

## **CapHold X ApS**

Borupvang 3

2750 Ballerup

Central Business Registration No

35647678

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 31.05.2017

### **Chairman of the General Meeting**

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Name: Ulrik Nicolai Jungersen



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## Entity details

### Entity

CapHold X ApS  
Borupvang 3  
2750 Ballerup

Central Business Registration No: 35647678

Registered in: Ballerup

Financial year: 01.01.2016 - 31.12.2016

### Executive Board

Jens Thøger Hansen  
Ulrik Nicolai Jungersen  
Erik Balleby Jensen

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
P.O. Box 1600  
0900 Copenhagen C

## Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of CapHold X ApS for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ballerup, 31.05.2017

### Executive Board

Jens Thøger Hansen

Ulrik Nicolai Jungersen

Erik Balleby Jensen

# Independent auditor's report

## To the shareholders of CapHold X ApS

### Opinion

We have audited the financial statements of CapHold X ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 the 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 these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Independent auditor's report

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 31.05.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No: 33963556

Bjørn Winkler Jakobsen  
State-Authorised Public Accountant

Henrik Hartmann Olesen  
State-Authorised Public Accountant



## Management commentary

### Primary activities

The Company's primary activities comprise investing and owning shares in other companies.

### Development in activities and finances

The income statement shows a loss of DKK 33,893k. The balance sheet shows equity of DKK 55,017k.

The subsidiary Xstream A/S generated unsatisfactory results in 2016. In 2016, CapHold X ApS supported the subsidiary with an increase of capital of DKK 3,991k.

During the year, Xstream A/S refocused its strategy towards its existing customer base and reduced its presence in overseas markets with an emphasis on servicing customers and potential new prospects from its offices in Denmark and Poland.

Management of Xstream A/S has, during the last six months, implemented a number of organisational changes and cost reduction measures and thus expects the results for 2017 to be positive in line with the Company's plans. Management does not expect to require additional funding.

### Corporate governance

The Company is part of a group in which the Danish private equity fund Capidea is a majority shareholder.

Companies owned by private equity funds and presenting the annual report after the provisions applying to reporting class C large entities are to incorporate DVCA's (Danish Venture Capital Association) guidelines for corporate governance.

The Company presents the annual report in accordance with the provisions applying to class B entities and is, therefore, not fully covered by the DVCA's guidelines but has voluntarily chosen to present additional relevant information.

Capidea is presented by the partner Mr. Ulrik Nicolai Jungersen on the Board.

### Uncertainty relating to recognition and measurement

Based on the development of the activities in the subsidiary, the Company has tested the investment for impairment. Based on the impairment test, Management has recognised impairment losses relating to goodwill of DKK 20,000k.

In relation to the Company's investments in unlisted companies, measurement will depend on both entity specific matters, including growth potential, performance, risks, etc as well as market-related matters including demand for the industry in question, etc.

Consequently, the measurement of investments and related goodwill is subject to estimates and uncertainties. The evaluation of the measurement of the investment is based on a discounted cash flow model which is specifically sensitive to the inputs of expected future cash flows, WACC, terminal growth etc.

## Management commentary

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other external expenses		(11.625)	(44.375)
<b>Operating profit/loss</b>		<b>(11.625)</b>	<b>(44.375)</b>
Income from investments in group enterprises		(32.470.440)	(15.316.669)
Other financial expenses	2	(1.603.696)	(1.507.258)
<b>Profit/loss before tax</b>		<b>(34.085.761)</b>	<b>(16.868.302)</b>
Tax on profit/loss for the year	3	192.796	142.779
<b>Profit/loss for the year</b>		<b>(33.892.965)</b>	<b>(16.725.523)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(33.892.965)	(16.725.523)
		<b>(33.892.965)</b>	<b>(16.725.523)</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investments in group enterprises		<u>82.327.273</u>	<u>111.144.200</u>
<b>Fixed asset investments</b>	4	<b><u>82.327.273</u></b>	<b><u>111.144.200</u></b>
<b>Fixed assets</b>		<b><u>82.327.273</u></b>	<b><u>111.144.200</u></b>
Receivables from group enterprises		48.750	0
Income tax receivable	5	<u>193.096</u>	<u>136.170</u>
<b>Receivables</b>		<b><u>241.846</u></b>	<b><u>136.170</u></b>
<b>Cash</b>		<b><u>558.629</u></b>	<b><u>483.612</u></b>
<b>Current assets</b>		<b><u>800.475</u></b>	<b><u>619.782</u></b>
<b>Assets</b>		<b><u>83.127.748</u></b>	<b><u>111.763.982</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		11.272.259	10.862.481
Retained earnings		43.744.894	74.394.123
<b>Equity</b>		<b>55.017.153</b>	<b>85.256.604</b>
Debt to other credit institutions		25.000.000	25.000.000
<b>Non-current liabilities other than provisions</b>	6	<b>25.000.000</b>	<b>25.000.000</b>
Other payables	7	3.110.595	1.507.378
<b>Current liabilities other than provisions</b>		<b>3.110.595</b>	<b>1.507.378</b>
<b>Liabilities other than provisions</b>		<b>28.110.595</b>	<b>26.507.378</b>
<b>Equity and liabilities</b>		<b>83.127.748</b>	<b>111.763.982</b>
Uncertainty relating to recognition and measurement	1		
Contingent liabilities	8		
Related parties with controlling interest	9		
Group relations	10		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	10.862.481	0	74.394.123	85.256.604
Increase of capital	409.778	3.580.819	0	3.990.597
Exchange rate adjustments	0	0	(386.851)	(386.851)
Other equity postings	0	0	49.768	49.768
Transfer to reserves	0	(3.580.819)	3.580.819	0
Profit/loss for the year	0	0	(33.892.965)	(33.892.965)
<b>Equity end of year</b>	<b>11.272.259</b>	<b>0</b>	<b>43.744.894</b>	<b>55.017.153</b>

## Notes

### 1. Uncertainty relating to recognition and measurement

Based on the development of the activities in the subsidiary, the Company has tested the investment for impairment. Based on the impairment test, Management has recognised impairment losses relating to goodwill of DKK 20,000k.

In relation to the Company's investments in unlisted companies, measurement will depend on both entity specific matters, including growth potential, performance, risks, etc as well as market-related matters including demand for the industry in question, etc.

Consequently, the measurement of investments and related goodwill is subject to estimates and uncertainties. The evaluation of the measurement of the investment is based on a discounted cash flow model which is specifically sensitive to the inputs of expected future cash flows, WACC, terminal growth etc.

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>2. Other financial expenses</b>		
Interest expenses	1.603.696	1.507.258
	<b>1.603.696</b>	<b>1.507.258</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Tax on profit/loss for the year</b>		
Tax on current year taxable income	(193.096)	(136.170)
Adjustment concerning previous years	300	(6.609)
	<b>(192.796)</b>	<b>(142.779)</b>

## Notes

	<b>Investments in group enterprises DKK</b>
<b>4. Fixed asset investments</b>	
Cost beginning of year	130.551.203
Additions	3.990.596
<b>Cost end of year</b>	<b><u>134.541.799</u></b>
Impairment losses beginning of year	(19.407.003)
Exchange rate adjustments	(386.851)
Adjustments on equity	49.768
Amortisation of goodwill	(5.589.442)
Impairment losses relating to goodwill	(20.000.000)
Share of profit/loss for the year	(13.413.923)
Other adjustments	6.532.925
<b>Impairment losses end of year</b>	<b><u>(52.214.526)</u></b>
<b>Carrying amount end of year</b>	<b><u>82.327.273</u></b>

The carrying amount of goodwill is DKK 75,771k.

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise:			
Xstream A/S	Ballerup	A/S	89,7

### 5. Income tax receivable

Tax receivable and current tax in the income statement represent the expected tax credit to be received based on the tax value of the development activities in the joint taxation in proportion to the total tax loss in the joint taxation for the income year 2016, according to the tax credit system.

<b>6. Liabilities other than provisions</b>	<b>Outstanding after 5 years DKK</b>
Debt to other credit institutions	25.000.000
	<b><u>25.000.000</u></b>



## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>7. Other payables</b>		
Accrued interests	3.098.970	1.496.128
Other costs payable	11.625	11.250
	<b><u>3.110.595</u></b>	<b><u>1.507.378</u></b>

### 8. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which TopCap X ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2014 for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

### 9. Related parties with controlling interest

TopCap X ApS, Ballerup, owns more than 50% of the voting share capital and controls the Company.

### 10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
TopCap X ApS, Copenhagen

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

#### Other financial expenses

Other financial expenses comprise interest expenses and fees.

#### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Accounting policies

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 20 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

#### Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

#### Cash

Cash comprises bank deposits.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.