideration is made for events occurring during the period from the balance sheet date until the presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date.

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

Foreign currency translation
On initial recognition, transactions made in a different currency than the Fund's functional currency 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 exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the statement of comprehensive income as financial income or financial expenses.

Exchange rate adjustments relating to investments in portfolio companies are presented in the statement of comprehensive income together with other fair value adjustments concerning the investments.

Income taxes
Under current Danish law governing the Fund, it is not independently taxable because the Fund's profit/loss for the year is included in the Limited Partner's taxable income.

Notes

Accounting policies (continued)

Statement of comprehensive income

Income from investments in portfolio companies

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

Gains/losses from divestment of investments in portfolio companies are stated as the difference between the selling price or disposal consideration and the carrying amount of the portfolio companies at the time of sale or disposal, respectively. Carried interest reduce gain or loss from investments in portfolio companies if the conditions for carried interest are fulfilled.

Dividends from investments in portfolio companies are recognised as income when final entitlement to the dividends is obtained, which is usually at the time of the approval of the declaring dividends by the group enterprise.

Administrative expenses and other operating expenses

Administrative expenses and other operating expenses include general costs, investment costs relating to incomplete investments and management fee to the management company.

Financial income

Financial income comprise interest income, which are accrued based on the principal amount and the effective interest rate. The effective interest rate represents the discount rate which should be used when discounting future payments related to the financial asset or the financial liability, in order for the present value of these to correspond with the carrying amount of the asset and the liability, respectively.

Financial expenses

Financial expenses comprise interest expenses, which are accrued based on the principal amount and the effective interest rate. The effective interest rate represents the discount rate which should be used when discounting future payments related to the financial asset or the financial liability, in order for the present value of these to correspond with the carrying amount of the asset and the liability, respectively.

Notes

Accounting policies (continued)

Balance sheet

Investments in portfolio companies

Investments in portfolio companies 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), multiple-based calculations based on industry benchmarks. Fair value includes the effect of carried interest and management incentive programmes, if any, as such values can be measured directly in the valuation of the shares owned by the Fund.

Receivables

Receivables, typically representing pre-paid expenses, are measured at amortised cost.

Cash

Cash comprise cash in bank deposits.

Other payables

Other liabilities comprise accounts payable, accrued expenses and other liabilities.

Provisions

Provisions is comprised of accruals for bank loans in holding companies which are expected to be repaid by the Fund through equity injections.

Statement of cash flows

The statement of cash flows is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented as the operating profit/loss adjusted for non-cash operating items including fair value adjustments of investments in portfolio companies and working capital changes attributable to the operating activities.

Cash flows from investing activities comprise payments in connection with investments, including follow-up investments, proceeds from divestment of portfolio companies and changes to provisions for capital contributions to group enterprises.

Notes

Accounting policies (continued)

Cash flows from financing activities comprise changes in the limited partners' contribution, distributions to Limited Partners as well as the raising of loans and instalments on interest-bearing debt, if any.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios		Calculation formula	Ratios reflect
Liquidity ratio (%)	=	Current assets x 100 / Current liabilities other Than provisions	The entity's financial strength
Solvency ratio (%)	=	Equity x 100 / Total assets	The entity's financial strength
Return on equity (%)	=	Profit for the year x 100 / Average equity	The entity's profitability

2. Critical accounting judgements, estimates, assumptions and uncertainties

Axcel VI K/S 2 invests in portfolio companies, which primarily includes equity investments. The investments are accounted for at a fair value through profit or loss. 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, commercialisation possibilities, timing of exit and possible exit values, including changes in earnings and multiples.

The fair value of each unlisted group enterprise is determined in accordance with commonly used valuation principles based on the IPEV Valuation Guidelines, taking into account the assessment of the stage of the enterprise as well as its market potential and expected cash flows in order to reflect the fair value of the group enterprise in the best way possible.

Methods and assumptions for determining the fair value of investments in unlisted portfolio companies are described in note 6.

3. Income from investments in portfolio companies

	2021 EUR'000	2019/20 EUR'000
Realised gain/(loss)	0	0
Fair value/unrealised gain/(loss)	41,055	6,317
Income from investments in portfolio companies	**41,055**	**6,317**

During the financial period carried interest has had no effect on the realized gain/(loss).

4. Administrative expenses

The Fund had no employees during the financial year.

Administrative work is performed by Axcel Management A/S who is engaged as the Fund Manager (see note 12). Administrative expenses cover management fee to Axcel Management A/S of EUR 11,748 thousand (2020: EUR 5,561 thousand) and a EUR 2 thousand (2020: EUR 2 thousand) fee to the General Partner.

According to Article 107 of the AIFM Directive, 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. For information about remuneration, please refer to the annual report of the Fund Manager.

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

Notes

4. Administrative expenses (continued)

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.

Fee to auditors appointed by the Company in general meeting

	2021 EUR'000	2019/20 EUR'000
Statutory audit servies	24.4	20.2
	24.4	**20.2**

5. Other operating expenses

Other operating expenses cover cost for investments that did not materialize, regulatory costs, cost for the fund's advisory and investment board and fees to other advisors.

	2021 EUR'000	2019/20 EUR'000
6. Investments in portfolio companies		
Cost at beginning of year	91,513	0
Additions	104,693	91,513
Disposals	0	0
Cost at end of year	**196,206**	**91,513**
Revaluations at beginning of year	6,317	0
Revaluations	41,055	6,317
Reversal regarding disposals	0	0
Revaluation at end of year	**47,372**	**6,317**
Carrying amount at end of year	**243,578**	**97,830**

Notes

6. Investments in portfolio companies (continued)

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 owns each portfolio company via separate holding structures for each investment. The three partnerships comprising Axcel V own 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%.

The equity interest (Investments in portfolio companies) in the ownership table as presented on the next page represents Axcel VI's ownership before dilution of isolated management incentive programmes established within each group enterprise. Axcel VI K/S 2 holds 66.63% of the ownership percentages listed.

Notes

6. Investments in portfolio companies (continued)

Holding company			%			Equity	Net result
SuperOffice Holding III	AS	NO	93.61	25.02.20 - 31.12.2020	NOKt	346,1	-23,154
AX VI Addpro Holding III	AB	SE	81.29			N/A*	N/A*
VI INV1 Holding (Currentum)	AB	SE	51.70			N/A*	N/A*
AX VI Moment Holding III	ApS	DK	66.92	15.08.19 - 31.12.2020	DKK	28,750	-11,250
AX VI INV3 Holding III (ProData)	ApS	DK	47.79			N/A*	N/A*
AX VI VET Holding III (Vetgruppen)	ApS	DK	61.04	15.08.19 - 31.12.2020	DKK	40,000	0

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The table above only includes the holding company owned directly for each portfolio company to reflect that fact that Axcel VI K/S 2 is a Fund investing in independently managed group enterprises rather than a conglomerate. To the extent possible, the equity and net result listed above represents the consolidated annual reports.

Each investment has been valued using the valuation techniques listed below.

Fair value hierarchy for determining fair value for investments in portfolio companies
IFRS has established a fair value hierarcy for certain assets measured at fair value:

- Quoted prices in active markets for identical instruments (level 1)
- Quoted prices in active markets for similar assets or liabilities or other valuation methods under which all material inputs are based on observable market data (level 2)
- Valuation techniques under which any material inputs are not based on observable market data (level 3).

The measurement of investments in portfolio companies classified according to level 3 is based on measurement methods, in which material non-observable inputs are included such as assessment of which method best reflects fair value, assessment of the performance of each group enterprise, determination of multiples and future earnings, and assessment of whether a pervasive negative development should result in the recognition of impairment write-downs.

The fair value of the Fund's portfolio companies is impacted by the development in applied multiples as well as expected future earnings and development in each group enterprise. A decrease or increase in the above-mentioned material non-observable inputs may have a direct effect on the measurement of the portfolio companies, just as the fair value of the Fund's portfolio companies is impacted by the development in macroeconomic conditions.

Notes

6. Investments in portfolio companies (continued)

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.

The development in the value of investments in portfolio companies classified into level 1 and 3 can be summarised as follows:

2021	Level 3 EUR'000	Total investment EUR'000	Fair value gain EUR'000
Fair value at 1 January 2021	97,830	97,830	6,317
Additions	104,693	104,693	0
Fair value adjustments	41,055	41,055	41,055
Exchange rate adjustments	0	0	0
Disposals	0	0	0
Fair value at 31 December 2021	**243,578**	**243,578**	**47,372**

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 looking 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.

	2021	2019/20
Range for multiple applied	10 to 13	6.4 to 12.8

Notes

6. Investments in portfolio companies (continued)

Sensitivity analysis

The fair value of the Limited Partnership's portfolio companies is affected by developments in the multiples applied and future earnings expectations for these companies. A decline or increase in the material unobservable inputs stated above would have a direct effect on the valuation of the portfolio companies, and the fair value of the Limited Partnership's portfolio companies is affected by changes in macroeconomic conditions. Changes in the average weighted multiple is considered the most material unobservable input of the Fund.

A change in the multiples applied would have the following effect on the fair value of portfolio companies:

	2021 EURm	2019/20 EURm
10 percentage change in the average weighted multiple	54.7	24.2

	2021 EUR'000	2019/20 EUR'000
7. Limited Partners' contributions		
Limited Partners' contributions at beginning of year	28,517	0
Contributions made during the year	111,424	28,517
Limited Partners' contributions at end of year	**139,942**	**28,517**

The Limited Partnership is owned by the Limited Partners in proportion to their contributed capital, unless otherwise agreed between the Limited Partners and the General Partner. At the reporting date no special agreements have been made between the Limited Partners and the General Partner.

	2021 EUR'000	2019/20 EUR'000
8. Provisions		
Provision for capital contribution to group enterprises	76,272	68,557

The carrying amount of provisions relates to guarantees issued by the fund for debt in group enterprises which are expected to be called upon. The recognised amount approximates the fair value of the liabilities.

Notes

	2021 EUR'000	2019/20 EUR'000
9. Other payables		
Accrued expenses	2,457	1,810

The carrying amount of accrued expenses relates to other payables such as legal fees, auditor's fees, etc. The recognised amount approximates the fair value of the liabilities.

	2021 EUR'000	2019/20 EUR'000
10. Working capital changes		
Change in receivables	(324)	0
Change in other liabilities	646	1,810
	322	**1,810**

	2021 EUR'000	2019/20 EUR'000
11. Financial risks and financial instruments		
Categories of financial instruments:		
Investments in portfolio companies	243,578	97,830
Financial assets measured at fair value through profit/loss	**243,578**	**97,830**
Other receivables	324	0
Loans and receivables	**324**	**0**
Provisions	76,272	68,557
Other payables	2,457	1,810
Financial liabilities measured at amortised cost	**78,729**	**70,367**

The Fund adheres to an investment strategy approved by the investors. As a result of its investments in portfolio companies, the Fund is directly exposed to changes in liquidity, credit, interest and currency risks.

Notes

11. Financial risks and financial instruments (continued)

Liquidity risks

Maturity of financial liabilities is specified below divided into timing intervals. The specified amounts represent the amounts due for payment.

	Within 1 year EUR'000	Between 1 and 5 years EUR'000	After 5 years EUR'000	Total EUR'000
Provisons for bridge financed investments	0	-	-	0
Other payables	2,457	0	-	2,457
31 December 2021	**2,457**	**0**	**-**	**2,457**

The cash position in the Fund is not bigger than the payables, but the Fund can draw commitment from the Limited Partners when relevant.

The investors in the Fund have made unconditional commitments to the Fund, of which undrawn commitment amounts to EUR 589 millions.

The liquidity risk is considered insignificant. No indication of the limited partners ability to contribute the remaining fund commitment occurs.

Credit risks

In some cases, the Fund has receivables from the sale of investments. Typically, the payment is secured by the buyer depositing the receivable on escrow accounts in accepted credit institutions and, therefore, the credit risk is considered limited.

Investments are initially financed through a loan in a holding structure established for each investment. When the Fund has issued a guarantee for the loan a corresponding liability is recorded in the balance sheet. The Fund may at any time draw down an amount from the investors in the Fund to repay the loan and therefore the Fund is not exposed to a credit risks.

Interest risks

The Fund itself does not have access to a credit facility.

Currency risks

Some of the Fund's investments are exposed to changes in foreign currencies like EUR, DKK and SEK. The Fund considers the currency risk as part of the whole investment risk and hence, the Fund does not separately hedge the currency risk relating to its investments in portfolio companies.

Notes

11. Financial risks and financial instruments (continued)

In addition, the Fund is indirectly exposed to currency risks through investments in portfolio companies which trade in other currencies than their functional currencies and hence, development in exchange rates may influence income and thereby their determination of fair value of the portfolio companies.

Financial Risk Management

The General Partner is ultimately responsible for the overall risk management within the Fund, but has delegated the responsibility to the Fund Manager.

The Fund pursues an investment strategy approved by the Limited partners and invests in mid-size Nordic based companies with the purpose of developing these commercially

The Fund's risk management processes includes identification, measurement, monitoring, reporting and mitigation of the identified risks to minimize the potential negative effects at fund level.

There are none key financial risk factors and exposures in financial statements besides investments in portfolio companies.

12. Related party transactions

Related parties with control

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:

European Investment Fund
Sjätte AP-fonden
Chr. Augustinus Fabrikker Aktieselskab

Transactions with related parties

The General Partner is Axcel VI GP ApS and the Fund Manager is Axcel Management A/S.

In the financial year, the Fund has paid a fee of EUR 2 thousand (2020: 2 thousand) to Axcel VI GP ApS and a management fee of EUR 11,748 thousand (2020: 5,561 thousand) to Axcel Management A/S. Fee to the GP is calculated as 15% of the equity of Axcel VI GP ApS. Management fee is calculated as 1.75% of the remaining investment cost.

Each board member in Axcel VI GP ApS receive an annual remuneration of DKK 20 thousand each.

There are no other key relationships, which are considered material for the financial statements.

Notes

13. Assets charged and contingent liabilities etc.

The Fund's has no assets charged.

14. Events after the reporting date

No events except for final close as described in the management commentary have occurred after the reporting date, which would materially influence the evaluation of this annual report.

15. Contingent liabilities

In addition to the amount recognized as a provision in the balance sheet, the Fund has provided equity guarantees of EUR 131.2 millions at the balance sheet date for new investments. The fund has an obligation to pay a management fee of 1.75% of the total investment cost of the group companies 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.

16. Approval of the financial statements for publication

On 26 January 2022, the General Partner approved the financial statements. The financial statements will be presented to the Fund's Limited Partners for approval at the General Meeting on 9 February 2022.