

Danske Private Equity Partners K/S

CVR-no. 25 26 89 97

c/o Gorrissen Federspiel
Axeltorv 2
1609 Copenhagen V

The Annual Report has been presented
and approved at the Limited Partner-
ship's Annual General Meeting:

2017 _____ 2018


Chairman

Annual Report

October 1, 2016 - September 30, 2017

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Management's statement on the annual report

The management has today discussed and approved the annual report for Danske Private Equity Partners K/S for the financial year October 1, 2016 - September 30, 2017.

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 as of September 30, 2017, as well as of the result of the Limited Partnership's activities for the financial year October 1, 2016 - September 30, 2017.

Furthermore, in our opinion, the Management's review gives a fair review of the development in the Limited Partnership's operations and financial matters and the results of the Limited Partnership's operations and financial position as a whole.

The annual report is recommended to be approved at the Annual General Meeting.

Copenhagen, December 18, 2017

Management:



General Partner
DPE Partners I ApS
Erik Fosgrau
Chief Executive Officer

Independent auditors' report

To the Limited Partners of Danske Private Equity Partners K/S

Independent auditors' report on the financial statements

We have audited the financial statements of Danske Private Equity Partners K/S for the financial year October 1, 2016 - September 30, 2017, which comprise an income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at September 30, 2017 and of the results of the Company's operations for the financial year October 1, 2016 - September 30, 2017 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the 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.

- ▶ 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 inadequate, 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 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 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 Financial Statements 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 Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, December 18, 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28


Lars Rhod Sondergaard, mne28632
State Authorised
Public Accountant


Ole Karstensen, mne16615
State Authorised
Public Accountant

Management's review

Fund summary

Company:	Danske Private Equity Partners K/S c/o Gorrissen Federspiel Axeltorv 2 1609 Copenhagen V, Denmark
	CVR-no.: 25 26 89 97 Established: March 1, 2000 Registered office: Copenhagen Financial year: October 1 - September 30
Management:	General Partner DPE Partners I ApS with Chief Executive Officer Erik Fosgrau
Auditor:	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4 Postboks 250 2000 Frederiksberg
Manager (FAIF):	Danske Private Equity A/S (FT-no.23026) Website: www.danskeprivateequity.com

Main and key figures

DKK 1,000	2016/17	2015/16	2014/15	2013/14	2012/13
Gains/losses on investments in portfolio funds	-21,983	39,009	106,457	80,567	-1,568
Operating profit	-22,585	37,548	99,486	76,888	1,694
Net financial income and expenses	-657	-189	-137	-660	-831
Profit/loss	-23,242	37,359	99,348	76,228	860
Total assets	184,784	279,155	474,400	431,210	604,312
Total Limited Partners' capital	173,502	264,352	460,868	423,790	599,095
Investments in portfolio funds	183,800	255,457	414,439	427,729	585,597
Performance ratio *	1.67	1.67	1.67	1.64	1.62

* Accumulated distributions and capital account end period (reduced by unpaid capital)/accumulated paid-up capital

Management's review

Main activity

Danske Private Equity Partners K/S ("Danske PEP I") is a fund-of funds with a geographical focus on investments in North America and Western Europe. Investments are mainly made in venture and small and mid market buy-out funds.

Development in the financial year

The financial year resulted in a loss of DKK 23 million, corresponding to an annual IRR of -11%. Losses on investments in portfolio funds including a foreign exchange loss on portfolio fund investments (USD) amounted to DKK 22 million and losses on other securities and investments amounted to DKK 4 million. Reversed carried interest accrued to Danske Private Equity A/S amounted to DKK 4 million.

The result is lower than our expectations.

An aggregate amount of DKK 50 million was distributed from portfolio funds during the financial year, bringing total distributions from portfolio funds as of September 30, 2017 to DKK 6,207 million, corresponding to 176% of capital contributed to portfolio funds. In the financial year an aggregate amount of DKK 68 million was distributed to the Limited Partners, bringing the accumulated distributions as of September 30, 2017 to DKK 6,190 million, corresponding to 162% of the Limited Partners' paid-up capital.

Special risks

Financial risks

The objective of Danske PEP I is to supply risk capital to the portfolio funds, and also to their investments in competitive companies in North America and Western Europe in Small and Mid Market. The highest factor of risk is therefore the changes in the value of the companies in which Danske PEP I's portfolio funds invest in, which to a significant extent depend on the valuations of comparable listed companies on the quoted market. The valuation of investments in the portfolio funds is an accounting estimate and could be connected with some uncertainty.

Interest rate risks

Danske PEP I is less sensitive to the changes in interest rate levels.

Foreign exchange currency risks

Danske PEP I's investments in portfolio funds have been made in USD and EUR. As the capital in Danske PEP I is in DKK, Danske PEP I is influenced by the currency fluctuations. The currency risk is therefore considered as material. Under Danske PEP I's investment policy, Danske PEP I does not hedge its exposure toward currency rate fluctuations.

Investment activity

In the period from inception to September 30, 2017 Danske PEP I has invested in 15 portfolio funds. 6 of the portfolio funds are closed as of September 30, 2017.

Since inception the portfolio funds have in general performed very well.

Cash resources

Danske PEP I's cash resources as of September 30, 2017 include cash and cash equivalents, undrawn credit facilities and outstanding commitments from the Limited Partners, and are estimated as satisfactory to cover Danske PEP I's liabilities including investment obligations, management fees etc.

Management's review

Expectations for 2017/18

During the financial year, the valuations of the portfolio funds' investments have not developed as positively as expected, partly due to a negative development in the portfolio companies as well as a decreasing dollar. American companies still have better conditions than European as a result of a higher growth in the economy. This development is expected to carry on in 2018, particularly with the US economy benefiting from the anticipated increase in financial stimulus.

The development in valuation of the portfolio funds' investments will still be influenced mainly by the development of the individual portfolio companies' results and their ability to generate cash as well as the valuations of comparable listed companies.

The above-mentioned development along with the general economic development and the development in USD/DKK will affect the result for 2017/18.

The continuous exit activity and thereby the reduction of the portfolio will affect future results which are expected to be better than the result of the current financial year.

Post balance sheet events

An aggregate amount of DKK 37 million was distributed to the Limited Partners, corresponding to 21% of the Limited Partners' capital as of September 30, 2017.

The value of the public listed portfolio companies have fallen since the balance sheet date, corresponding to 6% of the Limited Partners' capital as of September 30, 2017.

No other events have occurred, after the balance sheet date and to the signing of the annual report which is considered of significance to the annual report.

Financial statements October 1 – September 30

Accounting policies

The annual report of Danske Private Equity Partners K/S has been prepared in accordance with the provisions of Danish Financial Statements Act for a reporting class B entity and elective choice of certain provisions applying to reporting class C entities.

The presentation of the income statement, the balance sheet and the description of entries has been adjusted according to the Limited Partnership's activities as an investment company in private equity.

Exchange gain and losses regarding investments in the portfolio funds have previously been disclosed as financial income, but is now disclosed as gain and losses on investments in portfolio funds. The changes have no effect on profit and loss, total assets or total Limited Partner's capital. Comparative figures have been adjusted. The financial statements have been prepared in accordance with the same accounting policies as last year.

Reporting currency is Danish Kroner (DKK).

Income statement

Gains/losses on investments in portfolio funds

Gains/losses on portfolio fund investments include income from investment (dividend, interest and foreign exchange), realised gains and losses of divestments and unrealised gains and losses on revaluations or depreciations of investments in portfolio funds.

Gains/losses on other securities and investments

Gain/losses on other securities and investments include realised gains and losses of divestments and unrealised gains and losses on revaluations or depreciations of other securities and investments.

Management fee etc.

The management fee includes management fee and performance fee for the period to the Manager, Danske Private Equity A/S.

Other administrative expenses

Other administrative expenses include costs paid by the Limited Partnership.

Financial income and expenses

Financial income and expenses include interest income and expenses, exchange gains and losses from cash and cash equivalent.

Tax

The Limited Partnership is not independently liable to pay tax, consequently no tax is charged to the profit and loss account.

Financial statements October 1 – September 30

Accounting policies

Balance Sheet

Investment assets

Investments in portfolio funds are measured in accordance with the IPEV Valuation Guidelines or similar guidelines depending on the country of origin of the portfolio funds according to which investments are measured at the fair value. Revaluations are included in the profit and loss account.

Investments in unlisted private equity funds are valued on the basis of the latest reporting received from the respective sub-funds. The reports from the funds contain a valuation of the private equity fund, including a valuation of each individual portfolio company. The value of a private equity fund consists of the sum of the values of the portfolio companies in which the fund has invested in, and the value of other net assets.

Other debtors

Other debtors are measured at amortised cost after deduction of write-downs for anticipated losses.

Other securities and investments, current assets

Other securities and investments include listed securities distributed from the portfolio funds. The securities are measured to the current market value on the balance sheet day.

Other liabilities

Other payables include a performance fee to the Manager, Danske Private Equity A/S and administration costs due. Liabilities are measured at net realised value.

Foreign currency translation

Transactions in foreign currency are translated into DKK according to the currency rate ruling on the transaction date.

Cash and cash equivalents, accounts receivable and accounts payable in foreign currency are translated into DKK according to currency rate rulings on the balance sheet date. Realised and unrealised exchange rate profit margins and losses are booked in the profit and loss account under financial items.

Financial statements October 1 – September 30

Income statement

Note	DKK 1.000	<u>1/10 2016 - 30/9 2017</u>	<u>1/10 2015 - 30/9 2016</u>
1	Gains/losses on investments in portfolio funds	-21,983	39,009
	Gains/losses on other securities and investments	<u>-4,029</u>	<u>-94</u>
	Gains/losses in the year	-26,012	38,915
2	Management fees etc.	3,500	-1,272
3	Other administrative expenses	<u>-73</u>	<u>-95</u>
	Operating profit	-22,585	37,548
4	Financial expenses	<u>-657</u>	<u>-189</u>
	PROFIT/LOSS	<u>-23,242</u>	<u>37,359</u>
	PROPOSED DISTRIBUTION OF THE PROFIT/LOSS		
	Transferred to retained earnings	<u>-23,242</u>	<u>37,359</u>
	TOTAL RETAINED EARNINGS	<u>-23,242</u>	<u>37,359</u>

Financial statements October 1 – September 30

Balance sheet

Note	DKK 1.000	<u>30/9 2017</u>	<u>30/9 2016</u>
	ASSETS		
	FIXED ASSETS		
	Investment assets		
1	Investments in portfolio funds	<u>183,800</u>	<u>255,457</u>
	Total Fixed Assets	<u>183,800</u>	<u>255,457</u>
	CURRENT ASSETS		
	Other securities and investments	<u>0</u>	<u>21,226</u>
	Cash and cash equivalent	<u>984</u>	<u>2,472</u>
	Total current assets	<u>984</u>	<u>23,698</u>
	TOTAL ASSETS	<u>184,784</u>	<u>279,155</u>
	LIMITED PARTNERS' CAPITAL AND LIABILITIES		
	LIMITED PARTNERS' CAPITAL		
5	Paid-up capital from Limited Partners	3,813,000	3,813,000
	Distributed to Limited Partners	-6,189,776	-6,122,168
	Retained earnings	<u>2,550,278</u>	<u>2,573,520</u>
	Total Limited Partners capital	<u>173,502</u>	<u>264,352</u>
	LIABILITIES		
	SHORT-TERM LIABILITIES		
	Other payables	<u>11,282</u>	<u>14,803</u>
	Total short-term liabilities	<u>11,282</u>	<u>14,803</u>
	Total liabilities	<u>11,282</u>	<u>14,803</u>
	TOTAL LIMITED PARTNERS' CAPITAL AND LIABILITIES	<u>184,784</u>	<u>279,155</u>
6	Related parties		
7	Contingent liabilities, contingent assets and securities		

Financial statements October 1 – September 30

Notes

Note	DKK 1.000	<u>30/9 2017</u>	<u>30/9 2016</u>
1	Investments in portfolio funds		
	Cost October 1	1,475,367	1,534,045
	Additions in the year	0	3,998
	Disposals in the year	<u>-28,235</u>	<u>-62,676</u>
	Cost September 30	<u>1,447,132</u>	<u>1,475,367</u>
	Revaluations October 1	-1,219,910	-1,119,606
	Revaluations on disposals in the year	-21,439	-139,313
	Revaluations in the year	<u>-21,983</u>	<u>39,009</u>
	Revaluations September 30	<u>-1,263,332</u>	<u>-1,219,910</u>
	Carrying amount September 30	<u>183,800</u>	<u>255,457</u>
	Specification of revaluations in the year		
	Realised gains/losses on investments in portfolio funds	-22,857	55,770
	Unrealised gains/losses on investments in portfolio funds	<u>7,888</u>	<u>-18,538</u>
		-14,969	37,232
	Exchange rate gains/losses on investments in portfolio funds	<u>-7,014</u>	<u>1,777</u>
	Gains/losses on investments in portfolio funds	<u>-21,983</u>	<u>39,009</u>

Investments in portfolio funds

Through investments in portfolio funds the Company has ownership of mainly unquoted investments. The Company has no controlling or significant influence on the portfolio funds in which the Company has invested.

The portfolio funds in which the Company has invested all use common accepted guidelines for measuring the fair value. The measuring of the fair value of the investments in underlying portfolio companies are made by the managers of the portfolio funds.

The value of a private equity fund is measured as the fair value of each investment in portfolio companies owned by the fund with the addition of other net assets in the fund. The valuation of a portfolio company in a private equity fund is based on the industry, market position and earnings capacity, and the (i) the peer group multiple, i.e. the market value of comparable listed companies, (ii) transaction multiple in recent M&A transactions involving comparable companies, (iii) value indications from potential buyers of the portfolio company, (iv) market value if the portfolio company is publicly traded, and or (v) future expected proceeds, if there is a concluded agreement on the sale of the portfolio company.

Usually the Company has no or very little information about specific methods and assumptions used by the managers of the portfolio funds when measuring the fair value of the underlying portfolio companies. At the assessment of the fair value of the underlying portfolio companies reported by the managers, information about the market conditions, company specific information as well as information received through dialog with the managers of the portfolio funds are used.

Financial statements October 1 - September 30

Notes

Note DKK 1.000

1 Investments in portfolio funds (continued)

The Company invests in venture and buy-out funds. The investments made by the portfolio funds are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs based upon quoted prices for identical assets and liabilities in active markets

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active

Level 3 - Unobservable input

Fair value measurements as of September 30, 2017

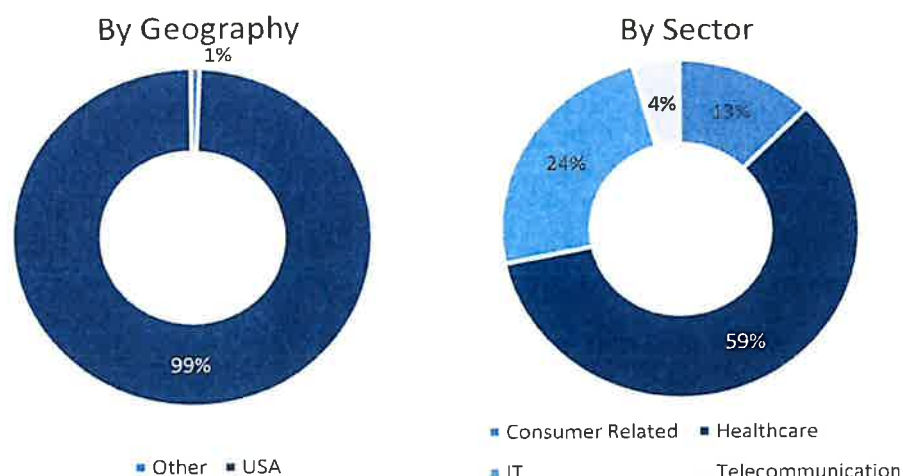
	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3	Total
Investments in portfolio funds	37,836	0	145,964	183,800
Total	37,836	0	145,964	183,800

Fair value measurements as of September 30, 2016

	Quoted prices Level 1	Observable input Level 2	Unobservable input Level 3	Total
Investments in portfolio funds	108,312	0	147,145	255,457
Total	108,312	0	147,145	255,457

The above measurement is based on the fair value of the portfolio funds underlying portfolio companies. The value of other net assets is classified as level 3.

The investments divided by Geography and Sector based on fair value September 30, 2017:



Financial statements October 1 - September 30

Notes

Note	DKK 1.000	<u>1/10 2016 - 30/9 2017</u>	<u>1/10 2015 - 30/9 2016</u>
2	Management fees etc.		
	Management fee	0	0
	Adjustment of provision for performance fee	-3,500	1,272
	Management fees etc. in total	<u>-3,500</u>	<u>1,272</u>
3	Other administrative expenses		
	Fee to auditor elected on the Annual General Meeting (incl. VAT)		
	Statutory audit	58	79
	Tax consultancy	0	0
	Total incl. VAT	<u>58</u>	<u>79</u>
	The fund has not had any employees in the financial year		
4	Financial expenses		
	Financial expenses credit institutions	14	35
	Exchange rate losses	643	154
	Financial expenses in total	<u>657</u>	<u>189</u>

Financial statements October 1 – September 30

Notes

Note DKK 1.000

5 Limited Partners

	<u>Commitment</u>	<u>Paid-up</u>	<u>Outstanding Commitment</u>
Limited Partners	4,100,000	3,813,000	287,000

In July 2002 The Limited Partners adopted changes to the Limited Partnership Agreement, that entail an obligation to participate in an extension of the Limited Partnership capital, if increases in exchange rates after February 28, 2003 leads to the total Limited Partnership capital on DKK 4,1 billion not being sufficient enough to cover remaining commitment issued to the portfolio funds. The Limited Partners are jointly liable for the remaining amount to the extent of their investment. The liability amount to DKK 0 on the balance sheet day.

6 Related parties

Manager

Danske Private Equity A/S, Niels Juels Gade 7, 1059 Copenhagen K

Transactions: Annual management fee and possible performance fee

Limited Partnerships administrated by Danske Private Equity A/S

Danske Private Equity Partners II (USD) K/S

Danske Private Equity Partners II (EUR) K/S

Danske Private Equity Partners II (EUR) Parallel K/S

Above companies have the following address:

c/o Gorrissen Federspiel, Axeltorv 2, 1609 Copenhagen V

Transactions: The partnerships have syndicated some of the investments in the portfolio funds.

General Partner

DPE Partners I ApS, c/o Gorrissen Federspiel, Axeltorv 2, 1609 Copenhagen V

Transactions: Annual administration fee

Financial statements October 1 – September 30

Notes

Note DKK 1.000

7 **Contingent liabilities, contingent assets and securities**

Investment commitments

	Commitment		Outstanding commitment	
	Currency	DKK	Currency	DKK
Commitment USD	248,250	1,629,777	2,212	13,944
Commitment SEK	330,000	263,604	0	0
Commitment EUR	205,000	1,526,483	0	0
Commitment GBP	20,000	219,994	0	0
Total commitment, DKK		<u>3,639,858</u>		<u>13,944</u>

Calculated as residual commitment in local currency multiplies by exchange rate, end period plus contributed to portfolio funds in EUR (transaction date's currency rate).

One portfolio fund has made distributions to the Limited Partnership that may be recallable at a later date. As of September 30, 2017 the recallable capital amounts to DKK 35 million (EUR 5 million).

The Limited Partnership has no other contingent liabilities, contingent assets or collaterals as of September 30, 2017.