

Danske Private Equity Partners IV (EUR-B) K/S

CVR-no. 31 58 52 52

c/o Gorrissen Federspiel
H.C. Andersens Boulevard 12
1553 Copenhagen V

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

2412 _____ 2017


Chairman

Annual Report

October 1, 2015 - September 30, 2016

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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 IV (EUR-B) K/S for the financial year October 1, 2015 - September 30, 2016.

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, 2016, as well as of the result of the Limited Partnership's activities for the financial year October 1, 2015 - September 30, 2016.

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 16, 2016

Management:



General Partner
DPE Partners IV ApS
Erik Fosgrau
Chief Executive Officer

Independent auditors' report

To the Limited Partners of Danske Private Equity Partners IV (EUR-B) K/S

Independent auditor's report on the financial statements

We have audited the financial statements of Danske Private Equity Partners IV (EUR-B) K/S for the financial year October 1, 2015 - September 30, 2016, which comprise of accounting policies, income statement, balance sheet, statement of changes in Limited Partners' Capital Account Statement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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 Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the internal financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Limited Partnership's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Limited Partnership's financial position at September 30, 2016 and of the results of its operations for the financial year October 1, 2015 - September 30, 2016 in accordance with Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information given in the Management's review is consistent with the financial statements.

Copenhagen, December 16, 2016
Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30 70 02 28


Lars Rhod Søndergaard
State Authorised
Public Accountant


Ole Karstensen
State Authorised
Public Accountant

Management's review

Fund summary

Company: Danske Private Equity Partners IV (EUR-B) K/S
c/o Gorrissen Federspiel
H.C. Andersens Boulevard 12
1553 Copenhagen V

CVR-no.: 31 58 52 52
Established: June 16, 2008
Registered office: Copenhagen
Financial year: October 1 - September 30

Management: General Partner
DPE Partners IV ApS with Chief Executive Officer Erik Fosgrau

Auditor: Ernst & Young
Godkendt Revisionspartnerselskab
Osvald 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

EUR 1,000	2015/16	2014/15	2013/14	2012/13	2011/12
Gain/losses on investments in portfolio funds	29,156	23,641	25,226	7,151	-1,102
Operating profit	27,292	21,663	22,794	6,290	-1,747
Net financial income and expenses	-5,026	1,322	1,618	-499	540
Profit/loss	22,266	22,985	24,412	5,791	-1,207
Total assets	133,285	116,204	107,491	70,014	47,223
Total Limited Partners' capital	129,125	113,216	105,713	66,457	45,596
Investments in portfolio funds	124,226	114,466	106,966	69,910	47,223
Performance ratio *	1.53	1.43	1.32	1.12	1.06

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

Management's review

Main activity

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

Development in the financial year

The financial year resulted in a profit of EUR 22.3 million, corresponding to an annual IRR of 19.6%. Gains on investments in portfolio funds amounted to EUR 29.2 million. Administrative running costs amounted to EUR 1.9 million, primarily in the form of management fee amounted to EUR 0.7 million and provision for performance fee amounted to EUR 1.2 million to Danske Private Equity A/S. Net financial expenses amounted to EUR 5.0 million which mainly relates to foreign exchange losses on portfolio fund investments (GBP).

The result is better than our expectations.

In the financial year an aggregate amount of EUR 16.4 million was paid-up by the Limited Partners, bringing the accumulated paid-up capital to EUR 147.5 million, corresponding to 92.7% of the Limited Partners' committed capital. An aggregate amount of EUR 11.1 million was contributed to the portfolio funds during the financial year bringing total contributions to the portfolio funds to EUR 132.4 million corresponding to 84.4% of the commitments to the portfolio funds.

An aggregate amount of EUR 25.5 million was distributed from the portfolio funds during the financial year, bringing total distributions from portfolio funds as of September 30, 2016 to EUR 98.7 million, corresponding to 74.5% of the contributed capital to portfolio funds. In the financial year an aggregate amount of EUR 22.7 million was distributed to the Limited Partners bringing the accumulated distributions as of September 30, 2016 to EUR 97.2 million, corresponding to 65.9% of the Limited Partners' paid-up capital.

Special risks

Financial risks

The objective of Danske PEP IV (EUR-B) is to supply risk capital to the portfolio funds, and also to their investments in competitive companies in European Small and Mid Market. The highest factor of risk is therefore the changes in the value of the companies in which Danske PEP IV (EUR-B)'s portfolio funds invest in, which to a significant extent depend on the valuations of comparable listed companies. The valuation of investments in portfolio funds is an accounting estimate and could be connected with some uncertainty.

Interest rate risks

Danske PEP IV (EUR-B) is less sensitive to the changes in interest rate levels.

Foreign exchange currency risks

Danske PEP IV (EUR-B)'s investments in portfolio funds have been made in EUR and GBP. As the capital in Danske PEP IV (EUR-B) is made in EUR, Danske PEP IV (EUR-B) is influenced by currency fluctuations in GBP. The currency risk is therefore considered as material. Under Danske PEP IV (EUR-B)'s investment policy, Danske PEP IV (EUR-B) does not hedge its exposure towards changes in exchange rates.

Investment activity

In the period from inception to September 30, 2016 Danske PEP IV (EUR-B) has invested in eight portfolio funds.

The portfolio funds have in general performed very well.

Management's review

Cash resources

Danske PEP IV (EUR-B)'s cash resources as of September 30, 2016, include cash and cash equivalents, undrawn credit facilities and outstanding commitments from the Limited Partners, and are estimated as satisfactory to cover Danske PEP IV (EUR-B)'s liabilities including investment obligations, management fees etc.

Expectations for 2016/17

During the financial year, the valuations of the portfolio funds' investments have developed positively. European companies are generally experiencing stable earnings and the private equity market is characterized by relatively high exit activity. This development is expected to carry on in 2017, although political uncertainty remains significant and may impact the markets.

The development in valuation of the portfolio funds' investments will still be influenced by mainly 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 will affect the result for 2016/17.

Despite the positive outlook the result is expected to be lower than the current year.

Post balance sheet events

An aggregate amount of EUR 21.5 million was distributed to the Limited Partners, corresponding to 16.7% of the Limited Partners' capital as of September 30, 2016.

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 IV (EUR-B) K/S has been prepared in accordance with the Danish Financial Statements Act for a reporting class B entity.

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.

The accounting policies applied are consistent with those of last year.

The annual report is in EUR. (EUR/DKK: 30/9 2016: 745.13 and 30/9 2015: 745.98)

In general

Income is recognised in the profit and loss account as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Limited Partnership and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income statement

Gain/losses on investments in portfolio funds

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

Management fee

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 regarding investments in the portfolio funds.

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 in the balance sheet in accordance with the Danish Financial Statement Act § 38. Revaluations are included in the profit and loss account.

In the portfolio funds, the fair value of the funds' portfolio companies are recognised and measured as follows:

Listed portfolio companies

The portfolio companies are measured to the current market value on the balance sheet day. If securities in the portfolio companies are subject to a lock-up provision, the provision is considered when measuring the fair value of the portfolio company. If shares are not actively traded the portfolio companies are measured as investments in unlisted portfolio companies.

Unlisted portfolio companies

Investments in portfolio companies are measured at fair value on price of recent investment either by way of an increase of capital or a part sale and by the use of valuation methodologies based on the earnings multiples, net assets, discounted cash flows or industry valuation benchmarks.

Other debtors

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

Prepayments and accrued income

Prepayments calculated under assets includes primarily prepaid management fee to the manager Danske Private Equity A/S

Other liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at fair value.

Other payables include a performance fee to 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 EUR according to the currency rate ruling on the transaction day.

Investments in portfolio funds, accounts receivable and accounts payable in foreign currency are translated into EUR according to currency rate rulings on the balance sheet day. 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	EUR 1,000	<u>1/10 2015 - 30/9 2016</u>	<u>1/10 2014 - 30/9 2015</u>
1	Gain/losses on investments in portfolio funds	29,156	23,641
2	Management fees etc.	-1,841	-1,956
3	Other administrative expenses	<u>-23</u>	<u>-22</u>
	Operating profit	27,292	21,663
4	Financial income	0	1,333
5	Financial expenses	<u>-5,026</u>	<u>-11</u>
	PROFIT/LOSS	<u><u>22,266</u></u>	<u><u>22,985</u></u>
	 PROPOSED DISTRIBUTION OF THE PROFIT/LOSS		
	Transferred to retained earnings	<u>22,266</u>	<u>22,985</u>
	TOTAL RETAINED EARNINGS	<u><u>22,266</u></u>	<u><u>22,985</u></u>

Financial statements October 1 – September 30

Balance sheet

Note	EUR 1,000	<u>30/9 2016</u>	<u>30/9 2015</u>
	ASSETS		
	FIXED ASSETS		
	Investment assets		
1	Investments in portfolio funds	<u>124,226</u>	<u>114,466</u>
	Total Fixed Assets	<u>124,226</u>	<u>114,466</u>
	CURRENT ASSETS		
	Receivables		
	Other receivables	<u>1,037</u>	<u>618</u>
	Total Receivables	<u>1,037</u>	<u>618</u>
	Cash and Cash equivalent	<u>8,022</u>	<u>1,120</u>
	Total current assets	<u>9,059</u>	<u>1,738</u>
	TOTAL ASSETS	<u>133,285</u>	<u>116,204</u>
	LIMITED PARTNERS' CAPITAL AND LIABILITIES		
	LIMITED PARTNERS' CAPITAL		
6	Paid-up capital from Limited Partners	147,486	131,098
	Distributed to Limited Partners	-97,231	-74,486
	Retained earnings	<u>78,870</u>	<u>56,604</u>
	Total Limited Partners' capital	<u>129,125</u>	<u>113,216</u>
	LIABILITIES		
	SHORT-TERM LIABILITIES		
	Other payables	<u>4,160</u>	<u>2,988</u>
	Total short-term liabilities	<u>4,160</u>	<u>2,988</u>
	Total liabilities	<u>4,160</u>	<u>2,988</u>
	TOTAL LIMITED PARTNERS' CAPITAL AND LIABILITIES	<u>133,285</u>	<u>116,204</u>
7	Related parties		
8	Contingent liabilities, contingent assets and securities		

Financial statements October 1 – September 30

Statement of changes in Limited Partners' capital

EUR 1,000	Paid-up capital from Limited Partners	Distributed to Limited Partners	Retained earnings	Total
Capital October 1, 2014	104,529	-32,435	33,619	105,713
Paid-up capital from Limited Partners	26,569	0	0	26,569
Distributed to Limited Partners	0	-42,051	0	-42,051
Retained earnings	0	0	22,985	22,985
Capital October 1, 2015	131,098	-74,486	56,604	113,216
Paid-up capital from Limited Partners	16,388	0	0	16,388
Distributed to Limited Partners	0	-22,745	0	-22,745
Retained earnings	0	0	22,266	22,266
Capital September 30, 2016	147,486	-97,231	78,870	129,125

Financial statements October 1 – September 30

Notes

Note	EUR 1,000	<u>30/9 2016</u>	<u>30/9 2015</u>
1	Investments in portfolio funds		
	Cost October 1	96,633	82,559
	Additions in the year	11,087	24,703
	Disposals in the year	-7,266	-10,629
	Cost September 30	<u>100,454</u>	<u>96,633</u>
	Revaluations October 1	17,833	24,407
	Revaluations on disposals in the year	-18,219	-31,548
	Revaluations in the year	24,158	24,974
	Revaluations September 30	<u>23,772</u>	<u>17,833</u>
	Carrying amount September 30	<u><u>124,226</u></u>	<u><u>114,466</u></u>
	Specification of revaluations in the year		
	Realised gains/losses on investments in portfolio funds	12,357	23,912
	Unrealised gains/losses on investments in portfolio funds	16,799	-271
	Gains/losses on investments in portfolio funds	<u>29,156</u>	<u>23,641</u>
	Exchange rate gains/losses on investments in portfolio funds	-4,998	1,333
	Total revaluations in the year	<u><u>24,158</u></u>	<u><u>24,974</u></u>

Financial statements October 1 – September 30

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Note	EUR 1,000	1/10 2015 - 30/9 2016	1/10 2014 - 30/9 2015
2	Management fees etc.		
	Management fee	669	746
	Adjustment of provision for performance fee	1,172	1,210
	Management fees etc. in total	1,841	1,956
3	Other administrative expenses (incl. VAT)		
	Fee to auditor elected on the Annual General Meeting		
	Statutory audit	9	9
	Tax consultancy	0	2
	Fee to auditor elected on the Annual General Meeting in total	9	11
	The fund has not had any employees in the financial year		
4	Financial income		
	Exchange rate gains on investments in portfolio funds	0	1,333
	Financial income in total	0	1,333
5	Financial expenses		
	Financial expenses credit institutions	28	11
	Exchange rate losses on investments in portfolio funds	4,998	0
	Financial expenses in total	5,026	11

Financial statements October 1 – September 30

Notes

Note EUR 1,000

6 Limited Partners

	<u>Commitment</u>	<u>Paid-up</u>	<u>Outstanding Commitment</u>
Limited Partners	159,100	147,486	11,614

The Limited Partnership may make distributions to the Limited Partners, which are subject to a redraw option. As of September 2016 the recallable amount is EUR 0 million.

7 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 IV (EUR-A) K/S, c/o Gorrissen Federspiel,
H. C. Andersens Boulevard 12, 1553 Copenhagen V

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

General Partner

DPE Partners IV ApS, c/o Gorrissen Federspiel, H.C. Andersens Boulevard 12, 1553
Copenhagen V

Transactions: Annual administration fee

Financial statements October 1 – September 30

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Note EUR 1,000

8 Contingent liabilities, contingent assets and securities Investment commitments

	Commitment		Outstanding commitment	
	Currency	EUR	Currency	EUR
Commitment EUR	124,871	124,871	19,129	19,129
Commitment GBP	<u>26,256</u>	<u>32,127</u>	<u>4,679</u>	<u>5,435</u>
Tilsagn ialt, EUR		<u>156,998</u>		<u>24,564</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).

The portfolio funds have made distributions to the Limited Partnership, which they have the opportunity to call again at a later time. As of September 2016 the recallable amounts to EUR 11.3 million.

The Limited Partnership has no other contingent liabilities, contingent assets or collaterals as of September 30, 2016.