



PRIVATE EQUITY MINORITIES I K/S

Annual report 2022

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STATEMENTS

STATEMENT BY MANAGEMENT

The Executive Board has today discussed and approved the annual report for Private Equity Minorities I K/S for the financial year 27 October 2021 – 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the limited partnership's assets, liabilities and financial position at 31 December 2022 and of the results of the limited partnership's operations and cash flows for the financial year 27 October 2021 – 31 December 2022.

We believe that the Management commentary and the supplementary report in accordance with the Sustainable Financial Disclosure Regulation (EU) include a fair review of the affairs and conditions referred to therein.

We recommend the annual report 2022 for adoption at the annual general meeting.

Copenhagen, 27 March 2023

General partner:
PE Minorities GP ApS

Executive Board:

Jens Aaløse

Torben Kjær

The annual report is presented and approved at the annual general meeting.

on _____ / _____ 2023

Chairman: _____

STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the limited partners of Private Equity Minorities I K/S

Opinion

We have audited the financial statements of Private Equity Minorities I K/S for the financial year 27 October 2021 – 31 December 2022, which comprise accounting policies, income statement, balance sheet, cash flow statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Limited Partnership at 31 December 2022 and of the results of the Limited Partnership's operations for the financial year 27 October 2021 – 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 responsibilities for the financial statements

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

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

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INDEPENDENT AUDITORS' REPORT

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 Limited Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Limited Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Limited Partnership to cease to continue as a going concern.

STATEMENTS

INDEPENDENT AUDITORS' REPORT

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's commentary and other information in accordance with SFDR
Management is responsible for the Management's commentary, and other information in accordance with SFDR, hereafter referred to "other information".

Our opinion on the financial statements does not cover the Management's commentary or other information, 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 commentary as well as other information and, in doing so, consider whether the Management's commentary and other information 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 commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 27 March 2023

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Rhod Søndergaard
State Authorised
Public Accountant
mne28632

Rasmus Berntsen
State Authorised
Public Accountant
mne35461

MANAGEMENT COMMENTARY

FUND INFORMATION

The limited partnership	Private Equity Minorities I K/S Gammeltorv 18 DK-1457 Copenhagen K Denmark
Contact information	E-mail: kontakt@majinvest.com Website: majinvest.com
CVR no.	42 78 84 30
Financial year	1 January – 31 December (First year 27 October 2021 – 31 December 2022)
Registered office	Copenhagen
General partner	PE Minorities GP ApS
Executive Board in PE Minorities GP ApS	Jens Aaløse Torben Kjær
Manager	Maj Invest Equity A/S
Depository	Private Equity Administrators Depository Services ApS
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 DK-2000 Frederiksberg Denmark

MANAGEMENT COMMENTARY

KEY FIGURES AND RATIOS

'000 DKK	27/10/2021 – 31/12/2022
Key figures	
Income statement	
Income from investments in portfolio companies	(45,855)
Operating profit/loss	(61,447)
Profit/loss for the year	(39,319)
Balance sheet	
Investments in portfolio companies	3,373,653
Total assets	3,393,156
Equity	3,392,733
Financial resources	
Cash	14,846
Remaining commitment	1,666,086
Total financial resources	1,680,932
Cash flow	
Cash flows from operating activities	507
Cash flows from investing activities	(3,319,575)
Cash flows from financing activities	3,333,914
Net change in cash	14,846
Ratios	
Equity ratio	100%
Paid-in capital to committed capital (%)	67%

In accordance with the Danish Financial Statement Act, all investments in associates are measured at fair value and positive unrealised value adjustments are made directly in the equity. Investments in participating interests are measured at fair value and unrealised value adjustments are recognised in the income statement.

In case, all unrealised fair value adjustments on investments were recognised in the income statement, the key figures for profit/loss would have been as the following:

'000 DKK	27/10/2021 – 31/12/2022
Income from investments in portfolio companies	52,282
Operating profit/loss	36,690
Profit/loss for the year	58,818

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Private Equity Minorities I K/S

The limited partnership Private Equity Minorities I K/S (Private Equity Minorities or Fund) was established on 27 October 2021 and had closing with investors on 6 November 2021 with a total commitment of DKK 5 billion. The Fund is owned by four pension funds administered by PKA A/S. The investors have entered into a limited partnership agreement. The Fund has invested in eight portfolio companies since inception.

Investment policy and strategy in Private Equity Minorities

Private Equity Minorities' investment strategy is focused on minority investments within the asset classes 'private equity' and 'venture capital'. Life sciences and technology are the main sectors. Investments are primarily unlisted with expected ownership of 10–25% and geographically limited to developed markets. The Fund's investments are usually structured alongside reputable professional investors with a proven track record.

Private Equity Minorities is structured as an evergreen fund with potential extensions after 10 years ensuring flexibility, optimal asset allocation and a long-term mindset.

Sustainability Policy

Private Equity Minorities focuses on long-term value creation with a core effort on integrating sustainability across the portfolio companies. Taking sustainability factors into consideration can identify and capture value creating opportunities as well as mitigate relevant risks. As part of the Maj Invest group, Maj Invest Equity has been a signatory to the UN-backed Principles for Responsible Investment, PRI, since 2010. This states the commitment as a responsible investor.

Private Equity Minorities was established during 2021 and several investments have been made. Private Equity Minorities has been committed to promote environmental and social developments both in the pre- and post-investment phase and seeks to support selected Sustainable Development Goals (SDGs). As a part of the investment process, an ESG assessment of the potential portfolio companies has been made. The assessment has included the integration of specific investor guidelines for responsible investment as well as an exclusion list. Material ESG risks and opportunities have been identified prior to investment based on standards such as SASB's Materiality Mapper, as well as the companies' contribution to the SDGs. During the ownership period, Private Equity Minorities has worked together with relevant portfolio companies on establishing and developing the companies' ESG approach and strategy.

The Fund is classified as article 8 under the Sustainable Financial Disclosure Regulation (EU) 2019/2088. ESG and sustainability are core focal points, with the Fund seeking direct exposure to responsible companies that show consideration for the outside world, particularly the green transition. This annual report includes a supplementary report in accordance with SFDR (EU), to which we refer for further information.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

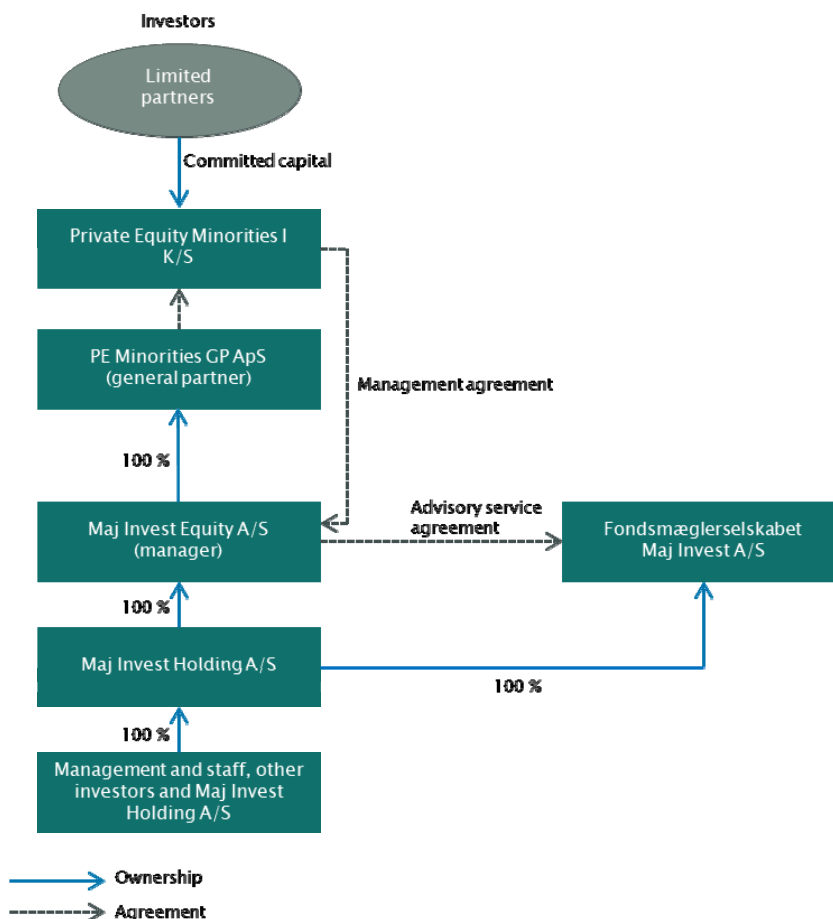
Ownership

Private Equity Minorities is owned by four pension funds administered by PKA A/S.

Legal structure

Private Equity Minorities is a Danish limited partnership with a Danish private limited company as General Partner. The General Partner, PE Minorities GP ApS, is managed by an executive board consisting of the Managing Partner in the Manager, Maj Invest Equity A/S (Maj Invest Equity), as well as an external member. The General Partner is a subsidiary of Maj Invest Equity which is owned by Maj Invest Holding A/S.

Legal structure of Private Equity Minorities I



The General Partner is responsible for management and also signs for the Fund. Under a management agreement, the Manager handles all investment-related and administrative tasks for Private Equity Minorities. Consequently, the Fund has no staff employed. The Manager has made an investment advisory agreement with Fondsmæglerselskabet Maj Invest A/S in respect of certain of the investment-related tasks.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Decision structure

The General Partner has established an Investment Committee. The Investment Committee is responsible for reviewing and considering all investments, follow-on investments or divestment proposals based on such review to make recommendations to the General Partner. No investments or realisation can be made without the prior approval of the Investment Committee, except for certain minor follow-on investments and realisations.

The Investment Committee consists of four members, namely the CEO of Maj Invest Holding A/S, the Managing Partner of Maj Invest Equity and two members appointed by the Limited Partners. Investment Committee members do not participate in the particular companies and never invest in the portfolio companies in a discretionary manner.

License as manager with the Danish FSA

The Manager has received a license as manager (in Danish: forvalter) with the Danish FSA (in Danish: Finanstilsynet) and the Manager is under financial regulation and the Danish FSA supervision.

Private Equity Minorities has appointed a depositary in accordance with the provisions in FAIF.

Remuneration for the financial year paid to management and staff in Maj Invest Equity A/S is disclosed in the annual report of Maj Invest Equity A/S. Information is given at Manager level. The annual report for Maj Invest Equity A/S will also be available on the website majinvest.com.

Reporting

One of the things governed by the limited partnership agreement is the aspect of reporting on fund activities, its development and financial position in relation to investors. The Fund is obliged to report to its investors on a current basis:

- Quarterly reports on the financial situation, the development in individual investments and investment returns.
- Memoranda on investments and follow-on investments.
- Annual reports.
- Investor meetings.
- Annual Sustainability Reports.
- Replies to investor queries.

The quarterly reports to investors are prepared in compliance with the international guidelines in respect of “best practice” as stipulated in the Invest Europe Investor Reporting

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Guidelines. Investments are valued at their fair values and in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Development in activities and the financial position

In 2022, equity markets experienced drawdowns due to higher-than-expected inflation, interest rate hikes, and geopolitical tensions compared to the high activity in 2021. This provided attractive entry points for private equity assets. Private Equity Minorities utilized this market volatility to gain exposure to large, defensive companies with structural growth characteristics. All private equity allocations during 2022 were to the healthcare sector, which was resilient throughout the year. Valuation read-across to the listed markets was positive with the healthcare sector outperforming, while our private equity companies either came in line with or surpassed original financial expectations.

Venture capital markets declined significantly as well. Private Equity Minorities remained patient despite a strong deal flow and closed two VC transactions, but engaged in multiple processes, which are likely to materialize into several transactions during 2023. Focus is Israeli deep-tech, promising biotech startups, B2B SaaS, and pioneers of the green transition.

Impact on the external environment

Private Equity Minorities' activities are not considered to have a significant effect on the external environment and climate, but the Fund's investments affect the external environment. We refer to the section "Sustainability policy" for further information.

Result for the year

The bottom-line for the period 27 October 2021 to 31 December 2022 is a loss of DKK 39 million. The result for the year is negatively affected by unrealised value adjustments of the investments of DKK 44 million. The value adjustments consist of DKK 33 million due to currency adjustments and DKK 11 million is related to value adjustments of the Fund's investments in two venture funds, which are valued at their latest reported Net Asset Value (NAV). It is the Management's assessment that the portfolio companies are developing well, but the investments are at an early stage.

Investments

At closing 6 November 2021, the Limited Partners in the Fund made a contribution in kind consisting of an investment in a battery manufacturing company, Morrow Batteries ASA, with an ownership of 10%, and in May 2022, the Fund made a follow-on investment in Morrow Batteries ASA. The Fund's ownership remains unchanged at 10% as of 31 December 2022.

In January 2022, the Fund invested in two venture funds, Red Tree Venture Fund, L.P. and Grove Ventures III, L.P., which respectively invest within life sciences and technology. The Fund's commitments to Red Tree and Grove Ventures III correspond to an ownership of 9% and 14% respectively. In February 2022, the Fund indirectly acquired 15% and 20% of two

MANAGEMENT COMMENTARY

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American companies within health care, Medical Knowledge Group LLC and The Ritedose Corporation, through two limited partnerships. In March 2022, the Fund made an indirect investment in the listed pharmaceutical equipment supplier, Sartorius AG, through a fund structure. In June 2022, the Fund acquired 27% of the Danish biotech start-up, Synklino A/S. Finally, in October 2022, the Fund indirectly acquired 9% of an American health care company, KabaFusion, LLC, through a limited partnership.

Additional information on the investments is available below.

Development in portfolio companies in 2022

Morrow Batteries ASA

Morrow Batteries ASA (Morrow) is a battery manufacturing company that was founded in Norway in 2020. Morrow aims to develop the world's most cost-effective and sustainable batteries based on state-of-the-art technology (i.e., lithium-ion, steady-state etc.). The company aims to sell their batteries internationally, focusing on the automotive, energy storage systems, and maritime markets. During 2022, the company concluded two funding rounds while continuing its efforts of battery development. For further information about the company please refer to the portfolio company's website: morrowbatteries.com.

Red Tree Venture Fund, L.P.

Red Tree Venture Fund, L.P. (Red Tree) is an American venture fund that invests in early-stage biotech (75% allocation) and medical device (25%) companies at the West Coast. Red Tree's investments are sourced either from Stanford or similar elite US universities. Red Tree was formed on 26 June 2020 and had final closing on 30 June 2022. As of 31 December 2022, Red Tree's portfolio consists of 11 investments. For further information about the company please refer to the portfolio company's website: redtreevc.com.

Grove Ventures III, L.P.

Grove Ventures III, L.P. (Grove Ventures III) is an early-stage Israeli venture fund formed on 7 December 2021 and with first closing on 6 January 2022. Grove Ventures III invests in digital transformation by focusing on Israeli start-ups within edge computing, data centres and cloud infrastructure, and AI/automation. As of 31 December 2022, Grove Venture III's portfolio consists of four investments, whereof each is highly promising within its respective field. For further information about the company please refer to the portfolio company's website: grovevc.com.

Medical Knowledge Group LLC

Medical Knowledge Group LLC (MKG) was founded in 2004 and is an American analytics-centered commercialization solutions firm providing specialized medical communications, proprietary analytics, and market research to biopharma companies. The client base is diverse and global, including both the world's largest biopharmaceutical companies as well as

MANAGEMENT COMMENTARY

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smaller biotech companies. Despite a challenging macroeconomic environment with significant cost increases, MKG's performance is better than budgeted in the original investment case. This is partly due to value accretive M&A, including the recent acquisition of premier healthcare communications company Sound Healthcare Communications, LLC. For further information about the company please refer to the portfolio company's website: mkgny.com.

The Ritedose Corporation

Founded in 1995, The Ritedose Corporation (Ritedose) is an American pharmaceutical manufacturer leveraging blow-fill-seal technology. Products include contract manufacturing, Ritedose's own generic drugs, and 503B compounding to blue-chip customers. Customers include U.S. based pharmaceuticals, wholesalers, and retail pharmacies of all sizes. For 2022, Ritedose outperformed initial expectations in terms of both sales and profitability. The company is now focusing on expanding capacity to meet demand for 2023. For further information about the company please refer to the portfolio company's website: ritedose.com.

Sartorius AG

Sartorius AG (Sartorius) was founded in Germany in 1870 and is an international pharmaceutical equipment supplier with two divisions: Bioprocess Solutions and Lab Products and Services. Sartorius is listed on the Frankfurt Stock Exchange. The company saw strong underlying developments during 2022, including double digit organic sales growth and high profitability, reaching the company's initial guidance. Going forward, COVID-19 tailwinds will likely level off, yet fundamentals will remain intact. For further information, we refer to the company's website: sartorius.com.

Synklino A/S

Synklino A/S (Synklino) is a Danish biotech start-up developing cures for cytomegalovirus (CMV) herpes chronic virus infections. Synklino's patented SYN002 drug candidate eliminates CMV-infections by targeting both lytic and latent infections. The company has already proven cellular efficacy, as well as human donor organ efficacy by attempting the cure on both mice, rats, primates, and human lungs – all indicating strong clinical benefit. During 2022, the company successfully concluded a major funding round, while continuing development of its drug candidate. For further information about the company please refer to the portfolio company's website: synklino.com.

KabaFusion, LLC

KabaFusion, LLC (KabaFusion) is a leading full-service home infusion provider of chronic therapies, e.g., immunoglobulin (IG) therapy, acute therapy, and enteral therapy. Founded in 2010 and headquartered in California, KabaFusion owns state-of-the-art compounding pharmacies across the US, with service capabilities in over 40 states, and more than 400 sales and nursing employees. In 2022, the company further expanded its nationwide footprint by opening infusion care pharmacies in locations recently acquired from Coram Infu-

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sion Services. For further information about the company please refer to the portfolio company's website: kabafusion.com.

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Capital resources

Private Equity Minorities has a total capital commitment of DKK 5 billion. As of 31 December 2022, Private Equity Minorities had drawn DKK 3,334 million, equal to 67% of the capital commitment. The remaining capital commitment is DKK 1,666 million. Private Equity Minorities' equity amounted to DKK 3,393 million on 31 December 2022, corresponding to an equity ratio of 100%.

Private Equity Minorities is able to finance investments and follow-on investments from the time of investment and up to six months through bridge financing loans from financial institutions. A bridge loan must be repaid in connection with a capital call from investors. As of 31 December 2022, Private Equity Minorities has no bridge financing loans or bank loans.

Financial risks

The objective of Private Equity Minorities is to invest in portfolio companies. The primary risk factor is the failure to create value in the underlying portfolio companies. Changes in the macroeconomic environment such as market conditions and financing opportunities meeting the milestones for venture investments, inflation, interest rates and the situation related to Ukraine/Russia, can have an impact on the potential for value creation in the portfolio companies and consequently also of the performance of Private Equity Minorities. The investment team is following the situation closely.

Uncertainties relating to recognition and measurement in the financial statements

The investments in portfolio companies are valued at their fair values, according to the description in Accounting policies. The valuation includes accounting estimates, and such valuation is therefore subject to some uncertainty.

Uncertainty also exists relating to currency development in USD.

Outlook 2023

The result for 2023 is not expected to be positive, as the Fund is at an early stage in its lifecycle. Furthermore, positive value adjustments on investments in associates will be made directly in equity in these financial statements and therefore will have no effect on the result. It is not possible to specify a reliable range for the year's result for the same reasons.

The Fund's investment period is still ongoing, the pipeline is flourishing, and further investments alongside strategic partners are expected in 2023. The Management expects the existing portfolio companies to develop positively in the coming year.

MANAGEMENT COMMENTARY

BUSINESS REVIEW

Events after the balance sheet day

After the balance sheet day, Private Equity Minorities closed three new venture investments in ActiveFence Ltd., Protai Bio Ltd. and Hemab ApS.

ActiveFence Ltd. is an Israeli company that develops a technology platform to collect, analyze, and contextualize data to protect users from online unwanted content and malicious behavior. Protai Bio Ltd., an Israeli start-up, has developed an AI-powered drug discovery platform which seeks to map the course of a disease on the protein level, enhancing the ability to observe cellular function and thereby improving new drug discovery or optimizing existing ones. Hemab ApS (Hemab), located in Copenhagen with a footprint in Boston, is a clinical-stage biotech company developing treatments for rare bleeding disorders.

A bridge loan of DKK 160.5 million has been obtained after the balance sheet day to finance the three new investments. The bridge loan will be repaid end of March 2023 in connection with a draw down from the Limited Partners.

There have been no other events after the balance sheet day and to date that materially affect the assessment of the annual report.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

GENERAL

The annual report for Private Equity Minorities I K/S is prepared in accordance with the provisions of the Danish Financial Statements Act for reporting class C enterprises (medium-size) with the necessary adjustments considering that the company is a limited partnership, whose activity is private equity. Investments in portfolio companies are recognised in compliance with the International Private Equity and Venture Capital Valuation Guidelines, drawn by the IPEV Board.

In order to achieve a true and fair view of operations of the limited partnership, the presentation of the income statement has been changed compared with the reporting form shown in schedule 2 of the Danish Financial Statements Act.

Income from investments in portfolio companies is presented as an item under operating profit/loss.

This is the Fund's first financial year and comprise the period 27 October 2021 – 31 December 2022, and hence no comparative figures have been presented.

Recognition and measurement

All income and expenses relating to the financial year are recognised in the income statement regardless of time of payment. Negative unrealised value adjustments of investments in associates as well as unrealised value adjustments of investments in participating interests are also recognised in the income statement.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the limited partnership, and the value of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the limited partnership, and the value of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement of assets and liabilities have taken into account any information available after the balance sheet date but before the presentation of the financial statements, either affirming or not affirming conditions existing on the balance sheet date.

FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Foreign currency translation

Transactions in foreign currencies are translated into Danish kroner using the exchange rates applicable on the transaction date. Assets and liabilities in foreign currencies are translated into Danish kroner using the rates on the balance sheet date.

INCOME STATEMENT

Income from investments in portfolio companies

Realised gains/losses on investments, negative unrealised value adjustments of investments in associates and unrealised value adjustments of investments in participating interests in portfolio companies are recognised in the income statement. Dividends received from investments will also be classified as "Income from investments in portfolio companies".

Administrative expenses

Administrative expenses mainly include management fees, partnership formation costs, depositary fee and other administrative expenses.

Financial income and expenses

Financial income and expenses include interest expense due to credit facilities and bridge loans, interest on bank deposits, financial risk premium to the general partner and currency adjustments.

Tax

Private Equity Minorities I K/S is a Danish limited partnership. The limited partnership is transparent for tax purposes and taxes are levied on the individual investor in proportion to their shares in the partnership. Consequently, no provisions for tax have been made in the financial statements. However, tax withheld on the payment of dividends by the portfolio companies will be recognized in the income statement under "Withholding tax".

BALANCE SHEET

ASSETS

Investments in portfolio companies

On initial recognition, investments in associates and participating interests are measured at cost, with the addition of transaction costs.

On subsequent recognition, investments in associates are measured at fair value and positive unrealised value adjustments are made directly at the equity. Negative unrealised value adjustments are recognised in the income statement.

On subsequent recognition, investments in participating interests are measured at fair value and any value adjustments are recognised in the income statement.

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ACCOUNTING POLICIES

Investments in portfolio companies (continued)

The fair value of investments in listed portfolio companies will for actively traded (listed) investments be available market prices with deductions for any discounts related to contractual or other legal restrictions attributable to the investments, e.g. lock-up. If shares are not actively traded, investments will be measured as investments in unlisted portfolio companies.

The fair value of investments in unlisted portfolio companies are measured through the use of traditional valuation methods. The most recent market price for a limited period following the date of the relevant transaction are also taken into consideration, for instance in the form of an expansion of capital or partial sale.

Investments in underlying funds are measured at their Net Asset Value (NAV).

If the fair value assessment is not reliable, investments will be measured at cost with the addition of transaction costs.

Investments in portfolio companies owned by the fund are valued based on the International Private Equity and Venture Capital Valuation Guidelines (IPEV).

Receivables

Other receivables are measured at the lower of amortised cost or net realisable value, which usually corresponds to the nominal value less write-downs for bad debts. Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Prepayments

Prepayments recognised under assets consist of prepaid management fees.

Cash

Cash includes deposits with financial institutions.

LIABILITIES

Financial liabilities

Bank loans regarding bridge financing are measured at amortised cost, corresponding to the outstanding debt.

Other short-term liabilities are measured at amortised cost, usually corresponding to the nominal value.

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ACCOUNTING POLICIES

CASH FLOW STATEMENT

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as the year's movements in cash flows and the limited partnership's cash at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities include the net profit or loss for the year, adjusted for changes in working capital and non-cash operating items, such as value adjustments of investments in portfolio companies and provisions. The working capital includes current assets less short-term liabilities, exclusive of items included in cash and bank loans.

Cash flows from investing activities

Cash flows from investing activities include payments in respect of acquisitions or divestments of portfolio companies.

Cash flows from financing activities

Cash flows from financing activities include payments to and from limited partners as well as any changes in bank loans.

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INCOME STATEMENT

'000 DKK	Note	27/10/2021 – 31/12/2022
Income from investments in portfolio companies	1	(45,855)
Administrative expenses		(15,592)
Operating profit/loss		(61,447)
Financial income	2	26,813
Financial expenses	3	(4,685)
Profit/loss before tax		(39,319)
Withholding tax		-
Profit/loss for the year	4	(39,319)

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BALANCE SHEET

'000 DKK	Note	31/12/2022
ASSETS		
Investments in portfolio companies	5	3,373,653
Total investments in portfolio companies		3,373,653
Total non-current assets		3,373,653
Prepayments	6	4,657
Total receivables		4,657
Cash		14,846
Total current assets		19,503
Total assets		3,393,156
EQUITY AND LIABILITIES		
Paid-in capital		3,333,914
Distributions		-
Fair value adjustment of investments in associates		98,138
Retained earnings		(39,319)
Total equity	7	3,392,733
Trade payables		423
Total short-term liabilities		423
Total liabilities		423
Total equity and liabilities		3,393,156
Contingent liabilities	10	
Other notes	11-14	

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CASH FLOW STATEMENT

'000 DKK	Note	27/10/2021 – 31/12/2022
Profit for the year		(39,319)
Adjustments	8	21,932
Change in working capital	9	(4,234)
Cash flows from operating activities before net financials		(21,621)
Financial income		26,813
Financial expenses		(4,685)
Cash flows from operating activities		507
Purchase of investments in portfolio companies		(3,319,575)
Cash flows from investing activities		(3,319,575)
Paid-in capital from limited partners		3,333,914
Cash flows from financing activities		3,333,914
Cash flows for the year, net		14,846
Cash at the beginning of the year		-
Cash at the end of the year		14,846

FINANCIAL STATEMENTS

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'000 DKK	27/10/2021 – 31/12/2022
NOTE 1 Income from investments in portfolio companies	
Unrealised value adjustments	(44,058)
Other expenses regarding investments	(1,797)
	<u>(45,855)</u>
NOTE 2 Financial income	
Currency adjustments	26,797
Other financial income	17
	<u>26,813</u>
NOTE 3 Financial expenses	
General Partner, annual financial risk premium	(7)
Other financial expenses	(4,678)
	<u>(4,685)</u>
NOTE 4 Proposed distribution of profit and loss	
Retained earnings	(39,319)
	<u>(39,319)</u>

FINANCIAL STATEMENTS

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NOTE 5 Investments in portfolio companies

31/12/2022	Investments in associates	Investments in participating interests	Total investments in portfolio companies
Cost primo	-	-	-
Additions during the year	2,650,159	669,416	3,319,575
Disposals during the year	-	-	-
Cost at 31/12	2,650,159	669,416	3,319,575
Value adjustments primo	-	-	-
Value adjustments during the year	-	(11,034)	(11,034)
Currency adjustments during the year	97,775	(32,663)	65,112
Value adjustments at 31/12	97,775	(43,697)	54,078
Carrying amount at 31/12	2,747,934	625,719	3,373,653

Investments in portfolio companies are valued according to the fair value measurements in Level 3 of the fair value hierarchy.

The fair market value for each portfolio company is primarily measured based on methods that best reflect individual investment risks, life cycle and industry conditions. Generally applicable, the fair value is calculated in accordance with IPEV valuation guidelines and accepted valuation methods, including multiple analysis/benchmarking or other relevant methods.

Investments in fund-of-funds are measured based on latest Net Asset Value reported.

'000 DKK

31/12/2022

In case, no unrealised fair value adjustments were recognised directly in equity of investments in associates, the value of investments in portfolio companies would have been as the following:

3,275,878

FINANCIAL STATEMENTS

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NOTE 5 Investments in portfolio companies (continued)

Name of investments in portfolio companies	Registered office	Ownership interest	Currency	Equity	Profit/loss for the year
<i>Investments in associates</i>					
Synklino A/S	Copenhagen	26.60%	'000 DKK	88,843	(10,822)
Armira LifeScience SCSp (Sartorius AG)	Germany	21.98%	'000 EUR	*	*
Novo Maia, LP (Medical Knowledge Group LLC)	United States	24.60%	'000 USD	*	*
Novo Rhea Aggregator, LP (The Ritedose Corporation)	United States	20.71%	'000 USD	*	*
<i>Investments in participating interests</i>					
Morrow Batteries ASA	Norway	10.12%	'000 NOK	*	*
Red Tree Venture Fund, L.P.	United States	9.19%	'000 USD	*	*
Grove Ventures III, L.P.	Israel	13.70%	'000 USD	*	*
NH Kronos Ultimate Holdings L.P. (KabaFusion LLC)	United States	10.40%	'000 USD	*	*

The overview of investments above is based in financial information from the most recent published annual report at the time of the presentation of these financial statements. The latest annual report published for Synklino A/S is 2021.

* No values in equity and profit/loss have been stated for entities for which no public financial disclosures are available, cf. section 97a (3) in the Danish Financial Statements Act.

The entities stated in brackets indicate the names of the underlying operating companies. Since the Fund's main activity is investing in companies, listing all investment entities related to the Fund would result in a comprehensive list consisting of multiple entities. In order to maintain the integrity of the true and fair view of the annual report, the list of entities to which the Fund has an equity interest has been limited to the entities to which the Fund has a direct ownership.

FINANCIAL STATEMENTS

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'000 DKK	31/12/2022
NOTE 6 Prepayments	
Prepaid management fee	4,657
	<u>4,657</u>
NOTE 7 Equity	
Equity at beginning of year	-
Paid-in capital from limited partners	3,333,914
Fair value adjustment of investments in associates	98,138
Retained earnings	(39,319)
Equity at end year	<u>3,392,733</u>
The limited partners are liable for their share of the remaining commitment 31/12/2022	<u>1,666,086</u>

The limited partnership capital has not been divided into classes.

'000 DKK	27/10/2021 - 31/12/2022
NOTE 8 Cash flow statement – adjustments	
Financial income	(26,813)
Financial expenses	4,685
Unrealised value adjustments in portfolio companies	44,060
	<u>21,932</u>
NOTE 9 Cash flow statement – change in working capital	
Change in prepayments	(4,657)
Change in other short-term liabilities	423
	<u>(4,234)</u>

NOTE 10 Contingent liabilities

Private Equity Minorities I K/S has outstanding commitments to the investments in venture funds of USD 39 million as of 31 December 2022.

Private Equity Minorities I K/S has entered into a management agreement with Maj Invest Equity A/S, for the Manager's administration of the Fund as well as the provision of investment advisory services to the Fund. The Management Agreement shall remain in full force and effect until the Partnership has been finally liquidated and hence the Fund is obliged to pay management fee until the liquidation of the partnership.

FINANCIAL STATEMENTS

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NOTE 11 Information on average number of employees

Private Equity Minorities I K/S has no employees.

Please refer to the section "Legal structure" in the Business Review for further.

NOTE 12 Events after the balance sheet day

After the balance sheet day, Private Equity Minorities closed three new venture investments in ActiveFence Ltd., Protai Bio Ltd. and Hemab ApS.

ActiveFence Ltd. is an Israeli company that develops a technology platform to collect, analyze, and contextualize data to protect users from online unwanted content and malicious behavior.

Protai Bio Ltd., an Israeli start-up, has developed an AI-powered drug discovery platform which seeks to map the course of a disease on the protein level, enhancing the ability to observe cellular function and thereby improving new drug discovery or optimizing existing ones.

Hemab ApS (Hemab), located in Copenhagen with a footprint in Boston, is a clinical-stage biotech company developing treatments for rare bleeding disorders.

A bridge loan of DKK 160.5 million has been obtained after the balance sheet day to finance the three new investments. The bridge loan will be repaid end of March 2023 in connection with a draw down from the Limited Partners.

There have been no other events after the balance sheet day and to date that materially affect the assessment of the annual report.

NOTE 13 Related parties

Private Equity Minorities I K/S has no investors or related parties with a controlling interest.

Related parties include the General Partner "PE Minorities GP ApS" and the Executive Board of the General Partner.

Transactions with related parties are made at normal market prices and terms.

NOTE 14 Executive Board of the General Partner

Torben Kjær

Director of:

Susanne Boye Nielsen Holding ApS.

Board member of:

Foodpeople A/S, Foodpeople Group ApS, Fonden LDE 2 GP, Fonden LDE 3 GP, Fonden MIE 5 GP and Fonden MIE 6 GP.

Member of Investment Committee of:

Maj Invest Equity Vietnam I K/S and Maj Invest Equity Southeast Asia II K/S.

FINANCIAL STATEMENTS

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NOTE 14 Executive Board of the General Partner (continued)

Jens Aaløse

Managing Partner of:

Maj Invest Equity A/S.

Director of:

Maj Invest Holding A/S, Maj Invest Equity A/S, Fondsmæglerselskabet Maj Invest A/S and MOMA Capital ApS. In addition, director, chairman and board member of several holding companies and underlying portfolio companies owned by Maj Invest Equity 4 K/S and Maj Invest Equity 5 K/S.

Chairman of:

Fonden LDE 3 GP, Fonden MIE 6 GP, Blue Ocean Robotics ApS and Blue Ocean Robotics Holding ApS.

Vice Chairman of the boards of:

TOPDANMARK A/S and TOPDANMARK Forsikring A/S.

Board member of:

Dansk Erhverv, FDM Travel A/S, Fonden Maj Invest Equity General Partner and Gerda og Victor B. Strands Fond/Toms Gruppens Fond.

Member of Investment Committee of:

Maj Invest Equity 4 K/S and Maj Invest Equity 5 K/S.

OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

ANNEX IV

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> it made sustainable investments with an environmental objective : __pct. <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> it promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __ pct. sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> it made sustainable investments with a social objective : __pct.	<input checked="" type="checkbox"/> promoted E/S characteristics, but did not make any sustainable investments

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

1. To what extent were the environmental and/or social characteristics promoted by this financial product met?

The Fund promotes environmental and social characteristics, which have been promoted through selected Sustainable Development Goals (SDGs): SDG 3, 8, and 13. The Fund met all environmental and social characteristics promoted, as all companies in the Fund contributed to at least one of the promoted SDGs and the exclusion criteria was followed.

OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

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

1.1. How did the sustainability indicators perform?

The sustainability indicators' performance is presented below (as an average of four data points for year 2022)

- Exclusions: in 2022, 100 pct. of the investments were in line with the Fund's exclusion criteria
- SDG 3: in 2022, 86 pct. of the investments contributed to SDG 3
- SDG 8: in 2022, 100 pct. of the investments contributed to SDG 8
- SDG 13: in 2022, 10 pct. of the investments contributed to SDG 13

1.2. ...and compared to previous periods?

1.3. What were the objectives of the sustainable investments that the financial products partially made and how did the sustainable investment contribute to such objectives?

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

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

1.5. Were sustainable investments aligned with the OECD Guidelines for Multi-national Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

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

The Fund incorporates information on principal adverse impacts on sustainability factors in the investment process. In the investment decision making and in relation to active ownership, the investment team together with the sustainability team seek to reduce principal adverse impacts.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

3. What were the top investments of this financial product?

As half of the investments in the Fund count four investments, information on the largest four investments is disclosed below.

Name	Country	Sector	Avg. Weight
Sartorius AG	Germany	Health Care	22 pct.
Medical Knowledge Group, LLC	United States	Health Care	21 pct.
The Ritedose Corporation	United States	Health Care	21 pct.
Grove Ventures III, L.P.	Israel	Information Technology	4 pct.

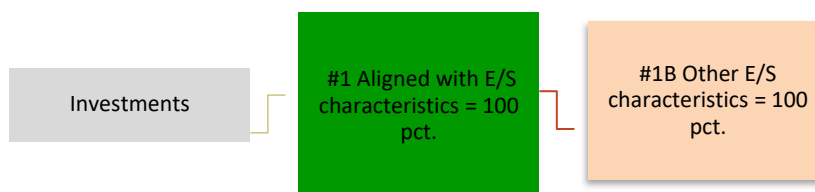
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 2022

4. What was the proportion of sustainability-related investments?

100 pct. of the Fund's investments in 2022 was in line with sustainability-related investments.

4.1. What was the asset allocation?

100 pct. of the investments in the Fund was aligned with the environmental and social characteristics promoted by the Fund, as described earlier.



4.2. In which economic sectors were the investments made?

The economic sectors where the investments were made were

- Health Care
- Information Technology
- Industrials

Asset allocation describes the share of investments in specific assets.

OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

Taxonomy-aligned activities are expressed as a share of:

Turnover reflecting the share of revenue from green activities of investee companies.

Capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

Operational expenditure (OpEx) reflecting green operational activities of investee companies.

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

In 2022, 0% of the investments were sustainable with an environmental objective aligned with the EU Taxonomy.

5.1. Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

- Yes
- In fossil gas In nuclear energy
- No

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated regulation (EU) 2022/1214.

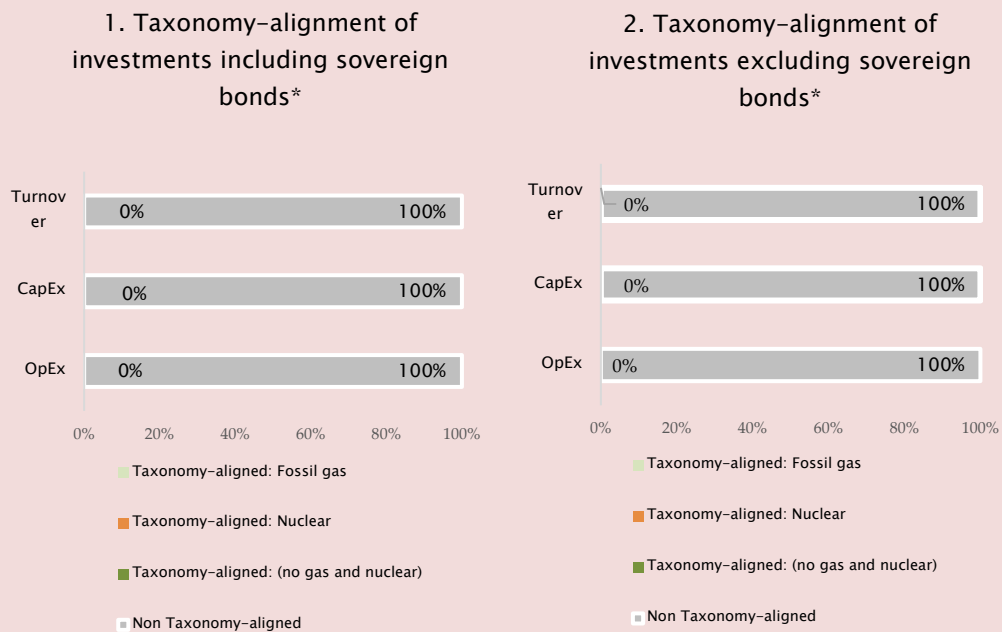
OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

5.2. What was the share of investments made in transitional and enabling activities?

In 2022, 0% of investments were made in transitional and enabling activities.

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

OTHER INFORMATION – SUPPLEMENTARY REPORT IN ACCORDANCE WITH SFDR (EU)

6. What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?
7. What was the share of socially sustainable investments?
8. What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?
- 9. What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

An ESG assessment of potential portfolio companies is part of the investment process, and the process also includes integrating specific investor guidelines for responsible investment as well as adhering to an exclusion list. The exclusion list with prohibition of investments in controversial weapons and tobacco products was followed during 2022.

Material ESG risks are evaluated prior to investment based on standards such as SASB's Materiality Mapper, as well as an evaluation of the companies' contribution to the SDGs. During the ownership period, the Fund works together with selected relevant portfolio companies on establishing and developing the companies' ESG approach and strategy. The deal flow is high, which in 2022 resulted in companies being sorted out due to ESG factors, but also lead to many investments. Therefore, ESG-related development of portfolio companies is really to commence in the following years to come.

10. How did this financial product perform compared to the reference benchmark?
 - 10.1. How did this financial product perform regarding the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?
 - 10.2. How did this financial product perform compared with the reference benchmark?
 - 10.3. How did this financial product perform compared with the broad market index?