

Capital Four - Strategic Lending Fund GP ApS

Per Henrik Lings Allé 2. 8, 2100 København Ø
CVR no. 36 90 13 73

Annual report for 2016

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 07.04.17

Henrik Østergaard
Dirigent

Company information etc.	3
Statement of the Board of Management on the annual report	4
Independent auditor's report	5 - 7
Income statement	8
Balance sheet	9
Statement of changes in equity	10
Notes	11 - 15

Company information etc.

The company

Capital Four - Strategic Lending Fund GP ApS
Per Henrik Lings Allé 2. 8
2100 København Ø
Registered office: København Ø
CVR no.: 36 90 13 73
Financial year: 01.01 - 31.12

Board of Management

Lone Sauer

Auditors

Ernst & Young Godkendt Revisionspartnerselskab

Bank

Jyske Bank

Parent company

Capital Four Holding A/S, København

Statement of the Board of Management on the annual report

I have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for Capital Four - Strategic Lending Fund GP ApS.

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

In my opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

The annual report is submitted for adoption by the general meeting.

Copenhagen, April 7, 2017

Board of Management

Lone Sauer

To the Board of Management of Capital Four - Strategic Lending Fund GP ApS

Opinion

We have audited the financial statements of Capital Four - Strategic Lending Fund GP ApS for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and the 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 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 responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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.

Copenhagen, April 7, 2017

Ernst & Young

Godkendt Revisionspartnerselskab
CVR no. 30700228

Anders Duedahl-Olesen
State Authorized Public Accountant

Rasmus Berntsen
State Authorized Public Accountant

Income statement

Note		2016	20.05.15
		DKK	DKK
	Other operating income	37.775	33.750
	Other external expenses	-37.775	-33.750
	Profit/loss before net financials	0	0
3	Financial income	7.500	4.765
	Financial expenses	-7	0
	Total net financials	7.493	4.765
	Profit/loss before tax	7.493	4.765
4	Tax on profit or loss for the year	-1.648	-1.087
	Profit/loss for the year	5.845	3.678
Proposed appropriation account			
	Retained earnings	5.845	3.678
	Total	5.845	3.678

Balance sheet

ASSETS

Note	31.12.16 DKK	31.12.15 DKK
Receivables from group enterprises	21.031	4.625
Other receivables	35.900	33.890
Total receivables	56.931	38.515
Cash	39.240	50.000
Total current assets	96.171	88.515
Total assets	96.171	88.515

EQUITY AND LIABILITIES

Contributed capital	50.000	50.000
Retained earnings	9.523	3.678
Total equity	59.523	53.678
Income taxes	1.648	1.087
Other payables	35.000	33.750
Total short-term payables	36.648	34.837
Total payables	36.648	34.837
Total equity and liabilities	96.171	88.515

5 Contingent liabilities

6 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for 01.01.16 - 31.12.16		
Contributed capital, beginning of year as at 01.01.16	50.000	3.678
Net profit/loss for the year (distribution of net profit)	0	5.845
Total as at 31.12.16	50.000	9.523

1. Main activities

The company's activity is to be general partner in Capital Four - Strategic Lending Fund K/S and all activities, which according to the Board of Management, are related hereto.

	2016	20.05.15
	DKK	31.12.15
		DKK

2. Staff costs

Average number of employees during the year	0	0
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3. Financial income

Interest, group enterprises	7.500	4.625
Tax-exempt interest and percentage supplements	0	140
Total	7.500	4.765

4. Tax on profit or loss for the year

Current tax for the year	1.648	1.087
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5. Contingent liabilities*Other contingent liabilities*

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The total tax liability for the jointly taxed companies at the balance sheet date has not yet been determined. For further information, please see the financial statements of the management company Capital Four Holding A/S.

6. Charges and security

The company is general partner in the limited partnership, Capital Four - Strategic Lending Fund K/S. Total liabilities in Capital Four - Strategic Lending Fund K/S amounts to DKK 122.299 thousand as of 31.12.16.

The company has not provided any other security over assets.

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for reporting class C medium-sized.

Change in accounting policies

Except for the areas mentioned above, the accounting policies have been applied consistently with the previous year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, 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.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

INCOME STATEMENT

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

7. Accounting policies - continued -**Other external expenses**

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Financial income and expenses

Interest income and interest expenses etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET**Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Cash

Cash includes deposits in bank accounts as well as operating cash.

7. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.