

## **Polaris Management A/S**

Malmøgade 3,1.  
2100 København Ø

Registration no. 28 50 17 65  
FT no. 23009

### **Annual report 2024**

Approved at the Company's annual general meeting on 8 April 2025

Chairman

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## **Statement by the Board of Directors and the Executive Board**

The Board of Directors and the Executive Board have today discussed and approved the annual report of Polaris Management A/S for the financial year 1 January– 31 December 2024.

The annual report has been prepared in accordance with the Danish Alternative Investment Fund Managers Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of its operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's review includes a fair review of the developments in the Company's activities and financial matters and describes the most significant risks and uncertainty factors that may affect the Company.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 January 2025  
Executive Board:

.....  
Jan Johan Kühl

Board of Directors:

.....  
Erik G. Hansen  
Chairman

.....  
Bertil Villard

.....  
Anne Holm Rannaleet

.....  
Peter Høltermand

## **Independent auditor's report**

### **To the shareholder of Polaris Management A/S**

#### **Opinion**

We have audited the financial statements of Polaris Management A/S for the financial year 1 January – 31 December 2024, which comprise an income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Alternative Investment Fund Managers Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024 in accordance with the Danish Alternative Investment Fund Managers Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Alternative Investment Fund Managers Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are in-adequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Alternative Investment Fund Managers Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 30 January 2025  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jens Thordahl Nøhr  
State Authorised Public Accountant  
mne32212

Steffen Astrup  
State Authorised Public Accountant  
mne49115

## Management's review

### Company details

Name	Polaris Management A/S
Address, zip code, city	Malmøgade 3 DK-2100 København Ø
Registration no.	28 50 17 65
FT no.	23009
Established	8 February 2005
Registered office	Copenhagen
Financial year	1 January – 31 December
Website	<a href="http://www.polarisequity.dk">www.polarisequity.dk</a>
E-mail	<a href="mailto:polaris@polarisequity.dk">polaris@polarisequity.dk</a>
Telephone	+45 35 26 35 74
Executive Board	Jan Johan Kühl
Board of Directors	Erik G. Hansen, Chairman Bertil Villard Anne Holm Rannaleet Peter Høltermand
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 P.O. Box 250 2000 Frederiksberg Denmark

## Management's review

### Operating review

#### Principal activities of the Company

Polaris Management A/S is fund manager (advisor and administration company) for Polaris Private Equity, Polaris Flexible Capital and Polaris Public Equity and is licensed by the Danish Financial Supervisory Authority to operate as fund manager in accordance with the Danish Alternative Investment Fund Managers Act.

Furthermore, Polaris Management A/S is the parent company of Polaris Flexible Invest I ApS, which is the general partner of Polaris Flexible Capital I K/S.

Polaris Private Equity I was established in 1998 with a total capital commitment of DKK 1.6 billion and was fully realised with the last exit in 2008. Polaris Private Equity II was established in 2006 with a total capital commitment of DKK 2.0 billion and was fully realised with the last exit in 2021.

Funds under management include (all subject to the Danish Alternative Investment Fund Managers Act):

- ▶ Polaris Private Equity III, established 2009, capital commitment DKK 2.3 billion, transitioned into its realisation period at the end of 2014
- ▶ Polaris Private Equity IV, established 2016, capital commitment of DKK 3.3 billion, investment period started during 2015, transitioned into its realisation period at the end of 2020
- ▶ Polaris Private Equity V, established 2020, capital commitment of DKK 4.9 billion, investment period started during 2021
- ▶ Polaris Flexible Capital I, established 2021, capital commitment of DKK 0.9 billion, investment period started during 2022
- ▶ Polaris Public Equity, established 2023, capital commitment of DKK 0.4 billion, evergreen fund

Polaris Private Equity invests in well-established companies with a strong market position and sound earnings. Usually, the companies are based in the Nordic countries, primarily Denmark and Sweden, and have a potential for profitable growth. Through capital and active ownership, Polaris contributes to this profitable growth. Polaris aims to achieve controlling shareholdings, alone or together with other investors, including the Management and Board of the Company and the Company's former owners.

Polaris Flexible Capital has a flexible and complementary investment focus investing in junior loans, mezzanine, preferred equity and minority equity. The companies will be based in the Nordic countries.

Polaris Public Equity is an evergreen fund and invests in listed Nordic small and mid-size public companies. The investment horizon is 3 to 5 years in ownership positions, often between 5% and 10%.

On 23 December 2024, Polaris Management A/S has entered into a business transfer agreement with Velliv, Pension og Livsforsikring A/S concerning the takeover of the management of the alternative investment fund, Core Sustainability Fund I. Final closing is depending on several items including the approval from the Danish Competition Authorities and is currently expected in Q1 2025.

The investors of Polaris include a number of Danish and international investors. Further information about Polaris is available at our website, [www.polarisequity.dk](http://www.polarisequity.dk).

#### Performance in the financial year

During 2024, as fund manager for Polaris Private Equity, Polaris Public Equity and Polaris Flexible Capital, Polaris Management A/S participated in successful execution of both divestments and new investments and contributed further to the continued development of the portfolio companies and investments in Polaris Private Equity IV and V, Polaris Public Equity and in Polaris Flexible Capital I.

#### Development in financial matters

In 2024, Polaris Management A/S realised a profit of DKK 10,193 thousand (2023: profit of DKK 40,566 thousand), which is below Management's expectations communicated in the annual report 2023. The profit is negatively impacted by increasing cost and a write-down of the receivable from a former portfolio

## Management's review

### Operating review (continued)

company in Polaris Private Equity V, which is under bankruptcy proceedings (included in financial expenses).

At 31 December 2024, the Company's equity amounted to DKK 48,369 thousand (31 December 2023: DKK 73,176 thousand), total assets amounted to DKK 72,930 thousand (31 December 2023: DKK 102,072 thousand), and the Company's equity ratio was 66% (2023: 72%). No dividends are proposed for the year (2023: DKK 35,000 thousand).

### Outlook

For 2025, the Company expects to realise a net profit below 2024 level (DKK 5-10 million).

### Particular risks

Polaris Management A/S' management fee income from investment funds under management is calculated as a percentage of committed capital in the individual investment funds during the investment period and as a percentage of unrealised investments and any retained capital commitments during the realisation period. Accordingly, the income of the Company is dependent on the number, size and classification of investment funds under management as well as the Company's ability to attract investors from whom it may raise new investment funds from time to time as the current investment funds are being invested and realised.

Financial risks, etc., are described in note 13 to the financial statements.

Management discusses and monitors the financial position of the Company and relevant risks as a whole on an ongoing basis, most recently at the Board of Directors' meeting held on 12 December 2024.

### Management remuneration

Polaris Management A/S' remuneration policy aims at attracting, retaining, developing and rewarding employees who contribute to the profitable growth of the Company. The policy ensures that remuneration is credible, effective and fair, that the ratio of fixed and variable pay is adequate, proportional and balanced, and that the overall remuneration is aligned with sound and efficient risk management principles, including sustainability risks, and does not encourage excessive risk-taking.

Remuneration of Management during 2024 as well as details on the remuneration policy are disclosed in note 4 to the financial statements.

### Sustainability

Polaris has a responsibility towards our many stakeholders, and we are committed to promoting sustainability throughout Polaris to honour this responsibility. We work with sustainability for two reasons, (i) it is the right thing to do, and (ii) it is an integrated part of long-term value creation.

Our commitment to sustainability is executed broadly throughout Polaris and impacts all our activities through our:

- ▶ Approach to sustainability: our rationale, definitions, standards and focus areas
- ▶ Deal selection: our investment criteria which defines what we are willing to invest in
- ▶ Investment process: how we evaluate investments and conduct sustainability due diligence
- ▶ Portfolio management process: how we work together with our portfolio companies
- ▶ Portfolio companies: what the portfolio companies are doing
- ▶ Own actions: what we do at Polaris Management A/S



## Management's review

### Operating review (continued)

Our objective is to continuously improve, both in Polaris Management A/S and in our portfolio companies. We also commit to promoting sustainability, together with our partners, throughout the investment industry we are active in. Within sustainability, Polaris Management A/S has chosen to put specific emphasis on three key areas:

- ▶ Promoting actions to limit climate change
- ▶ Working with our responsibility as an employer
- ▶ Supporting gender equality

Actions are continuously planned and taken in order to improve on our sustainability performance in general and within the three focus areas in particular. Our work with sustainability is aligned with the UN/OECD guidelines for responsible business conduct, and we also strive to follow other internationally accepted standards and frameworks for sustainability. Further, we are a member of UN Global Compact and PRI – Principles of Responsible Investment.

#### *Developments during 2024*

During the year, we have continued to execute our sustainability commitment and support our investors with their sustainability efforts:

- 1) For the second year, we gathered an extensive set of sustainability indicators from our private equity portfolio companies that enabled us to provide many of our investors with their specific reporting requirements as well as fulfilling our regulatory reporting requirements.
- 2) We interacted extensively with our portfolio companies concerning the implementation of the new Corporate Sustainability Reporting Directive (CSRD) and support them with input and advice on advisors, process and outcomes. We also hosted a digital workshop on CSRD preparation and Double Materiality Assessment, where we invited the ESG leads from our portfolio companies together with management team members to attend.
- 3) We conducted our standard sustainability due diligence prior to our new investments as part of our investment process. In some cases, this process was supported by relevant industrial experts.
- 4) We continued our many external sustainability commitments: UN PRI, UN Global Compact, Level 20, Kvinder i Finans and ICI. In Denmark, we continued our role as co-chair of the Level 20 Denmark Committee and member of both the Nordic and International Committees.
- 5) We continue to work explicitly and systematically with the UN Guiding Principles and OECD Guidelines for Responsible Business Conduct. As a result, we make all of our portfolio companies implement this standard and also track their impacts in a dedicated cloud-based system.

#### *Supporting climate action*

During the year, we continued to support our portfolio companies in setting up and updating their CO<sub>2</sub>e inventory on Scope 1, 2 and 3 which is a resource intensive exercise. Our process is supported and validated by external experts according to the GHG protocol. We also measured our own GHG emissions by following the same process. In 2024, we also decided to sign up to the Science Based Target Initiative (SBTI), which will be executed during 2025. This will make it mandatory for our portfolio companies to commit to their own Science Based Targets approved by the SBTI.

#### *Supporting gender equality*

During 2024, we continued our work with supporting gender diversity in the private equity sector in Denmark, the Nordics and throughout Europe as we co-chaired the Danish Committee of Level 20. We continue to track our performance and also managed to improve the gender distribution at both the management team and board level in our portfolio companies.

## **Management's review**

### **Operating review (continued)**

#### *Supporting working environment*

At Polaris, we want to work to ensure that the working environment in our portfolio companies, as well as in Polaris Management A/S, is well managed and continuously improved. During 2024, we decided to expand the mandatory set of HR related indicators to be reported by our portfolio companies, which will be executed during 2025. In Polaris Management A/S, we continue to regularly measure employee satisfaction to guide our internal work to address our working environment.

### **Intellectual capital**

Polaris Management A/S employed 56 people at 31 December 2024 (31 December 2023: 46 people).

The Company is dependent on its ability to continually attract and retain key investment professionals to service investment funds under management and to comply with existing agreements as well as to attract investors from whom it may raise capital for new investment funds from time to time.

As described above, it is the Company's policy to maintain a competitive remuneration policy and to develop and reward the employees who contribute to the profitable growth of Polaris Management A/S, while maintaining and promoting sound and effective risk management and avoiding excessive risk-taking.

### **Events after the balance sheet date**

No events have occurred after the balance sheet date that may materially affect the assessment of the annual report.

### **Other management assignments of the Board of Directors and Executive Board**

Other management assignments of the Board of Directors and Executive Board are listed in the back of the Annual report, pages 23-25.

## Financial statements for the period 1 January – 31 December

### Income statement and statement of comprehensive income

#### Income statement

Note	DKK'000	2024	2023
2	<b>Fee and commission income</b>	130,941	138,263
3	Other external administrative expenses	-33,123	-21,075
4	Staff costs	-78,044	-64,930
	Total staff costs and administrative expenses	-111,167	-86,005
5	Depreciation of property, plant and equipment and amortisation of intangible assets	-510	-439
	<b>Profit before financial items</b>	19,264	51,819
6	Share of profit in subsidiaries net of tax	44	13
7	Financial income	1,585	2,853
8	Financial expenses	-6,725	-289
	<b>Profit before tax</b>	14,168	54,396
9	Tax on profit for the year	-3,975	-13,830
	<b>Profit for the year</b>	10,193	40,566
	<b>Proposed profit appropriation</b>		
	Proposed dividends	0	35,000
	Reserve for net revaluation according to the equity method	44	-969
	Retained earnings	10,149	6,535
		10,193	40,566

#### Statement of comprehensive income

Profit for the year	10,193	40,566
<b>Total comprehensive income for the year</b>	10,193	40,566

## Financial statements for the period 1 January – 31 December

### Balance sheet

Note	DKK'000	31/12 2024	31/12 2023
<b>ASSETS</b>			
5	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	959	978
		<u>959</u>	<u>978</u>
<b>Receivables</b>			
10	Receivables from investment funds under management and related entities	18,768	21,572
9	Deferred tax asset	122	156
	Current tax receivables	1,161	0
	Other receivables	2,074	1,719
	Prepayments	7,049	5,826
		<u>29,174</u>	<u>29,273</u>
<b>Investments</b>			
6	Equity investments in subsidiaries	134	90
		<u>134</u>	<u>90</u>
11	<b>Cash at hand and in bank</b>	42,663	71,731
	<b>TOTAL ASSETS</b>	<u>72,930</u>	<u>102,072</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	Share capital	500	500
	Net revaluation reserve according to the equity method	94	50
	Retained earnings	47,775	37,626
	Proposed dividends	0	35,000
	<b>Total equity</b>	<u>48,369</u>	<u>73,176</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
	Corporation tax	0	7,055
12	Other payables	24,515	21,795
	Deferred income	46	46
	<b>Total liabilities</b>	<u>24,561</u>	<u>28,896</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>72,930</u>	<u>102,072</u>
<b>Other note reference</b>			
1	Accounting policies		
13	Financial risks		
14	Contingencies, etc.		
15	Related parties		
16	Financial highlights (5-year overview)		

## Financial statements for the period 1 January – 31 December

### Statement of changes in equity

DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividends	Total
<b>Equity 1 January 2023</b>	500	1,019	31,091	25,000	57,610
Dividend distribution	0	0	0	-25,000	-25,000
Transferred, cf. profit appropriation	0	-969	6,535	35,000	40,566
Other comprehensive income	0	0	0	0	0
<b>Equity 1 January 2024</b>	500	50	37,626	35,000	73,176
Dividend distribution	0	0	0	-35,000	-35,000
Transferred, cf. profit appropriation	0	44	10,149	0	10,193
Other comprehensive income	0	0	0	0	0
<b>Equity 31 December 2024</b>	500	94	47,775	0	48,369

The share capital consists of shares of DKK 1 each or multiples hereof.

The share capital has not been changed during the last 5 years.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Polaris Management A/S for 2024 has been prepared in accordance with the Danish Alternative Investment Fund Managers Act, the Executive Order on General Requirements for Annual Reports and Auditing of Alternative Investment Fund Managers as well as the Executive Order on Financial Reporting by Credit Institutions and Investment Companies, etc.

The accounting policies applied in the preparation of the annual report are consistent with those of last year.

#### Consolidated financial statements

Pursuant to section 137(1) of the Executive Order on Financial Reporting by Credit Institutions and Investment Companies, etc., consolidated financial statements have not been prepared. The parent company, PM Holding 2005 ApS, Malmøgade 3, 2100 København Ø (registration no. 28 48 15 35), prepares consolidated financial statements in which Polaris Management A/S and its subsidiaries are included.

#### Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Fee and commission income

Fee and commission income received includes management fee income, which is accrued over the earnings period and fees for advisory and transaction services, etc., provided. Prepaid management fee is recognised as deferred income.

##### Staff cost and administrative expenses

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Expenses for staff and administration also include rent, IT costs, lawyers' and auditors' fees, and other administrative costs. Costs for services and benefits to employees are recognised in line with the employees' performance of the work services that entitle them to the benefits and benefits in question.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised exchange gains and losses on payables and transactions denominated in foreign currencies, write-down of financial assets as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit for the year

The Company is jointly taxed with the parent company, PM Holding 2005 ApS, and other Danish group companies. Tax for the year comprises current tax for the year (joint taxation contributions) and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement.

Surcharges, premiums, and refunds in relation to the tax payment are included in financial income and expenses.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Property, plant, and equipment

Fixtures and fittings, other plant and equipment as well as leasehold improvements are measured at cost less accumulated depreciation.

The basis of depreciation is cost less any estimated residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, other plant and equipment	3-5 years
Leasehold improvements	5 years, however, the life may not exceed the term of the lease

Write-down of property, plant and equipment is made to the recoverable amount if this is lower than the carrying amount.

Gains or losses on the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as part of depreciation.

##### Leases

Leased assets and lease commitments are recognised in the balance sheet when the leased asset under a lease entered into regarding a specific identifiable asset is made available to the Company.

On initial recognition, lease liabilities are measured at the present value of the future lease payments discounted by an incremental borrowing rate.

The lease liability is measured at amortised cost according to the effective interest rate method.

On initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease liabilities adjusted for prepaid lease payments plus directly related costs and estimated costs for demolition, repairs or the like less discounts or other types of incentive payments from the lessor.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The leased asset is depreciated over the shorter of the lease term and the useful life of the leased asset. Depreciation charges are recognised on a straight-line basis in the income statement.

The Company has chosen not to recognise leased assets of a low value and short-term leases in the balance sheet. Instead, such related lease payments are recognised on a straight-line basis in the income statement.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at nominal value less write-down for bad debt losses. Deposits are recognised at the nominal value of the amount deposited.

##### Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

##### Equity investments in subsidiaries

Investments in subsidiaries are measured using the equity method at the proportionate share of the subsidiaries' net asset values calculated in accordance with the Company's accounting policies.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Polaris Management A/S are not included in the reserve for net revaluation.

##### Dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Payable and receivable joint taxation contributions are recognised in the balance sheet under balances with group companies.

Deferred tax is recognised using the current tax rate on all temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax assets are recognised if they can in all probability be utilised.

##### Other liabilities

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income consists of prepaid management fee.



## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

DKK'000	2024	2023
<b>2 Fee and commission income</b>		
Fee and commission income received (management fee) by investment funds under management:		
Polaris Private Equity III K/S	0	729
Polaris Private Equity IV K/S	27,681	30,455
Polaris Private Equity V K/S	89,818	89,818
Polaris Flexible Capital I K/S	11,756	17,106
Polaris PPU Fund ILP	1,686	155
	<u>130,941</u>	<u>138,263</u>
<b>3 Other external administrative expenses</b>		
<b>Fees to depositary entities to the extent paid by the Company</b>		
Other external expenses include fees to depositary entities related to investment funds under management in the amount of	225	204
	<u>225</u>	<u>204</u>
<b>Fees paid to independent auditor appointed at the annual general meeting</b>		
Fee regarding statutory audit	195	184
Other assurance services	0	0
Tax/VAT advisory services	135	11
Other non-audit services	339	1,060
Total fees	<u>669</u>	<u>1,255</u>
Other non-audit services include compliance, risk management and ESG advice.		
<b>4 Remuneration</b>		
Wages and salaries	59,134	49,339
Pensions	6,374	5,816
Other social security costs	331	356
Other staff costs	12,205	9,417
Reported staff costs	<u>78,044</u>	<u>64,930</u>
Average number of full-time employees	<u>42</u>	<u>40</u>
Hereof:		
Female employees	10	10
Male employees	32	30

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 4 Remuneration (continued)

The Board of Directors consists of 3 male members and 1 female member.

DKK'000	2024	2023
<i>Board of Directors (4 members):</i>		
Fixed fee	1,750	1,750
Variable fee	0	0
Total fee expenses	1,750	1,750

Taking the current data protection rules into consideration, the required information regarding the total remuneration of the executive board, consisting of Jan Johan Kühl, is available on the following link:

<https://polarisequity.dk/wp-content/uploads/2025/01/Appendix-to-the-financial-statements-2024-Remuneration.pdf>

At the above-mentioned link, information of the remuneration of the Board of Directors split by the separate members of the Board of Directors is also available.

Remuneration expensed in 2024 to other significant risk takers than members of the Executive Board amounted to DKK 24,405 thousand (2023: DKK 18,676 thousand) in total for 11 (2023: 9) significant risk takers. The remuneration includes fixed salary expenses of DKK 21,378 thousand (2023: DKK 18,676 thousand) and variable salary expenses of DKK 0 thousand (2023: DKK 0 thousand).

#### Remuneration policy

Polaris Management A/S' remuneration policy aims at attracting, retaining, developing and rewarding employees who contribute to the profitable growth of the Company. The policy ensures that remuneration is credible, effective and fair, that the ratio of fixed and variable salary is adequate, proportional and balanced and that the overall remuneration is aligned with sound and efficient risk management principles and does not encourage excessive risk-taking. The policy has not been changed during the year.

Members of the Board of Directors are compensated individually and on a fixed remuneration basis only.

All other employees are compensated individually and primarily on a fixed salary basis but may in addition hereto receive a component of cash based variable salary based on the remuneration policy. A bonus model applies for the investment team, which is designed to create coherence between the investor's long-term perspective and the performance of the individual employees. Employees in controlling functions do not participate in this model, but may receive variable salary based on individual performance, which is not linked in any way to the outcome of the actual controlling or business performance, but instead based on the achievement of the objectives of the risk management function.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 5 Property, plant and equipment

DKK'000	Leasehold improve- ments	Fixtures and fittings, other plant and equip- ment	Total
Cost at 1 January 2024	3,525	3,799	7,324
Additions	0	490	490
Disposals	0	-58	-58
Cost at 31 December 2024	3,525	4,231	7,756
Depreciation and impairment losses at 1 January 2024	3,128	3,218	6,346
Depreciation	98	405	503
Depreciation, assets disposed	0	-52	-52
Depreciation and impairment losses at 31 December 2024	3,226	3,571	6,797
<b>Carrying amount at 31 December 2024</b>	<b>299</b>	<b>660</b>	<b>959</b>

Loss for the year on disposal of property, plant and equipment amounts to DKK 6 thousand (2023: loss of DKK 4 thousand).

DKK'000	2024	2023
<b>6 Investments</b>		
Cost at 1 January 2024	40	165
Disposals	0	-125
Cost at 31 December 2024	40	40
Value adjustment at 1 January 2024	50	1,019
Profit/loss for the year	44	13
Disposal for the year (realised (gain)/loss on disposal)	0	-982
Value adjustment at 31 December 2024	94	50
<b>Carrying amount at 31 December 2024</b>	<b>134</b>	<b>90</b>

Key figures of subsidiaries:

Name and registered office	Ownership interest	Equity DKK'000	Profit for the year DKK'000
Polaris Flexible Invest I ApS, Copenhagen*	100%	90	34
Polaris PPU Fund GP Limited, Dublin**	100%	0	0

\* According to the annual report for 1 January 2023 – 31 December 2023

\*\* According to the annual report for 8 February 2023 – 31 December 2023

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 7 Financial income

DKK'000	2024	2023
Interest income, banks	834	513
Other interest income, investment funds under management and related entities	512	2,191
Foreign exchange gains	239	149
	<u>1,585</u>	<u>2,853</u>

Foreign exchange gains relate to foreign exchange adjustment of bank accounts and trade payables.

#### 8 Financial expenses

Other financial expenses	692	140
Foreign exchange losses	274	149
Write-down of receivables from a former portfolio company in Polaris Private Equity V	5,759	0
	<u>6,725</u>	<u>289</u>

Foreign exchange losses relate to foreign exchange adjustment of bank accounts and trade payables.

#### 9 Tax on profit for the year

Calculated tax on the taxable income for the year (joint taxation contribution payable)	3,941	13,782
Adjustment of deferred tax	34	48
	<u>3,975</u>	<u>13,830</u>

Tax on the profit for the year is specified as follows:

26.0% (2023: 25.2%) tax on the profit for the year before tax	3,683	13,708
The tax effect of:		
Other non-deductible costs	303	126
Other non-taxable income	-11	-4
Change in tax rate related to deferred tax	0	0
	<u>3,975</u>	<u>13,830</u>
Effective tax rate	<u>28.1%</u>	<u>25.4%</u>

Deferred tax relates to:

Property, plant and equipment	122	156
Tax loss carried forward	0	0
	<u>122</u>	<u>156</u>

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 10 Receivables from investment funds under management and related entities

Receivables primarily consist of receivables from the Polaris Private Equity investment funds under management and their related entities including portfolio companies. As per 31 December 2024, receivable management fee amounts to DKK 502 thousand (31 December 2023: DKK 155 thousand).

DKK'000	2024	2023
<b>11 Cash at hand and in bank</b>		
Cash deposits with banks, DKK	42,067	71,301
Cash deposits with banks, SEK	596	430
	<u>42,663</u>	<u>71,731</u>
<b>12 Other payables</b>		
Trade payables	8,840	7,140
Payroll related items payable, holiday allowance, etc.	10,241	9,199
VAT payable and payroll taxes	5,208	5,260
Other payables	226	196
	<u>24,515</u>	<u>21,795</u>

#### 13 Financial risks, etc.

The Board of Directors has provided guidelines in respect of the types of risk that the Company may be exposed to. These guidelines include identification, management, controlling and reporting of risks. The guidelines are supported by a number of routines and business procedures. Moreover, Management has formulated policies relating to market risks, liquidity risks, credit risks, insurance risks and operational risks. Together with the policies, the guidelines and procedures constitute the Company's overall risk policy. The risk policy ensures that the Company's capital and capital ratio requirements always comply with statutory requirements and identified risks.

Management discusses and monitors the financial position of the Company and relevant risks as a whole on an ongoing basis, latest at the Board of Directors' meeting held on 12 December 2024.

The Company's liquidity must always be sufficient. Liquidity risk is generally considered insignificant due to excess liquidity and prepayment of management fee from investment funds under management.

Interest rate risk is considered minimal due to the reasonable low interest rate environment and the Company's policy to place excess liquidity on short-term cash deposits with banks or short-term bonds.

The Company is not exposed to significant currency risks, as all management fee agreements are denominated in DKK and the cost base is also primarily settled in DKK.

Credit risk on cash deposits with banks are mitigated by only allowing deposits with SIFI Institutions. Credit risk related to receivables from investment funds under management and related entities is monitored on an ongoing basis and considered limited.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 13 Financial risks, etc. (continued)

##### *Operational risks*

Polaris Management A/S' management fee income from investment funds under management is calculated as a percentage of committed capital in the individual investment funds during the investment period and as a percentage of unrealised investments and any retained capital commitments during the realisation period. The income of the Company is accordingly dependent on the number, size and classification of investment funds under management as well as the Company's ability to attract investors to raise new investment funds from time to time as the current investment funds are being invested and realised.

#### 14 Contingencies, etc.

The Company's rental and lease commitments total DKK 1,226 thousand (2023: DKK 1,357 thousand) related to short term lease contracts, which fall due for payment within one year.

The Company is jointly taxed with the Danish subsidiaries and the parent company. As a wholly owned subsidiary, the Company is unlimited and severally liable with the other companies in the joint taxation regarding payment of Danish corporation taxes and Danish withholding taxes on dividends, interests and royalties in the joint taxation.

#### 15 Related party disclosures

The Company is a wholly owned subsidiary of PM Holding 2005 ApS, Malmøgade 3, DK-2100 København Ø (registration no. 28 48 15 35), which is owned by the partners of Polaris Management A/S.

The latest consolidated financial statements of PM Holding 2005 ApS are available at the Company's address.

Related parties comprise the Company's and the parent company's shareholders, Board of Directors and Executive Board and subsidiaries. Related parties also comprise companies in which the persons mentioned hold significant interests.

##### **Transactions with related parties**

Remuneration of Management during the year is disclosed in note 4.

Transactions with subsidiaries are disclosed in note 6.

Joint taxation contribution payable to the parent company is disclosed in note 9.

The Company has paid a total dividend of DKK 35 million to the parent company during 2024 (2023: DKK 25 million).

##### **Transactions with investment funds under management and related entities**

Management fees received from investment funds under management are disclosed in note 2.

Receivables from investment funds under management and related entities are disclosed separately in the balance sheet and in note 10 and other interest income in note 7.

## Financial statements for the period 1 January – 31 December

### Notes to the financial statements

#### 16 Financial highlights (5-year overview)

##### Ratios and key figures

DKKm	2024	2023	2022	2021	2020
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##### Key figures

Fee and commission income	131	138	135	123	69
Total staff costs and administrative expenses	-111	-86	-94	-82	-68
Profit before financial items	19	52	41	40	0
<b>Profit for the year</b>	<b>10</b>	<b>41</b>	<b>31</b>	<b>31</b>	<b>0</b>

Equity	48	73	58	51	35
Total assets	<b>73</b>	<b>102</b>	<b>85</b>	<b>78</b>	<b>70</b>

##### Ratios

Capital base in relation to minimum capital requirements**	1.47	3.12	2.47	2.86	2.08
Equity ratio	66%	72%	68%	66%	50%
Return on average equity before tax	23%	83%	74%	91%	1%
Return on average equity after tax	17%	62%	58%	71%	1%
Number of managed alternative investment funds	10	10	7	5	4
Assets under management	*6,410	*6,088	*4,143	*3,912	*6,049

Average number of employees	<b>42</b>	<b>40</b>	<b>34</b>	<b>31</b>	<b>27</b>
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\* Of which DKK 5,732 million (2023: DKK 5,361 million, 2022: DKK 3,489 million, 2021: DKK 3,296 million and 2020: DKK 5,407 million) relates to funds, which are subject to the Danish Alternative Investment Fund Managers Act.

\*\* Calculated as cash at hand and in bank / capital requirement (liquidity reserve).

##### Definition of ratios

The financial ratios have been prepared in accordance with the Danish Financial Supervisory Authority's definitions.

## Other management assignments of the Board of Directors and Executive Board

### Board of Directors

#### **Erik G. Hansen, Chairman**

Member of the Board of Directors:

Chair

- ▶ Sirius Holding ApS
- ▶ Polaris II Invest Fonden

Deputy Chair

- ▶ Lauritzen Fonden

Board members

- ▶ Bagger-Sørensen Fonden
- ▶ Wide Invest ApS
- ▶ Saga Private Equity ApS

Member of the Executive Board:

- ▶ EGH Gentofte ApS
- ▶ Rigas Invest ApS + 2 subsidiaries
- ▶ Sirius Holding ApS

#### **Bertil Villard**

Member of the Board of Directors:

Chair

- ▶ Landsort Care 4 AB

Deputy Chair

- ▶ Tengroth & Co AB
- ▶ PPDR Nordic AB

Board members

- ▶ Bertil Villard Holding AB
- ▶ iCoat Medical AB
- ▶ Polaris II Invest Fonden
- ▶ Hamiltonska Stiftelsen



## Other management assignments of the Board of Directors and Executive Board

### Board of Directors (continued)

#### **Anne Holm Rannaleet**

Member of the Board of Directors:

Chair

- ▶ Kalexa Förvaltning AB
- ▶ Kalexa Advisory AB

Board member

- ▶ Helekask Advisory AB
- ▶ Insamlingsföreningen Kinondo Support
- ▶ IK Aid and Relief Enterprise Ltd.
- ▶ Polaris II Invest Fonden
- ▶ Auticon Holding GmbH

#### **Peter Høltermand**

Member of the Board of Directors:

Chair

- ▶ Kirstein Holding A/S
- ▶ Asgard Asset Management A/S
- ▶ CL-Gruppen A/S + 1 subsidiary
- ▶ Polaris Flexible Invest I ApS
- ▶ Agat Ejendomme A/S
- ▶ Secure Capital A/S + 2 subsidiaries

Board member

- ▶ Ejendomsaktieselskabet Skovgårdsvej
- ▶ Den Sociale Investeringsfond

Member of the Executive Board:

- ▶ PFC I – Debt ApS
- ▶ Castaway Holding ApS

## Other management assignments of the Board of Directors and Executive Board

### Executive Board

Jan Johan Kühl

Member of the Board of Directors:

Chair

- ▶ P-Cepheo A/S
- ▶ Polaris V Invest Fonden
- ▶ P-Holding A af 17. januar 2023 A/S + 2 subsidiaries
- ▶ P-Sealing System A/S
- ▶ P-7N A/S

Board member

- ▶ Inter Pirmo A/S
- ▶ Advantage Investment Partners A/S
- ▶ P-Vikingbus 2021 A/S + 6 subsidiaries
- ▶ P-Link 2019 A/S
- ▶ P-Sinful 2021 A/S
- ▶ P-G&O 2021 A/S
- ▶ P-Esoft 2022 A/S
- ▶ Brancheforeningen for Aktive Ejere i Danmark
- ▶ P-Awardit HoldCo AB + 2 subsidiaries
- ▶ Fayes Investeringar 1 AB + 1 subsidiary
- ▶ Finlay Investeringar 1 AB + 1 subsidiary

Member of the Executive Board:

- ▶ Business Synergy Group ApS
- ▶ P-Sinful 2021 A/S
- ▶ P-Salpharm Animal Health 2024 A/S

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## Jan Johan Kühl

CEO

På vegne af: Polaris Management A/S

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IP: 188.120.xxx.xxx

2025-01-31 15:29:44 UTC



## Peter Høltermand

Board member

På vegne af: Polaris Management A/S

Serienummer: 86368728-4979-4640-bb3b-56844686032e

IP: 188.177.xxx.xxx

2025-01-31 15:31:03 UTC



## Erik Gregers Hansen

Chairman

På vegne af: Polaris Management A/S

Serienummer: 449338fe-ec75-4126-8350-1368be381cc2

IP: 190.121.xxx.xxx

2025-01-31 19:21:40 UTC



## BERTIL VILLARD

Board member

På vegne af: Polaris Management A/S

Serienummer: aeda1e3f51a54a[...]fbecb80cb4f31

IP: 85.229.xxx.xxx

2025-01-31 22:52:02 UTC



## ANNE HOLM RANNALEET

Board member

På vegne af: Polaris Management A/S

Serienummer: 4b17b5aaf04e43[...]jfe14498120a1d

IP: 147.161.xxx.xxx

2025-02-01 16:49:54 UTC



## Jens Thordahl Nøhr

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsaut. revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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## Steffen Astrup

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## Søren Fogh

Dirigent

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