

Danske Private Equity Partners V (USD-B) K/S

CVR-no. 34 04 51 00

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:

24/2 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 V (USD-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 V ApS
Erik Fosgrau
Chief Executive Officer

Independent auditors' report

To the Limited Partners of Danske Private Equity Partners V (USD-B) K/S

Independent auditors' report on the financial statements

We have audited the financial statements of Danske Private Equity Partners V (USD-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 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 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 V (USD-B) K/S c/o Gorrisen Federspiel H.C. Andersens Boulevard 12 1553 Copenhagen V
	CVR-no.: 34 04 51 00 Established: 1. november 2011 Registered office: Copenhagen Financial year: 1. oktober - 30. september
Management:	General Partner DPE Partners V ApS Chief Executive Officer Erik Fosgrau
Auditor:	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmutshs Vej 4 Postboks 250 2000 Frederiksberg
Manager (FAIF):	Danske Private Equity A/S (FT-no. 23026) Website: www.danskeprivateequity.com

Main and key figures

USD 1.000	2015/16	2014/15	2013/14	2012/13	2011/12
Gains/losses of investments in portfolio funds	8.338	5.083	1.033	-247	-290
Operating profit	7.647	4.819	712	-923	-932
Net financial income and expenses	-10	-21	-16	-44	-10
Profit/loss	7.637	4.798	696	-867	-942
Total assets	40.037	23.326	13.374	8.669	1.583
Total Limited Partner's capital	39.294	22.998	12.492	8.653	1.193
Investments in portfolio funds	40.037	23.324	13.373	7.911	1.583
Performance ratio *	1,34	1,16	0,92	0,84	0,60

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

Management's review

Main activity

Danske Private Equity Partners V (USD-B) K/S ("Danske PEP V (USD-B)") is a fund-of-funds with a geographical focus on investments in North America. 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 USD 7.6 million corresponding to an IRR of 27.3%. Gains on investments in portfolio funds amounted to USD 8.3 million. Administrative costs in the form of management fee to Danske Private Equity A/S amounted to USD 0.2 million and provision for performance fee to Danske Private Equity A/S amounted to USD 0.4 million.

The result is better than our expectations.

In the financial year an aggregate amount of USD 10.7 million was paid-up by the Limited Partners, bringing the accumulated paid-up capital to USD 33.8 million, corresponding to 60.5% of the Limited Partner's committed capital. An aggregate amount of USD 9.1 million was contributed to the portfolio funds during the financial year bringing total contributions to the portfolio funds and co-investment to USD 31.2 million corresponding to 57.7% of the commitments in the portfolio funds etc.

An aggregate amount USD 0.8 million was distributed from portfolio funds during the financial year, bringing total distributions from portfolio funds as of September 30, 2016 to USD 5.0 million corresponding to 16.2% of the capital contributed to portfolio funds. In the financial year an aggregate amount of USD 2.1 million was distributed to the Limited Partners, bringing total distributions as of September 30, 2016 to USD 5.8 million corresponding to 17.2% of the Limited Partner's paid-up capital.

Special risks

Financial risks

The objective of Danske PEP V (USD-B) is to supply risk capital to the portfolio funds, and also to their investments in competitive companies in the North American Small and Mid Market. The highest factor of risk is therefore the changes in the value of the companies in which Danske PEP V (USD-B)'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 portfolio funds is an accounting estimate and could be connected with some uncertainty.

Interest rate risks

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

Foreign exchange currency risks

Danske PEP V (USD-B)'s investments in portfolio funds have been made in USD. As the capital in Danske PEP V (USD-B) also is made in USD the currency risk is therefore considered as insignificant.

Investment activity

In the period from inception to September 30, 2016 Danske PEP V (USD-B) has invested in 5 portfolio funds and 1 co-investment.

The portfolio funds have in general performed well.

Management's review

Cash resources

Danske PEP V (USD-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 V (USD-B)'s liabilities including investment obligations, management fees etc.

Expectations for 2016/17

During the financial year, the developments of the valuations of the portfolio funds' investments have developed positively. American companies are generally enjoying a continued strong economy and the private equity market is characterized by relatively high exit activity. This development is expected to carry on in 2017, particularly with the economy benefiting from the anticipated increase in financial stimulus.

The development in valuations 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 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

No 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 V (USD-B) K/S 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 USD. (USD/DKK: 30/9 2016: 667.62 and USD/DKK: 30/9 2015: 665.88)

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

Gains/losses on investments in portfolio funds

Gains/losses on portfolio funds investments include income from investments (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.

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 and accrued income included in assets primarily comprise prepaid management fee to 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 USD 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 USD 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	USD 1.000	1/10 2015- 30/9 2016	1/10 2014 - 30/9 2015
1	Gains/losses on investments in portfolio funds	8,338	5,083
2	Management fees etc.	-675	-245
3	Other administrative expenses	-16	-19
	Operating profit	7,647	4,819
4	Financial expenses	-10	-21
	PROFIT/LOSS	7,637	4,798
 PROPOSED DISTRIBUTION OF THE PROFIT/LOSS			
	Transferred to retained earnings	7,637	4,798
	TOTAL RETAINED EARNINGS	7,637	4,798

Financial statements October 1 – September 30

Balance sheet

Note	USD 1.000	<u>30/9 2016</u>	<u>30/9 2015</u>
	ASSETS		
	FIXED ASSETS		
	Investment assets		
1	Investments in portfolio funds	40,037	23,324
	Total Fixed Assets	<u>40,037</u>	<u>23,324</u>
	CURRENT ASSETS		
	Receivables		
	Other receivables	0	2
	Total Receivables	<u>0</u>	<u>2</u>
	Total current assets	<u>0</u>	<u>2</u>
	TOTAL ASSETS	<u>40,037</u>	<u>23,326</u>
	LIMITED PARTNER'S CAPITAL AND LIABILITIES		
	LIMITED PARTNER'S CAPITAL		
5	Paid-up capital from Limited Partners	33,778	23,031
	Distributed to Limited Partners	-5,806	-3,718
	Retained earnings	11,322	3,685
	Total Limited Partner's capital	<u>39,294</u>	<u>22,998</u>
	LIABILITIES		
	SHORT-TERM LIABILITIES		
	Accounts payable and accrued liabilities	288	318
	Other payables	455	10
	Total short-term liabilities	<u>743</u>	<u>328</u>
	Total liabilities	<u>743</u>	<u>328</u>
	TOTAL LIMITED PARTNERS' CAPITAL AND LIABILITIES	<u>40,037</u>	<u>23,326</u>
6	Related parties		
7	Contingent liabilities, contingent assets and securities		

Financial statements October 1 – September 30

Statement of changes in Limited Partners' capital

USD 1.000	Paid-up capital from Limited Partners	Distributed to Limited Partners	Retained earnings	Total
Capital October 1, 2014	14,572	-967	-1,113	12,492
Paid-up from Limited Partners	8,459	0	0	8,459
Distributed to Limited Partners	0	-2,751	0	-2,751
Retained earnings	0	0	4,798	4,798
Capital October 1, 2015	23,031	-3,718	3,685	22,998
Paid-up from Limited Partners	10,747	0	0	10,747
Distributed to Limited Partners	0	-2,088	0	-2,088
Retained earnings	0	0	7,637	7,637
Capital September 30, 2016	33,778	-5,806	11,322	39,294

Financial statements October 1 – September 30

Notes

Note	USD 1.000	<u>30/9 2016</u>	<u>30/9 2015</u>
1	Investments in portfolio funds		
	Cost October 1	20,186	13,149
	Additions in the year	9,140	8,195
	Disposals in the year	<u>-374</u>	<u>-1,158</u>
	Cost September 30	<u>28,952</u>	<u>20,186</u>
	Revaluations October 1	3,138	224
	Revaluations on disposals in the year	-391	-2,169
	Revaluations in the year	<u>8,338</u>	<u>5,083</u>
	Revaluations September 30	<u>11,085</u>	<u>3,138</u>
	Carrying amount September 30	<u>40,037</u>	<u>23,324</u>
	Specification of revaluations in the year		
	Realised gains/losses on investments in portfolio funds	-106	1,405
	Unrealised gains/losses on investments in portfolio funds	<u>8,444</u>	<u>3,678</u>
	Gains/losses on investments in portfolio funds	<u>8,338</u>	<u>5,083</u>

Financial statements October 1 – September 30

Notes

Note	USD 1.000	1/10 2015 - 30/9 2016	1/10 2014 - 30/9 2015
2	Management fees etc.		
	Management fee	229	245
	Adjustment for provision for performance fee	446	0
	Management fees etc. in total	675	245
3	Other administrative expenses (incl. VAT)		
	Fee to auditor elected on the Annual General Meeting		
	Statutory audit	10	10
	Tax consultancy	2	4
	Fee to auditor elected on the Annual General Meeting in total	12	14
	The fund has not had any employees in the financial year		
4	Financial expenses		
	Interest expenses to credit institutions	10	21
	Financial expenses in total	10	21

Financial statements October 1 – September 30

Notes

Note USD 1.000

5 Limited Partners

	<u>Commitment</u>	<u>Paid-up</u>	<u>Outstanding Commitment</u>
Limited Partners	55,833	33,778	22,055

The Limited Partnership can make distributions to the Limited Partner, which the Limited Partnership has the possibility if call back again at a later time. At the balance sheet date this amounts to a total of USD 0 million.

6 Related parties

Manager

Danske Private Equity A/S, Niels Juels Gade 7, 1 059 Copenhagen K

Transactions: Annual management fee and possible performance fee

Limited Partnerships administrated by Danske Private Equity A/S

Danske Private Equity Partners V (USD-A) K/S, c/o Gorrissen Federspiel, H.C. Andersens Boulevard 12, 1 553 Copenhagen V

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

General Partner

DPE Partners V ApS, c/o Gorrissen Federspiel, H.C. Andersens Boulevard 12, 1 553 Copenhagen V

Transactions: Annual administration fee

Financial statements October 1 – September 30

Notes

Note USD 1.000

7 Contingent liabilities, contingent assets and securities

Investment commitments

	Commitment		Outstanding commitment	
	Currency	USD	Currency	USD
Commitment USD	54,030	54,030	22,864	22,864
Total commitment, USD		54,030		22,864

Portfolio funds have made distributions to the Limited Partnership, which they have the opportunity to call back at a later time. At the balance sheet date this amounts to USD 2.4 million.

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